THE REPUBLIC OF UGANDA

Semi-Annual Budget Monitoring Report

Financial Year 2015/16

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Ministry of Finance, Planning and Economic Development
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TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS

AAAC	All Aluminium Alloy Conductors
ACAO	Assistant Chief Administrative Officer
ADB	African Development Bank
ADF	African Development Fund
AfDB	African Development Bank
AFSRT	Agency for Sustainable Rural Transformation
APAM	Amach Producers and Marketing Cooperative Society Limited
APF	Agro Processing Facility
ARDC	Aquaculture Research and Development Centre
ATC	Apropriate Technology Center
BADEA	Arab Bank for Economic Development in Africa
BER	Bid Evaluation Report
BICs	Business Incubation Centres
BIs	Beneficiary Institutions
BMAU	Budget Monitoring and Accountability Unit
BMT	Borehole Maintenance Technician
BMZ	German Federal Ministry of Economic cooperation and Development
Billion	Billion
BoQs	Bills of Quantities
BOWW	Barr Orphans Widows and Widowers Coop Society Limited
BPO	Business Process Outsourcing
BPTs	Break Pressure Tanks
BTVET	Business Technical Vocational and educational Training
CAIIP	Community Agriculture & Infrastructure Improvement
CAO	Chief Administrative Officer
CAPE	Creative Arts and Physical Education
CAR	Community Access Roads
CBILLION	Community Based Nursery
CBO	Community Based Organization
CBPP	Contagious Bovine Pleuro Pneumonia

CCCP	Community Child Care Programme
CCTS	Coordinating Center Tutors
CCTV	Closed Circuit Television
CEMAS	Computerized Education Management and Accounting System
CEPPA	Commissioner Education Planning and Policy Analysis
CERT	Computer Emergency Response Team
CGS	Competitive Grants System
CGV	Chief Government Valuer
CGV	Chief Government Valuer
CIAT	Center for Tropical Agriculture
CNOOC	Chinese National Offshore Oil Company
CSOs	Civil Society Organizations
C-TEP	Certificate in Teacher Education Proficiency
CWD	Coffee Wilt Disease
CWD-R	Coffee Wilt Disease Resistant
CWE	China International Waters and Electric Corporation
D/CAO	Deputy Chief Administrative Officer
DCDO	District Community Development Officer
DCPT	Dynamic Cone Penetration Test
DDA	Dairy Development Authority
DES	Directorate of Education Standards
DIS	Directorate of Information Security
DLG	District Local Government
DLP	Defects Liability Period
DP	Directorate of Petroleum
DPO	Deputy Principal Outreach
DRR	Disaster, Registration and Resettlement
DSC	District Service Commission
DSIP	Development Strategy and Investment Plan
DVO	District Veterinary Officer
DWO	District Water Office/Officer
DWSCC	District Water and Sanitation Coordination Committee
DWSDCG	District Water and Sanitation Development Conditional Grant

E&P	Exploration and Production
EA	Exploration Area
EA	East Africa
EAC	East African Community
ECD	Early Childhood Development
ECE	Early Childhood Education
EDI	Enterprise Development Investment
EEI	Enterprise Expansion Investment Fund
EFT	Electronic Fund Transaction
EIA	Environmental Impact Assessment
EIPL	Energy Infratech Private Ltd,
EOI	Expression of Interest
EPC	Engineering Procurement and Construction
ERT	Energy for Rural Transformation
ESDP	Electricity Sector Development Project
ESSP	Education Sector Strategic Plan
EU	European Union
EXIM	Export Import
FAO	Food and Agriculture Organization
FEED	Front End Engineering Design
FFS	Farmer Field School
FG	Farmer Groups
FGD	Focus Group Discussion
FINMAP	Financial Management and Accountability Programme
FLP	Farmer Learning Platforms
FMD	Foot and Mouth Disease
FMD	Foot and Mouth Disease
FY	Financial Year
GAPS	Good Agronomic Practices
GCIC	Government Citizen Interactive Centre
GDC	Geothermal Development Company
GDP	Gross Domestic Product
GFS	Gravity Flow Scheme/System

GIS	Geographical Information System
GIZ	German International Cooperation
GoU	Government of Uganda
GPE	Global Partnership for Education
Ha	Hectare
HESFB	Higher Education Students’ Financing Board
HESP	Higher Education Strategic Plan
HEST	Higher Education Science and Technology
HH	Household
HPLC	High Performance Liquid chromatography
HPMA	Hand Pump Mechanics Association
HPP	Hydro Power Project
HR	Human Resource
HSE	Health Safety and Environment
IA	Implementing Agency
IBD	Infection Bursal Disease
ICEIDA	Icelandic International Development Agency
ICT	Information Communications Technology
ICTAU	Information Communications Technology Association of Uganda
IDA	International Development Agency
IDA	International Development Association
IDB	Islamic Development Bank
IDM	Inter District Meeting
IDPs	Internally Displaced People
IFMS	Integrated Financial Management System
IP	Implementing Partner
IP	Internet Protocol
IPC	Interim Payment Certificate
IPF	Indicative Planning Figure
IPM	Integrated Pest Management
IPPS	Integrated Personnel and Payroll System
ISACA	Information Systems Audit and Control Association
ISP	Internet Service Provider

IT	Information Technology
ITES	Information Technology Enabled Services
ITP	Industrial Technology Park
ITU	International Telecommunications Union
IVA	Independent Verification Agent
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
KCCA	Kampala Capital City Authority
KfW	German Financial Cooperation (KfW Bankengruppe)
Kg	Kilogram
KHPP	Karuma Hydro Power Project
KIBP	Kampala Industrial and Business Park- Namanve
KIL	Kilembe Investment Limited
KIP	Karuma Interconnection Project
KNNN	Kigogole-Ngege-Nsoga- Ngasa
kV	Kilo volts
LACZ	Lake Albert Crescent Zone
LC	Local Council
LG	Local Government
LGFC	Local Government Finance Commission
LLG	Lower Local Government
LMC	Luwero Monitoring Committee
LRDP	Luwero Ruwenzori Development Project
LRTWG	Luwero Rwenzori Technical Working Group
LSD	Lumpy Skin Disease
LVWATSAN	Lake Victoria Water and Sanitation
m	Million
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture Animal Industry and Fisheries
MAN	Metropolitan Area Network
MATIP I	Markets and Agriculture Trade Improvement
MBSA	Microsoft Business Services Agreement
MDA	Ministries, Departments and Agencies

MDGs	Millennium Development Goals
MEACA	Ministry of East African Community Affairs
MEMD	Ministry of Energy and Mineral Development
MFPED	Ministry of Finance, Planning and Economic Development
MLHUD	Miniostry of Lands, Housing and Urban Development
MoES	Ministry of Education and Sports
MoESTS	Ministry of Education, Science Technology and Sports
MoFA	Ministry of Foreign Affairs
MoH	Ministry of Health
MoICT	Ministry of Information and Communications Technology
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
MoTIC	Ministry of Trade, Industry and Cooperatives
MoU	Memorandum of Understanding
MoWT	Ministry of Works and Transport
MPS	Ministerial Policy Statement
MT	Metric Tonne
MUBS	Makerere University Business School
MVA	Mega Volt Ampere - apparent power
MVar	Mega Volt Amperes – Reactive power
MWE	Ministry of Water and Environment
MWMID	Mineral Wealth and Mining Infrastructure Development
NAEZ	Northern Agro-Ecological Zone (NAEZ)
NARO	National Agricultural Research Organization
NBI	Nile Basin Initiative
NBI/EGI	National Backbone Transmission Infrastructure/E-Government Infrastructure
NCC	National Contracting Company
NCD/IB	New Castle Disease/infection Bronchitis
NCHE	National Council of Higher Education
NCIP	Northern Corridor Integration Projects
NDP	National Development Plan
NDP II	Second National Development Plan
NELSAP	Nile Equatorial Lakes Subsidiary Action Programme

NEMA	National Environment Management Authority
NFA	National Forestry Authority
NGO	Non Governmental Organisation
NISAG	National Information Security Advisory Group
NISF	National Information Security Framework
NITA-U	National Information Technology Authority
NOC	Network Operating Centre
NPA	National Planning Authority
NRCA	National Archives, Records Centre
NRM	Natural Resources Management
NSC	National Sericulture Center
NSDS	National Service Delivery Standards
NSIS	National Security Information System
NSSF	National Social Security Fund
NTCs	National Teachers' Colleges
NTR	Non Tax Revenue
NWSC	National Water and Sewerage Corporation
NYDC	National Youth Development Centre
O&M	Operation and Maintenance
OBT	Output Budgeting Tool
OFC	Optical Fibre Cable
OPD	Out Patient Department
OPM	Office of the Prime Minister
OPWG	Optical Ground Wire
OWC	Operation Wealth Creation
PAPs	Project Affected Persons
PARI	Public Agricultural Research Institute
PAS	Principal Assistant Secretary
PAU	Petroleum Authority Uganda
PAYE	Pay As You Earn
PCC	Plain Concrete Cement
PDHs	Physically Displaced Households
PFT	Project Facilitation Team

PhDs	Doctor of Philosophy
PHH	Post-Harvest Handling
PHRO	Principal Human Resource Officer
PIBID	Presidential Initiative on Banana Industrial Development
PIMS	Pension Information Management System
PIP	Public Investment Plan
PIRT	Presidential Investors Round Table
PKI	Public Key Infrastructure
PPP	Public Private Partnership
PPSS	Policy, Planning and Support Services
PRDP	Peace Recovery and Development Programme
PREEP	Promotion of Renewable Energy and Energy Efficiency programme
PROST	Pensions Reform Options Simulation
PSC	Public Service Commission
PSFU	Private Sector Foundation of Uganda
PSM	Public Sector Management
PSP	Public Stand Post
PSRP	Public Service Reform Programme
PTC	Primary Teachers' College
PWD	Person with Disability
Q1	Quarter 1
Q2	Quarter 2
Q2	Quarter 2
RAP	Resettlement Action Plan
RCC	Reinforced Cement Concrete
RCDF	Rural Communication Development Fund
RCIP	Regional Communication Infrastructure Project
RDP	Refinery Development Program
REA	Rural Electrification Agency
REO	Regional Extension Officer
RGCs	Rural Growth Centers
RHH	Regional Referral Hospital
ROW	Right of Way

RWSS	Rural Water Supply and Sanitation
S/C	Sub County
SACCO	Savings, Credit and Cooperative Organization
SDR	Special Drawing Rights
SESEMAT	Secondary Science Education and Mathematics Teachers
SFG	School Facilities Grant
SME	Small and Medium Enterprises
SNE	Special Needs Education
SOPs	Standing Operating Procedures
SPT	Standard Penetration Test
SPV	Special Purpose Vehicle
STRW	Support to Rural Water
STs	Small Towns
SWAEZ	South West Agro-Ecological Zone
T/C	Town Council
TA	Technical Assistance
TBI	Technology Business Incubation
TC	Town Council
TI	Technical Institute
TIET	Teacher Instructor Education Training
TSUs	Technical Support Units
TV	Television
TVET	Technical Vocational and Education Training
UBOS	Uganda Bureau of Statistics
UCC	Uganda Communications Commission
UCDA	Uganda Coffee Development Authority
UCU	Uganda Christian University
UDC	Uganda Development Corporation
UDET	Uganda Development Trust
UEGCL	Uganda Electricity Generation Company Limited
UETCL	Uganda Electricity Transmission Company Limited
Ug shs	Uganda Shillings
UIA	Uganda Investment Authority

UMA	Uganda Manufacturers' Association
UMCS	Unified Messaging Communication System
UMI	Uganda Management Institute
UNBS	Uganda National Bureau of Standards
UNEB	Uganda National Examinations Board
UNESCO	United Nations, Educational, Scientific and Cultural Organization
UNHS	Uganda National Household Survey
UNOC	Uganda National Oil Company
UNRA	Uganda National Roads Authority
UNRA	Uganda National Roads Authority
UOSPA	Uganda Oil seeds Producers and Processors Association
UPE	Universal Primary Education
UPOLET	Universal Post Ordinary Level Education and Training
UPPET	Universal Post Primary Education and Training
UPS	Uninterruptable Power Supply
UPSPEP	Uganda Public Service Performance Enhancement Project
UPU	Universal Postal Union
US$	United States Dollars
USADF	United States African Development Foundation
USAID	United States Agency for International Development
USE	Universal Secondary Education
USPA	Uganda Silk Producers Association
UTSEP	Uganda Teacher and School Effectiveness Project
UWSS	Urban Water Supply and Sanitation
VAT	Value Added Tax
VAT	Value Added Tax
VF	Vote Function
VIP	Ventilated Improved latrines
VSLA	Village Savings and Loans Association
VT	Valley Tank
WAs	Water Authorities
WB	Water Board
WES	Water and Environment Sector

WfP	Water for Production
WRM	Water Resources Management
WSDF-E	Water and Sanitation Development Facility-East
WSDF-N	Water and Sanitation Development Facility-North
WSDFs	Water and Sanitation Development Facilities
WSDF-SW	Water and Sanitation Development Facility-South West
WSP	Water and Sanitation Program
WSS	Water Supply and Sanitation
WUCs	Water User Committees
ZARDI	Zonal Agricultural Research Development Institutions

FOREWORD

Direct investments by the Government of Uganda in key sectors have tremendously increased over the past years. These resources have helped improve service delivery, albeit not to the levels envisioned by the Government. Effective implementation of government programmes/projects requires efficient and effective supervision and monitoring.

The Budget Monitoring and Accountability Unit (BMAU) in the Ministry of Finance, Planning and Economic Development, monitors and prepares monitoring reports that assess progress of implementation for selected programmes. This report gives an overview of financial and physical performance during the first half of the FY 2015/16 for selected programmes/projects in the priority sectors of Agriculture; Education, Energy, Health; ICT; Industrialization; Public Sector Management, and Water and Environment.

The report notes the implementation challenges and proposes interventions that can enhance effectiveness. These should guide the relevant stakeholders to critically review the proposed actions and act accordingly to ensure efficiency in service delivery.

Keith Muhakanizi

Permanent Secretary and Secretary to the Treasury

EXECUTIVE SUMMARY

BACKGROUND

This report presents findings of a review conducted on selected key vote functions and programmes within the sectors based on approved plans and significance of budget allocations to the votes. The focus was on votes for agriculture, education, health, energy, industrialization, ICT, public sector management, water and environment, and accountability (Finance). Emphasis was placed on programmes with large development expenditures. Recurrent expenditure was tracked for some votes under the sectors of agriculture, education, health, ICT and public sector management.

Projects selected for monitoring were based on regional representation, level of capital investment, planned annual outputs, and value of releases during the first half of FY 2015/16. The methodology adopted for monitoring included literature review of semi-annual progress and performance reports; interviews with the respective responsible officers or representatives; and observations on site.

FINDINGS

Overall Financial performance

(a) Central Government Ministries/Agencies

The financial performance analysis for central government primarily focused on the selected votes of priority sectors of agriculture, education, energy, health, accountability (MFPED), Information and Communication Techology (ICT), water and environment, roads and public sector management (PSM).

Financial performance

The development budgets for 26% of the selected priority central government ministries and agencies were revised as at 31st December 2015. The most significant revision was the development budget of Ministry of Education, Science, Technology and Sports (MoESTS) that increased by 9.7%.

The overall half year release performance was very good at 37%. Forty-two percent of the ministries/agencies release performance was over 41%; however the least release performance registered was 13% under Ministry of Finance, Planning and Economic Development (MFPED). The overall cumulative absorption rate of the ministries/agencies as at 31st December 2015 was 83% which was excellent.

The recurrent budgets for 75% of the selected ministries were revised as at 31st December 2015. The overall release performance was excellent at 46% and an absorption rate of 92% was achieved as at 31st December 2015.

Overall the Treasury Single Account had unspent balances of Ug shs 12.324 billion as at 31st December 2015 pointing to some absorption weaknesses in some sectors.

Key challenges were;

- Delays in the commencement of the procurement process and slack in the implementation by contractors.
- Delays in the finalization of warrants by the votes and actual availability of funds to the votes.

Recommendations

- The MFPED should prioritize development of a real time Integrated Procurement Management System that communicates with IFMS. This will enforce monitoring and evaluation of procurement performance.
- The MFPED should enforce finalization of warrants and observation of release schedules by all stakeholders to enable the timely implementation of development works.
- The central government/department/agencies staff should adopt the new PPDA law to improve efficiency in the procurement process.
- The MFPED should continue enforcing compliance to reporting deadlines by the accounting officers.

Overall physical performance

Agriculture

Six projects/programmes in the agricultural sector where monitored to assess semi-annual sector performance in FY 2015/16. These were: (i) Commercialization of Agriculture in Northern Uganda (ii) Livestock Disease and Control Project Phase 2 (iii) Production and Marketing Grant (PMG) in Local Governments (iv) Support for NARO (v) Agricultural Technology and Agribusiness Advisory Services and (vi) Uganda Coffee Development Authority (UCDA).

Sector performance

The overall sector performance was good at 60%, taking into account the low resource absorption. Some programmes such as the UCDA, Commercialisation of Agriculture in Northern project were very good performers while others under NARO and the PMG were fair performers.

There was evidence of delivery and receipt of various planting materials and inputs by farmers including coffee seedlings, silk worm eggs, rice and sunflower seeds, planters, tarpaulins, walking tractors and vaccines. Various infrastructure was constructed including conference facilities, laboratories and administration blocks. The beneficiaries expressed satisfaction with the quality of infrastructure established

Implementation challenges

1. **Wastage/poor accountability for inputs** distributed to farmers due to limited supervision and follow up of beneficiaries and records keeping by MAAIF and Local Governments (LGs).

- More than 61 million coffee seedlings were distributed to farmers by 31st December 2015 under UCDA programme; most UCDA field officers couldnot locate the beneficiaries of these seedlings which were distributed under the supervision of the Operation Wealth Creation (OWC) officers.

2. **Low agricultural outputs and outcomes** at farm level due to inadequate extension services, training, demonstration and adoption by farmers of improved technologies.

   - Under the Livestock Disease Control Project Phase II (LDC2), by 31st December 2015, the Kamuli Silk Farmers Association produced 192kgs (58%) of fresh silk worm cocoons from 11 boxes of eggs, below the expected 330kgs. The farmers lacked knowledge on improved methods and equipment for rearing the silkworms.

3. **Delayed or non-implementation of planned outputs at LG level due** to: (a) late and piecemeal disbursement of development funds, **(**b) mismatch between the timing of releases and the agricultural season, (c) untimely transfer of funds to the production account, (d) inadequate knowledge in the operationalization of the IFMS system, (e) weak link between MAAIF and the District Production Departments.

   - By 31st December 2015, most of the LGs had not implemented any development activity due to the piecemeal releases that led to differing capital procurements to Q3 and Q4.
   - Similarly, all the National Agricultural Research Organization (NARO) Zonal Agricultural Research Development Institutions (ZARDIs) had not implemented the planned activities for the Agricultural Technology and Agribusiness Advisory Services (ATAAS) project as funds were released in December 2015.
   - Limited interventions were undertaken for controlling pests and diseases of an epidemic nature as there was inadequate communication and support from MAAIF to LGs.

4. **Gender inequality in access to agricultural sector programmes and projects** due to non-responsiveness of the workplans and interventions in the sector to specific concerns of women, youth and persons with disability.

   - During the half year of 2015/16, under UCDA programme, men dominated in setting up coffee nurseries as a source of income and accessing trainings and inputs. Majority of coffee nursery operators in Bushenyi sub-region were male (54%), followed by institutions (29%) and females (17%). Most training sessions were attended by men (80%) with the rest being women, youth and persons with disabilities (20%). A similar trend was noted in accessing inputs such as seedlings, seeds and fertilizers.

Recommendations

- The MAAIF and all its agencies should collaborate with the DLGs to fast track implementation of the single spine extension system and recruit the requisite staff.

- The MAAIF and agencies should ensure timely disbursement of funds and inputs in line with the cropping seasons.
- The MAAIF and agencies should strengthen planning, budget execution and communication with the DLGs and regional institutes.
- The MAAIF and agencies should integrate gender concerns in all the sector interventions and address constraints that limit access to services by women, youth, elderly, PWDS and other disadvantaged groups.
- The MAAIF, its agencies and DLGs should review and address the transport needs of extension workers/field officers.

Education

The overall semi-annual performance of the MoESTS for FY2015/16 was good. Good performance was noted under Programmes - 02 Basic Education, which procured instructional materials for P.5-P7; **Project 1340 Development of Primary Teachers Colleges** Phase II which constructed additional facilities in PTCs; **Project 1233 Improving the Training of BTVET Technical Instructors, Health Tutors and Secondary Teachers in Uganda**, which rehabilitated and constructed facilities in four colleges; and the **Higher Education Students' Financing Board (HESFB)** which provided loans to students.

Other programmes and projects exhibited mixed performance of about 50% - Project 1273 Support to Higher Education Science and Technology, Project 0896 Support to MUBS Infrastructure Development, Project 0906 Gulu University and the Presidential Pledges.

Underperformance was noted under some programmes and projects, these include: **Project 0943; Emergency Construction and Rehabilitation of Primary Schools** which didnot implement its planned activities by half year and **Project 0897 Development of Secondary Education** continued to implement activities outside the approved performance contract.

Implementation Challenges

i) **Delayed remittance of counterpart funds:** this was witnessed in the ADB-HEST project which affected over 30 MUBS staff in addition to those in other universities. The staff secured admission and reported for various PhD programmes, however Government's counterpart funding has delayed for two financial years (FY2014/15, 2015/16) and many of the staff are on the verge of abandoning the courses. Hitherto, the project's rate of disbursement was only 2.64% after 60% of the project time has elapsed.

In addition, most of the institutions visited under Presidential Pledges had not received funds allocated by 31st December 2015. For example St. Augustine Butiti Primary Teachers College *(funds were on the District account by 18th January 2016).*

ii) **Unavailability of Consultants** for the Computerized Education Management and Accounting System (CEMAS). Consultants for CEMAS were not readily available and some modules, such as the Human Resource and Procurement Modules, were not operational.

iii) **Budget cuts** affected operations of universities particularly regarding payment of allowances, food, utilities and university development projects. Cuts for allowances and food led to riots in universities.

iv) **Poor planning** as the MoESTS continues to implement projects outside the approved work plan especially under Project 0897: Development of Secondary Education.

v) Marginalization: The Higher Education Students Financing Scheme (HESFS) remains a budget line item under Vote 013. This affects its planned activities and does not give it prominence in terms of growth, future prospects and funding. The HESFS' performance is also not clearly explained in Vote 013's performance report and its budget is sometimes negatively affected when Vote 013 has other competing priorities.

Recommendations

- The office of the Accountant General should ensure that consultants for CEMAS are available whenever called upon.
- The MoESTS should desist from implementing activities that are not planned for as this affects the set targets for the FY leading to low performance of a given project.
- The MoESTS should ensure that counterpart funds are disbursed to projects in time.

Energy

Overall, physical performance was fair at 53% by 31st December 2015. Good performing projects maintained their performance levels except the **Promotion of Renewable Energy and Energy Efficiency** that underperformed.

The good performing projects included; **Isimba and Karuma Hydro Power Plants,** the **Oil Refinery Project**, **Strengthening the Development and Production Phases of Oil and Gas sector**, **Uganda Geothermal Resources Development**, **Output-based Aid (OBA)**, **Grid Extension**, and the reviewed UETCL projects that had improved albeit at a slow pace. Isimba was ahead of schedule while Karuma was on schedule. The Oil Refinery Project performed at 76%. The compensations were in final stages and the contractor to construct the resettlement houses for some vulnerable project affected persons had commenced works.

The OBA project performed at 80% although issues of misallocation of benefits and exploitation of some beneficiaries were noted. For instance, in Lira some beneficiaries who could afford to pay for connections benefited from the free connections, while in Ntoroko district the beneficiaries were required to make some payments contrary to the requirements by the Rural Electrification Agency (REA). Strengthening the Development and Production Phases of Oil and Gas sector was at 72% and one of the highlights was the cabinet approval of the Model Production Sharing Agreement.

The poor performing projects included; **Promotion of Renewable Energy and Energy Efficiency Project (PREEP)**, **Downstream Petroleum Infrastructure**, **Mineral Wealth and Mining Infrastructure Development (MWMID), and Midstream Petroleum Infrastructure Development**. For instance, PREEP performed at 30% while the MWMID performed at 32%; Midstream performed at 40% and downstream trailed with 25%. Most of the planned outputs were not achieved by 31st December 2015 and many of them had not commenced at all.

The key constraints to achievement of set targets and service delivery included:

- **Inadequate and late release of funds** for projects such as those under UETCL; the Downstream Petroleum Infrastructure Project had received 25% of their budget, Nyagak III had received 23% funds for the RAP implementation. Under PREEP government funded projects, especially the Biomass sub-component procurements could not be concluded due to non-availability of funds. In the Upstream Petroleum Department, a number of outputs including construction of the administrative building were put on hold as no release was made.

- **Delayed acquisition of the Right of Way** (ROW) for the transmission line projects leading to stalling and demobilization of the contractor from site in some cases.

- **Selection of financially constrained contractors:** Some of the contractors engaged have inadequate financial capacity and cannot effectively implement work before provision of advance payment.

Recommendations

- The MEMD should rationalize utilization of received funds to implement activities in the different key development projects.
- The MEMD and MPFED should source for alternative funding to complement GoU funding to ensure service delivery.
- The MFPED and implementers of infrastructure projects should harmonize so that a single corridor for Right of Way is obtained for public use to save time lost during project implementation.
- The MFPED should prioritize funding to enable timely compensation of project affected persons that are in the corridor for where the EPC contractor is already on site.

Health

The overall physical performance of projects/programmes in the health sector was at 61.2% of its half year targets. The implication is that the sector did not achieve its half year targets. **Rehabilitation of Facilities in Western Region** achieved 100% of its targets followed by the **Global Alliance for Vaccines Initiative** (98%) and the **Uganda Health Systems Strengthening Project** (80.9%).

Rehabilitation of General Hospitals Project had the worst performance of 12% for the half year targets. This was followed by the PHC development grant at 33.1%. The poor performance of the **Rehabilitation of General Hospitals Project** was largely attributed to the unpreparedness of the local governments (LGs) in managing the project; some LGs were still implementing projects for the FY 2014/15.

Challenges:

The challenges are categorized into three i.e. funding, human resources and, equipment and medical supply challenges.

Funding issues:

- **Delayed Electronic Funds Transfers (EFTs)**: in some instances, EFTs were taking long to be approved on the system. This constrained payment of service providers and also caused low absorption in the affected entities.
- **Weak link of the IFMS**: the IFMS link is weak in certain districts which delays payment of service providers as well as implementation of the planned outputs/projects.
- **Lack of narratives on releases to entities**: MFPED and Ministry of Health have been sending money to entities without proper narratives on how the funds should be used. In such instances, some health managers have opted to leave the funds on accounts while others have used the funds for other purposes other than the intended.
- **Delayed remittance of funds to user departments**: funds were received on the health account on average later than the 15^{th} day of the second month of the quarter. This affects implementation of planned activities and also the absorptive capacity of the local governments.

Human Resource issues:

- **Inadequate human resources**: the Uganda Health Systems Strengthening Project has constructed more hospital infrastructure and procured equipment but this was not matched with necessary staff. For instance in most of the hospitals rehabilitated, a second outpatient department, a casualty unit and theatres were constructed but the staffing has not changed. In Kigorobya HCIV in Hoima district, they received hi-tech medical equipment but none of the staff including the medical officer can operate it.
- **Inadequate accommodation**: on average 70% of staff at the LGs and hospitals monitored are not accommodated. This affects service delivery as it increases absenteeism, and reduces the time a health worker is available on any given day to provide health services.
- **Delayed approval/appointment of health workers**: in Mbale hospital where the board conducted interviews and forwarded successful candidates to the Health Service Commission for their appointment in April 2015 but by January 2016, these candidates had not been appointed. This not only affects service delivery but also leads to low absorption of the wage bill.

Inadequate equipment and supplies:

- Lack of key equipment and transport to functionalize the health facilities, for example blood bank and ambulance to transport patients to hospitals from some health facilities.
- **Medicine stock outs**: High medicine stockout for health facilities on account of limited budgets, increased unit costs of medicines and increasing patient numbers. Emergency cases, for example accident cases along the highways cannot be adequately handled. Some health facilities were not receiving medicines despite having been commissioned and put on the list that receive PHC non-wage by MoH. This was noted in Buliisa and Oyam districts.

Recommendations

- The MFPED and MoLG should engage efficient Internet service providers to support the weak IFMS link that is being experienced by local governments.
- The MoH and MFPED should adequately communicate to LGs regarding funds released and guidelines on expenditure.
- The MoH should increase its allocation to the PHC non-wage recurrent expenditure with particular focus on preventive health care. This will help reduce the disease burden and also release pressure on the budget for available medicines.
- Parliament should increase the allocation for PHC wage to enable local governments recruit the much needed staffs. MoH should desist from selective motivation of health workers since one cadre cannot offer all the services needed at a health facility. The Ministry of Public Service should quickly approve recruitment on replacement basis for staff that were in post but left or retired.
- Local governments should prioritize construction of staff accommodation and procurement of motorcycles using the capital development grant to address the housing deficits and lack of transport means in health facilities.

Information and Communication Technology (ICT)

The semi-annual monitoring in the ICT sector focused on both development and recurrent activities of the National Information Technology Authority (NITA-U) and Ministry of Information and Communications Technology (MoICT).

The overall physical performance of the sector was rated as fair with 50% of half year targets achieved. The sector witnessed an increase in last mile connectivity from 80MDAs in June 2015 to 98 in December 2015, an increase in provision of bulk Internet over the National Transmission Backbone Infrastructure (NBI) reached 68 MDAs in December 2015 from 50 in June 2015, awareness campaigns on cyber laws were conducted, enabling policies, laws and regulations were drafted, test mail on the national post code and addressing system was conducted in Entebbe.

In addition, Internet costs reduced by half, Internet subscriber base increased from 4.3million in 2014 to 8.9 million in 2015, telephone subscribers increased from 19.5 million in 2014 to 23 million in 2015 and mobile money subscriber increased from 17.6 million in 2014 to 19.9 million in 2015. The sector is estimated to employ over 1.3 million people. Performance was however affected by slow implementation of the NBI, and poor performance of Non-Tax Revenue (NTR) which affected revenues for execution of the work plans.

The recurrent budget for NITA-U and both development and recurrent budget for the MoICT were affected by inadequate and zero release respectively. Implementation of Phase III of the NBI, a key flagship project was slow as trenching, delivery of equipment and installation of security equipment (CCTV) was yet to start.

Recommendations

- The NITA-U should track the implementation of the NBI to avoid further delays.
- The MoICT should revive and strengthen the sector working group to improve sector coordination.

- The MoICT and NITA-U should institute mechanism of generating and receiving the NTR in a timely manner.
- The Sector Working group should appropriately project the NTR and accordingly budget to avoid over estimation which affects work plan execution.

Industrialization

The semi-annual monitoring focused on selected projects implemented under the Ministry of Finance, Planning and Economic Development (MFPED), and the Ministry of Trade, Industry and Cooperatives (MoTIC). Under the MFPED, focus was on the United States African Foundation (USADF) project, Presidential Initiative on Banana Industrial Development (PIBID) project, and Development of Industrial parks project executed by Uganda Investments Authority (UIA). On the other hand, monitoring under MoTIC covered; One Village One Product (OVOP), and two Uganda Development Corporation (UDC) Projects namely; Soroti Fruit Factory and the pre-investment analysis of the Kiira Ashok Leyland feasibility on manufacturing/assembling light to medium buses and trucks.

Sector performance

A total of Ug shs 33.5 billion was allocated to industrialization sub-sector during FY 2015/16 and 41% of the budget was released by half year representing very good release performance against a target of 50%. The average expenditure performance against the release was good at 61%.

During the first half of the FY (July-December 2015), the sub-sector physical performance was rated as fair (58%) against the set targets. All monitored project had initiated the implementation of the approved work plans albeit at varying stages.

The **USADF** recorded the best performance with 80% of semi-annual targets achieved; the **Development of Industrial Parks** Project was rated at 70%; **PIBID** at 65%; **Construction of Soroti Fruit Factory** at 60%; **OVOP** at 40%; and the **Pre-investment analysis for proposed Kiira Ashok Leyland Joint Venture** Project at 35%.

It was observed that the release performance was less than the target which affected execution of planned activities, for example, compensation of squatters on Mbale Industrial Park land was slow due to inadequate releases, the civil works for the PIBID project had been abandoned by the contractor due to unpaid arrears worth Ug shs 13 billion, the Soroti Fruit Factory was slightly behind schedule due to changes in design and inclement weather. The OVOP project implementation remained slow with outputs carried forward from the previous FY, executed in the first half of FY 2015/16, while the new outputs were under procurement. The Value Addition Tea equipment for the proposed factories in Kabale and Kisoro were at procurement stage, while the pre-investment analysis study for the proposed Kiira Ashok Leyland Joint Venture was substantially completed and awaiting a final report.

The sub-sector continues to grapple with inadequate budget allocation and releases; poor planning, sluggish implementation of projects, escalating arrears and cost overruns due to non-payment of contractors, inadequate skilled labour especially in vehicle manufacturing sub sector, inadequate or incomplete equipment kits and lack of forward and backward linkages to related sectors and stakeholders.

Recommendations

- The MFPED should release the funds to the sub-sector and development of industrial parks project in particular on time to avoid piecemeal execution of activities (compensation of squatters in Mbale) and cost overruns.
- The MFPED should prioritize payment of outstanding arrears under the PIBID project to avoid cost overruns arising from interest on unpaid certificates.
- The MoTIC should expedite the implementation of the OVOP activities to ensure timely delivery of outputs. Planned activities should be implemented as scheduled.
- The MoTIC should identify the forward and backward linkages to beneficiaries under the OVOP project to avoid over dependency on grants.
- The MoTIC/UDC should spearhead the development of an automotive strategic plan to guide the sub-sector operations.
- The MoTIC and collaborating institutions should prioritize development of skilled and productive labour force as a foundation for industrial development.

Public Sector Management (PSM)

The overall PSM financial release performance was good (67.9%) and absorption excellent (80.8%). Physical performance was fair (58%) but varied across programmes.

Good performance was noted under **Markets and Agriculture Trade Improvement Project (MATIP-I)** at 70% under MoLG; and **Support to Ministry of Public Service** physical performance was good at 61.3%. Good performance was also noted in the development projects under MDAs. These included: **Public Service Commission** and **Support to Local Government Finance Commission.**

Fair performance was noted under **Support to Luwero-Rwenzori Development Programme (LRDP)** at 59% under Office of the Prime Minister; **Community Agriculture Infrastructure Improvement Programme (CAIIP-2)** also had fair performance of 58.5% under MoLG; and **Public Service Reforms** achieved 58% under the recurrent budget MoPS.

Implementation challenges

- Lack of private operators at sub-counties as required in the guidelines to operate the agro processing facilities leaving some non-operational for almost one year, for example in Mpigi and Wakiso districts.
- Delayed and partial payment on advance payment to contractors under the BADEA loan in the MATIP-1 Project.
- Abandonment of civil works under OPM projects arising out of delayed payments and as a result procurement for new contracts was lengthy hence delayed completion of projects.
- Lengthy procurement processes.

- Lack of clear operational guidelines and systems to implement the decentralized pensions management in ministries and local governments.
- Bureaucracy in assessing, verification, auditing resulting in non-payment of pension arrears and gratuity and funds remitted to MFPED.
- Lack of serious implementation of the performance management systems and rewards framework in the public sector so that staff that frustrate the reforms are sanctioned.

Recommendations

- MoLG should follow-up on sub-counties that have failed to outsource private service providers to manage the completed agro processing facilities.
- MoLG should hasten payments of contractors under MATIP 1; staff that frustrate the work of contractors should be sanctioned.
- The OPM should blacklist contractors who abandon sites and fully recover funds paid to such contractors.
- MoPS and OPM should set realistic performance targets in the implementation of planned outputs.
- MoPS and MFPED should coordinate and develop operational guidelines to address the management of the decentralized pensions in both central and local governments.
- MoPS and Uganda Civil Service College should step up the training and sensitization on the current HR reforms in the public sector.

Water and Environment

The Ministry of Water and Environment (MWE) performance was rated fair at 65%. A few planned outputs were achieved by 31st December 2015. Substantial work was realized in the on-going multiyear projects compared to new ones which had to go through the procurement process. Among the best performing projects was **Lake Victoria Water and Sanitation Project** with excellent performance of 93% where the major targeted outputs were achieved. These included completion of Luuka, Buwama/Kayabwe and Ntungamo targets. Lirima Gravity Flow System under **Support to Rural Water Supply project** exhibited good quality works.

Most of the projects performed fairly well and these included **Water and Sanitation Development Facility East (WSDF-E)** rated at 64.2% and **Water and Sanitation Development Facility North (WDSF-N)** at 64.7%. The piped water systems like Kagoma and Luuka in WDSF-E and Okollo and Pajule in WDSF-N were not completed as planned.

Other projects which had average performance included; **Bududa-Nabweya Gravity Flow Scheme** and **Lake Victoria Water and Sanitation Project**, **Namasuba Evacuation Pipeline** were lagging. The **District Water and Sanitation Development Conditional Grant** (DWSDCG) mainly achieved the rehabilitation of boreholes by the Hand Pump Mechanic Associations whose procurement had a waiver. Other hardware outputs were on-going while others were still under procurement.

The Water for Production and Protection of Lake Victoria –Kampala Sanitation Program performance was below average having not achieved most of the planned outputs.

Implementation challenges

- Delay in works implementation due to land acquisition setbacks for the project components.
- Poor planning and reporting: project implementers make very ambitious plans to achieve several outputs and end up not achieving them.
- Late initiation of procurements which affected implementation of big projects.
- The frequent break down of the IFMS affected internal transfer of funds which delayed implementation.
- Late release of donor funds for the WSDFs which dragged payment of Value Added Tax and the contractors' certificates.

Recommendations

- The MWE should purchase land for the project components prior to project initiation.
- Accounting officers should be held responsible for non-achievement of set targets due to late procurements.
- The MWE should prioritize budgets with the available resources to avoid incompatible plans and achievements.
- The MFPED/NITA-U should work out modalities of improving the IFMS connectivity to reduce on the rate of system breakdown.
- Donors should stick to agreed timelines for release of project funds.

PART 1: INTRODUCTION

CHAPTER 1: BACKGROUND

The mission of the Ministry of Finance, Planning and Economic Development (MFPED) is *"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*. It is in this regard that the ministry gradually enhanced resource mobilization efforts and stepped up funds disbursement to Ministries, Departments, Agencies and Local Governments in the past 25 years to improve service delivery.

Although some improvements have been registered in citizens' access to basic services, their quantity and quality remains unsatisfactory, particularly in the sectors of health, education, water and environment, agriculture and roads. The services being delivered are not commensurate to the resources that have been disbursed, signifying accountability and transparency problems in the user entities.

The Budget Monitoring and Accountability Unit (BMAU) was established in FY 2008/09 in MFPED to provide comprehensive information for removing key implementation bottlenecks. The BMAU is charged with tracking implementation of selected government programmes or projects and observing how values of different financial and physical indicators change over time against stated goals and targets (how things are working). This is achieved through semi-annual field monitoring exercises to verify receipt and application of funds by the user entities. Where applicable, beneficiaries are sampled to establish their level of satisfaction with the public service.

The BMAU prepares semi-annual and annual monitoring reports of selected government programmes and projects. The monitoring is confined to levels of inputs, outputs and intermediate outcomes in the following areas:

- Agriculture
- Infrastructure (Energy and Roads)
- Industrialization
- Information and Communication Technology
- Social services (Education, Health, and Water and Environment)
- Microfinance; and
- Public Sector Management

CHAPTER 2: METHODOLOGY

2.1 Scope

This report is based on selected programmes in the following sectors: Accountability (Finance) Agriculture, Education Energy, Health, ICT, Industrialization, Public Sector Management, and Water and Environment. Selection is based on a number of criteria:

- Significance of the budget allocations to the votes within the sector budgets, with focus being on large expenditure programmes. Preference is given to development expenditure; except in agriculture, education, health, PSM and ICT where some recurrent costs are tracked.
- The programmes that had submitted progress reports by the end of second Quarter in FY 2015/16 were followed up for verification as they had specified output achievements.
- Programmes that had been monitored in previous FY but were having major implementation issues were also visited.
- Potential of projects/programmes to contribute to sector and national priorities.

Physical performance of projects and outputs was assessed through monitoring a range of indicators and linking the progress to reported expenditure. For completed projects, monitoring focused on value for money, intermediate outcomes and beneficiary satisfaction.

2.2 Methodology

Across all the projects and programmes monitored, the key variables assessed included: performance objectives and targets; inputs and outputs, implementation processes and the achievement of intermediate outcomes and beneficiary satisfaction, where feasible.

2.2.1 Sampling

A combination of random and purposive methods were used in selecting projects from the information provided in the Ministerial Policy Statements and progress reports of the respective departments. Priority was given to monitoring outputs that were physically verifiable. In some instances, multi-stage sampling was undertaken at three levels: i) sector programmes and projects ii) Local governments iii) Project beneficiaries.

Outputs to be monitored are selected so that as much of Government of Uganda (GoU) development expenditure as possible is monitored during the field visits. Districts are selected so that as many regions of Uganda as possible are sampled throughout the year for effective representation.

2.2.2 Data Collection

Data was collected from various sources through a combination of approaches:

- Review of secondary data sources including: Ministerial Policy Statements for FY 2015/16; National and Sector Budget Framework Papers; Sector project documents and performance reports in the Output Budgeting Tool (OBT), Sector Quarterly Progress Reports and work plans, District Performance Reports, Budget Speech, Public Investment Plans, Approved Estimates of Revenue and Expenditure, and data from the Budget Website.
- Review and analysis of data from the Integrated Financial Management System (IFMS) and legacy system; Quarterly Performance Reports (Performance Form A and B) and bank statements from some implementing agencies.
- Consultations and key informant interviews with project managers in implementing agencies both at the Central and Local Government level;
- Field visits to project areas for observation and photography.
- In some cases call-backs were done to triangulate information.

2.2.3 Data Analysis

The data was analyzed using both qualitative and quantitative approaches. Comparative analyses were made using averages, and percentages. The extent of incorporation of gender and equity concerns in the programmes was assessed and analyzed, wherever relevant.

Project performance was rated in percentages according to level of achievement of the planned outputs and targets, and overall utilization of funds for multi-year projects. The performance was rated on the basis of the following criterion.

Table 2.1: Assessment guide to measure performance of project monitored in FY 2015/16

SCORE	COMMENT
80% and above	Excellent (All set targets achieved and funds well utilized)
70%-79%	Very good (Most of the set targets achieved and funds absorption is 70%-79%)
60%-69%	Good (Some core set targets achieved and funds absorbed to 60%-69%)
50-59%	Fair (Few targets achieved and funds absorption is 50%-59%)
Less than 50%	Below average (No targets achieved and funds absorption is less than 50%)

2.3 Limitations of the report

The preparation of this report was constrained by a number of factors namely:

- Limited financial information especially for donor perfomance on some projects hence financial performance may have been underestimated or not captured at all.
- Assumption that warrants on the Integrated Financial Management System (IFMS) are equal to the release sometimes provides inconsistent information during financial analysis. The absorption rate of some Ministries, Departments and Agencies (MDAs) might be overstated.
- There were cases of incomplete information especially in cases where the responsible officers were either not available, new in office or relevant documents not being readily available. Under developed data collection, analysis and management systems in agriculture sector institutions, especially at LG level also affected quality of information gathered.
- Data in Local Governments was not gender disaggregated to enable detailed analysis.
- Lack of clear performance indicators in some programmes, hence difficulty in rating overall performance.
- Difference is reporting calendars of some institutions make it difficult to compare progress. In the coffee sector, the progress reported following the FY (July to June) could not be compared with the annual targets set for the coffee year (October to September).
- Fieldwork was conducted during school holidays. This posed some difficulties in getting information from some head teachers who were not at their schools.

2.4 Structure of the report

The report is arranged into four parts with a total of 13 chapters. Part one covers introduction and methodology; part two gives financial performance in central government; part three is on physical performance in 8 sectors; while part four outlines the key conclusions and recommendations. Chapter 3 gives the financial performance of the central government respectively. Physical performance of the sectors of agriculture, education, energy, health, ICT, industrialization, public sector management, water and environment constitute chapters 4-11 respectively. Chapter 12 gives the conclusion, while chapter 13 has recommendations.

PART 2: FINANCIAL PERFORMANCE

CHAPTER 3: FINANCIAL PERFORMANCE OF CENTRAL GOVERNMENT

3.1 Introduction

The financial performance analysis for central government primarily focuses on votes for the selected priority sectors of; agriculture; education; energy; health; accountability (Finance); ICT; water and environment, roads, and public sector management.

3.2 Scope

This review focused on the Government of Uganda (GoU) domestic development approved budget, releases and expenditures for the first half of Financial Year (FY) 2015/16 of the selected priority Ministries and Agencies. These include; Ministry of Agriculture, Animal Industry and Fisheries (MAAIF); Ministry of Education Science Technology and Sports (MoESTS); Ministry of Information, Communication and Technology (MICT); Ministry of Energy and Mineral Development (MEMD); Ministry of Finance, Planning and Economic Development(MFPED); Ministry of Health (MOH); Ministry of Works and Transport(MoWT); and Ministry of Water and Environment (MWE). Others are Ministry of Local Government (MoLG), Ministry of Trade, Industry and Cooperatives (MTIC), Office of the Prime Minister (OPM), Ministry of Public Service (MPS), Uganda National Roads Authority (UNRA), National Information Technology Authority – Uganda (NITA-U), National Planning Authority (NPA) and Kampala Capital City Authority (KCCA).

The review of performance was extended to the recurrent budgets of MAAIF, MoESTs, MOH and OPM

3.3 Financial Performance of Ministries and Agencies

3.3.1 Vote 010 Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)

The MAAIF GoU approved development budget for the FY 2015/16 is Ug shs 45.267 billion. The vote realized Ug shs 14.16 billion (31% of the budget) and absorbed Ug shs 9.194 billion (65% of the release) by 31st December 2015.

The release performance was fair, two projects (7%)[1] out of twenty eight achieved above 50% and 93% of the projects performed below 50% of the planned budget. The least release performance was 19% on projects 1267- construction of MAAIF headquarters and 1328-support to agricultural training institutions. The absorption rate was on average 65% for all the projects where 10% of the projects achieved 100% absorption and the least performance of 6% registered on project 1195-Vegetable oil development . Table 3.1 shows the details of the MAAIF development budget performance for the first half year period to 31st December 2015.

[1] 104- support for tea and cocoa seedlings and 1264-Commercialization of agriculture in northern Uganda

Table 3.1: MAAIF GOU Development Budget Performance as at 31st December 2015 (Ug Shs)

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
76	Support for Institutional Development	2,898,932,000	830,892,494	533,858,641	29	64
104	Support for Tea Cocoa Seedlings	2,100,000,000	1,197,752,718	1,128,335,791	57	94
970	Crop Disease and Pest Control	2,243,750,000	568,224,565	304,792,469	25	54
1008	Plan for National Agriculture Statistics	1,356,250,000	590,141,396	388,671,362	44	66
1010	Agriculture Production, Marketing and Production	1,197,250,000	297,444,553	275,734,021	25	93
1085	MAAIF Coordination/U Growth	2,258,875,000	631,021,702	541,490,378	28	86
1195	Vegetable Oil Development Project	10,212,442,999	2,830,176,273	172,103,634	28	6
1238	Rice Development Project	745,000,000	269,302,031	177,004,376	36	66
1263	Agriculture Cluster Development Project	205,000,000	79,133,162	42,615,000	39	54
1264	Commercialization of Agriculture in Northern Uganda	700,000,000	526,185,494	526,185,494	75	100
1265	Agriculture Technology Transfer	250,000,000	88,916,795	81,172,600	36	91
1266	Support to Agro processing and Marketing of Agricultural product	400,000,000	115,345,392	105,256,749	29	91
1267	Construction of MAAIF Headquarters	1,059,550,000	196,844,253	119,690,984	19	61
1316	Enhancing National Food Security through Rice production in Eastern Uganda	700,000,000	272,667,789	114,100,155	39	42
1323	The Project on Irrigation Scheme Development in Central and Eastern Uganda	400,000,000	86,567,992	79,371,715	22	92
1324	Northern Uganda Farmers Livelihood Improvement Project	300,000,000	106,700,153	95,713,306	36	90
1326	Farm-Based Bee Reserves Establishment Project	300,000,000	106,700,154	71,646,036	36	67
1327	National Farmers Leadership Centre	800,000,000	219,851,990	168,821,519	27	77
1328	Support to Agricultural Training Institutions	800,000,000	151,962,722	151,962,722	19	100

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
1329	The Goat Export Project in Sembabule District	1,200,000,000	444,170,223	444,170,223	37	100
1330	Livestock Diseases Control Project Phase 2	5,531,500,000	2,011,547,048	1,891,299,629	36	94
1357	Improving Access and use of Agricultural Equipment and Mechnisation through the use	6,468,031,127	1,584,200,144	1,008,227,163	24	64
1358	Meat Export Support Services	500,000,000	183,606,903	112,820,031	37	61
1361	Uganda China South-South Cooperation Phase II	300,000,000	106,700,154	102,834,144	36	96
1362	Agro-Economic Impact Deepening in the Albertine Basin	300,000,000	64,925,994	44,125,919	22	68
1363	Regional Pastoral Livelihood Improvement Project	400,000,000	142,266,871	131,890,917	36	93
1364	The Potato Commercialisation Project	300,000,000	106,700,154	103,673,123	36	97
1365	Support to sustainable Fisheries Development project	1,341,000,000	306,709,439	276,782,794	23	90
	Total	45,267,581,126	14,116,658,558	9,194,350,895	31	65

Source: IFMS

The GoU recurrent budget for MAAIF for FY 2015/16 is Ug shs 47.948 billion of which Ug shs 18.293 billion (38% of the budget) was released by 31st December 2015. The vote spent Ug shs 16.096 billion (88% of the release) which was excellent performance. Table 3.2 shows the recurrent budget performance of the vote for the half year period to 31st December 2015 FY 2015/16.

Table 3.2: MAAIF Recurrent Budget Performance as at 31st December 2015 (Ug Shs)

Programme code	Programme Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
01	Headquarters	6,416,150,317	,404,837,550	,596,687,449	45	89
02	Directorate of Crop Resources	564,100,000	345,615,822	307,150,326	61	89
04	Crop Protection Department	2,278,461,693	998,531,078	761,592,187	44	76

Programme code	Programme Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
05	Crop Production Department	1,223,269,452	357,663,647	338,439,090	29	95
06	Directorate of Animal Resources	426,894,787	143,065,458	141,152,075	34	99
07	Animal Production Department	1,351,000,000	465,917,645	436,941,576	34	94
08	Livestock Health and Entomology	2,694,506,104	1,270,920,939	1,156,955,159	47	91
09	Fisheries Resources Department	2,265,000,000	717,765,057	692,785,471	32	97
10	Department of Planning	2,500,000,000	850,426,811	843,564,326	34	99
13	Internal Audit	507,461,597	123,228,398	123,228,398	24	100
14	Crop Regulation and Certification	1,900,000,136	516,495,480	436,816,746	27	85
15	Department for Agricultural Infrastructure and Water for Agricultural production	,588,319,719	973,512,350	847,912,595	38	87
17	Department of Entomology	2,200,000,000	843,599,536	757,218,188	38	90
18	Department of Aquaculture Management & Development	,400,000,000	980,977,434	604,317,419	29	62
19	Department of Fisheries Control, Regulation and Quality Assurance	3,451,704,109	1,133,395,350	908,096,135	33	80
20	Directorate of Agricultural Support Activities	2,000,000,229	711,809,077	695,525,719	36	98
21	Department of Agribusiness	1,081,742,793	238,282,237	234,011,238	22	98
22	Agricultural	1,100,000,000	217,691,789	214,128,246	20	98

Programme code	Programme Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
	Statistical Unit					
	Total	47,948,610,936	18,293,735,658	16,096,522,343	38	88

Source: IFMS

3.3.2 Vote 013 Ministry of Education Science Technology and Sports (MoESTS)

The GoU approved development budget for the MoESTS for FY 2015/16 was revised to Ug shs 89.394 billion representing a 9.7% increase. This was on account of a supplementary budget of Ug shs 7.909 billion towards project; 1273-Support to Higher Education Science and Technology.

The vote realized Ug shs 28.536 billion (32%) of the budget and registered overall absorption of Ug shs 16.443 billion (58%) of the release by 31st December 2015. The release performance was fair against a fair absorption rate for the projects under this vote. Table 3.3 shows the detailed performance of the development budget of MoESTS for the half year period to 31 December 2015.

Table 3.3: MoESTS GOU Development Budget Performance as at 31st December 2015 (Ug Shs)

Project code	Project Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
897	Development of Secondary Education	7,783,173,000	2,934,208,291	2,397,467,793	38	82
942	Development of BTVET	13,801,850,000	4,407,270,110	4,104,564,225	32	93
971	Development of TVET P7 Graduate	1,100,000,000	348,260,000	275,000,000	32	79
984	Relocation of Shimon PTC	642,062,000	199,039,220	89,605,950	31	45
1093	Nakawa Vocational Training Institute	702,000,000	222,253,200	222,200,000	32	100
1232	Karamoja Primary Education Project	1,100,000,000	390,187,410	384,721,370	35	99
1233	Improving the Training of BTVET Technical Instructors and Health tutors	2,498,263,065	1,015,703,419	429,360,902	41	42

Project code	Project Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
1241	Development of Uganda Petroleum Institute Kigumba	8,000,000,000	1,980,000,000	1,980,000,000	25	100
1270	Support to National Health and Departmental Training Institutions	2,848,000,000	1,082,481,638	1,077,376,638	38	100
1273	Support to Higher Education, Science and Technology	6,378,843,189	3,232,652,662	2,263,987,325	20	70
1296	Uganda Teacher and School Effectiveness Project	13,073,476,000	849,193,255	467,836,994	45	8
1308	Development and Improvement of Special Needs Education	2,060,667,000	724,712,370	286,733,600	35	40
1310	Albertine Region Sustainable Development	4,319,306,000	1,768,732,223	408,503,604	41	23
1338	Skills Development Project	300,000,000	93,000,000	85,612,400	31	92
1339	Emergency Construction of Primary Schools Phase II	1,864,900,000	578,788,240	29,703,700	31	5
1340	Development of PTCS Phase II	5,377,823,719	1,346,919,623	1,313,134,732	25	97
1368	John Kale Institute of Science and Technology	613,820,000	192,849,200	113,004,779	31	59
1369	Akii Bua Olympic Stadium	1,000,000,000	311,140,000	42,054,000	31	14
1370	National High Altitude Training Centre	5,829,800,000	1,827,421,761	466,203,829	31	26
1378	Support to the Implementation of Skilling Uganda Strategy	100,001,000	31,000,000	6,380,800	31	21
	Total	89,393,984,973	28,535,812,622	16,443,452,641	32	58

Source: IFMS

The GoU recurrent budget for MoESTS for FY 2015/16 was revised to Ug shs 157.488 billion through a supplementary budget of Ug shs 14.400 billion to programme 01- Headquarter. The vote realized Ug shs 78.161 (50% of the budget) of which Ug shs 75.295 (96% of the release) was spent by 31st December 2015.This was excellent performance for both the release and absorption. The detailed performance of the recurrent budget for the vote for the half year period to December 2015 FY 2015/16 is shown in table 3.4

Table 3.4: MoESTS Recurrent Budget Performance as at 31st December 2015 (Ug Shs)

Programme code	Programme Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
01	Headquarter	27,464,807,086	12,309,658,735	1,295,751,673	45	92
02	Basic Education	24,277,730,401	16,978,569,811	16,027,245,002	70	94
03	Secondary Education	1,486,690,728	822,313,087	811,516,857	55	99
04	Teacher Education	16,862,325,995	8,584,650,547	8,581,108,914	51	100
05	BTVET	21,452,970,484	11,755,258,450	11,731,267,939	55	100
06	Special Needs Education and Career Guidance	1,122,277,027	465,282,650	449,961,794	41	97
07	Higher Education	30,962,168,030	13,045,432,858	12,818,109,896	42	98
08	Planning	7,033,539,762	2,200,032,010	2,084,804,933	31	95
09	Education Standards Agency	4,017,317,839	1,313,278,660	1,253,413,103	33	95
10	NHSTC	11,585,344,000	5,758,141,600	5,757,561,000	50	100
11	Dept.Training Institutions	3,375,285,345	1,947,495,077	1,874,789,098	58	96
12	Sports and PE	5,270,482,965	2,052,872,661	2,010,834,120	39	98
13	Internal Audit	533,085,737	164,371,436	146,966,900	31	89
14	Private Schools Department	981,291,055	296,210,624	292,342,373	30	99
15	Guidance and Counseling	1,063,513,053	467,957,113	159,334,518	44	34
	Total	157,488,829,507	78,161,525,319	75,295,008,120	50	96

Source: IFMS

3.3.3 Vote 017 Ministry of Energy and Mineral Development (MEMD)

The GoU approved development budget of the MEMD for the FY 2015/16 is Ug shs 307.877 billion. The vote realized Ug shs 202.311 billion (66% of the budget) and achieved an overall absorption rate of 98% which was excellent; Table 3.5 shows the MEMD GoU development budget performance for half year period to 31st December 2015.

Table 3.5: MEMD GoU Development Budget Performance as at 31st December 2015 (Ug Shs)

Project code	Project Name	GOU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
325	Energy for Rural Transformation II	2,413,661,400	802,524,613	802,524,613	33	100
940	Support to Thermal Generation	31,287,000,000	18,071,750,000	18,071,750,000	58	100
1023	Promotion of Renewable Energy and Energy Efficiency	4,956,893,500	1,430,295,713	1,397,789,845	29	98
1024	Bujagali Interconnection Project	500,000,000	500,000,000	500,000,000	100	100
1025	Karuma Interconnection Project	4,000,000	1,000,000	1,000,000	25	100
1026	Mputa Interconnection Project	1,500,000,000	112,500,000	112,500,000	8	100
1137	Mbarara-Nkenda/Tororo-Lira Transmission lines	1,448,621,453	325,939,827	325,939,827	23	100
1140	NELSAP	2,337,253,030	292,156,629	292,156,629	13	100
1142	Management of the Oil and Gas Sector	20,079,093,000	17,782,958,100	17,718,745,311	89	100
1143	Isimba HPP	1,000,000,000	225,000,000	225,000,000	23	100
1144	Hoima-kafu Interconnection	133,716,511,326	133,174,369,415	130,090,585,377	100	98
1183	Karuma Hydroelectricity Power Project	30,735,167,416	5,052,634,041	4,866,086,954	16	96
1184	Construction of Oil Refinery	4,297,000,000	1,789,105,000	1,636,300,636	42	91
1199	Uganda Geothermal Resources Development	3,850,168,975	1,120,161,263	1,112,491,566	29	99

Project code	Project Name	GOU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
1212	Electricity Sector Development Project	1,000,000,000	275,000,000	275,000,000	28	100
1221	Opuyo- Moroto Interconnection Project	1,040,000,000	221,000,000	221,000,000	21	100
1222	Electrification of Industrial Parks	18,868,228,435	8,658,736,330	8,350,010,794	46	96
1223	Institutional Support to MEMD	100,000,000	47,500,000	27,136,000	48	57
1256	Ayago Interconnection Project	11,000,000,000	3,099,000,000	3,052,893,962	28	99
1258	Downstream Petroleum Infrastructure	10,523,000,000	2,578,450,000	2,578,450,000	25	100
1259	Kampala-Entebbe Expansion Project	2,413,661,400	802,524,613	802,524,613	33	100
1350	Muzizi Hydro Power Project	1,070,000,000	183,003,965	183,003,965	17	100
1351	Nyagak III Hydro Power Project	910,000,000	204,750,000	204,750,000	23	100
1352	Midstream Petroleum Infrastructure Development Project	2,475,000,000	1,163,325,000	1,154,608,218	47	99
1353	Mineral Wealth and Mining Infrastructure Development	6,599,000,000	1,171,371,647	890,214,942	18	76
1355	Strengthening the Development and Production phases of Oil and Gas Sector	16,166,410,877	4,029,250,000	3,885,451,651	25	96
	Total	307,877,009,412	02,311,781,543	97,975,390,290	66	98

Source: IFMS

3.3.4 Vote 123 Rural Electrification Agency (REA)

The GoU approved development budget for REA for the FY 2015/16 is Ug shs 47.403 billion of which Ug shs 28.747 billion (61% of budget) was released by 31st December, 2015. The unspent balance was Ug shs 26 million which was less than 1% of the funds released and spent.

Overall the release and absorption performance of the vote was excellent. Detailed performance of REA GoU development budget is shown in Table 3.6

Table 3.6 REA GOU Development Budget performance as at 31st December 2015

Project code	Project Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
1261	West Nile Grid Extension Programme	1,500,000,000	,500,000,000	1,500,000,000	100	100
1262	Rural Electrification Project	45,903,500,000	7,246,827,570	27,220,524,070	59	100
	Total	47,403,500,000	28,746,827,570	28,720,524,070	61	100

Source: IFMS

3.3.5 Vote 014 Ministry of Health (MoH)

The GoU approved development budget for MOH for the FY 2015/16 was revised to Ug shs 32.109 billion. A supplementary of Ug shs 2.4 billion was towards project 1314- Rehabilitation and Equipping of Health Facilities in Western Region. A total of Ug shs 16.848 billion (52% of the budget) was released and Ug shs 13.155 billion was spent as at 31st December 2015.

The overall absorption rate was good at 78%. However there was no release for project -1314- Rehabilitation and Equipping of Health Facilities in Western Region Table 3.7 shows the detailed performance of MoH development budget.

Table 3.7: MoH GOU Development Budget Performance as at 31st December 2015 (Ug Shs)

Project code	Project Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
216	District Infrastructure Support Programme	9,298,000,000	3,104,820,294	681,029,908	33	22
220	Global Fund for AIDS,TB and Malaria	5,000,000,000	2,297,209,426	2,038,029,000	46	89
1027	Institutional Support to MoH	2,601,082,892	2,031,717,551	1,535,242,514	78	76
1123	Health Systems Strengthening	299,653,148	98,092,930	97,699,677	33	100
1141	GAVI Vaccines and	10,030,000,000				

Project code	Project Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
	HSSP		8,010,622,101	8,010,622,101	80	100
1148	Public Health Laboratory Strengthening Project	350,000,000	97,191,428	77,127,905	28	79
1185	Italian Support to HSSP and PRDP	100,000,000	55,000,000	35,916,000	55	65
1187	Support to Mulago Hospital Rehabilitation	950,000,000	580,733,459	324,035,877	61	56
1218	Uganda Sanitation Fund Project	150,000,000	85,910,427	-	57	-
1314	Rehabilitation and Equipping of Health Facilities in Western Region	2,430,921,097	-	-	-	-
1315	Construction of Specialized Neonatal and Maternal Unit	900,000,000	487,171,040	355,672,656	54	73
	Total	32,109,657,137	16,848,468,656	13,155,375,638	52	78

Source: IFMS

The GoU recurrent budget for MOH for FY 2015/16 is Ug shs 73.137 billion. The vote realized Ug shs 31.198 billion (43% of the budget) of which Ug shs 27.954 billion (90% of the release) was spent. Table 3.8 shows the recurrent performance of the vote for the first half year period to 31st December 2015.

Table 3.8: **MoH Recurrent Budget Performance as at 31st December 2015 (Ug Shs)**

Programme code	Programme Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
01	Headquarters	25,827,358,989	12,216,545,113	10,430,035,087	47	85
02	Planning	4,790,309,004	2,441,307,866	1,847,492,765	51	76
03	Quality Assurance	809,948,000	254,526,976	239,910,310	31	94
04	Research Institutions	2,435,342,000	954,657,689	951,921,070	39	100

Programme code	Programme Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
05	Joint Clinical Research Centre (JCRC)	242,000,000	98,094,128	98,094,128	41	100
06	Community Health	3,198,324,000	1,108,393,027	1,039,099,148	35	94
07	Clinical Services	8,161,658,000	6,892,981,000	6,588,267,213	38	96
08	National Disease Control	7,128,217,000	2,347,006,447	2,153,643,041	33	92
09	Shared National Services	9,930,000,000	4,584,384,558	4,326,455,412	46	94
10	Internal Audit	394,116,631	209,522,102	207,855,161	53	99
11	Nursing services	220,553,870	90,586,235	71,257,886	41	79
	Total	73,137,827,494	31,198,005,141	27,954,031,221	43	90

Source: IFMS

3.3.6 Vote 019 Ministry of Water and Environment (MWE)

The GoU approved development budget for MWE for the FY 2015/16 is Ug shs 200.794 billion. The release performance was Ug shs 65.775 billion (33% of the budget) and absorption was Ug shs 57.047 (87% of funds released) which was good and excellent performance respectively.

Table 3.9 shows details of MWE GoU development budget performance for the first half year period to 31st December 2015.

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Table 3.9: MWE GOU Budget Performance as at 31st December 2015 (Ug Shs)

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
124	Energy for Rural Transformation	195,000,000	118,000,000	102,728,200	61	87
137	Lake Victoria Environment Management Project	1,621,000,000	732,988,099	732,988,099	45	100
146	National Wetland Project Phase III	2,992,000,000	1,037,843,249	947,984,632	35	91
149	Operational Water Resources Management	581,877,332	214,991,500	194,307,619	37	90

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
	NBI					
151	Policy and Management Support	10,672,981,854	4,003,740,750	3,561,962,119	38	89
163	Support to RWS Project	27,936,999,999	10,251,001,656	9,557,645,903	37	93
164	Support to Small Town WSP	4,040,224,335	1,198,550,000	909,636,246	30	76
165	Support to Water Resources Management	2,985,593,251	1,094,485,500	626,292,859	37	57
168	Urban Water Reform	2,644,076,652	1,197,799,000	918,070,125	45	77
169	Water for Production	36,302,883,361	10,982,557,750	9,297,618,609	30	85
947	FIEFOC-Farm Income Project	18,456,816,818	5,902,207,000	5,788,622,604	32	98
1021	Mapping of Ground Water Resources in Uganda	138,610,229	69,305,500	51,964,453	50	75
1074	Water and Sanitation Development Facility-North	3,967,000,000	1,971,625,000	1,971,625,000	50	100
1075	Water and Sanitation Development Facility-East	4,979,000,000	2,299,357,749	2,299,357,749	46	100
1102	Climate Change Project	799,000,000	377,177,250	291,397,646	47	77
1130	Water and Sanitation Development Facility-Central	6,916,000,000	4,106,467,000	4,106,467,000	59	100
1188	Protection of Lake Victoria-Kampala Sanitation Project	30,129,000,000	7,089,600,250	5,907,179,882	24	83
1189	Sawlog Production Grant Scheme Project	877,761,530	396,435,500	396,435,500	45	100
1190	Support to Nabyeya Forestry College Project	842,979,518	263,772,500	263,772,500	31	100
1191	Provision of Improved Water Sources for returned IDPs	510,000,001	254,999,000	208,242,167	50	82
1192	Lake Victoria Water and Sanitation Project	4,352,634,921	1,549,727,500	818,839,656	36	53

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
1193	Kampala Water Lake Victoria Water and Sanitation Project	9,374,000,000	3,064,492,989	2,151,289,944	33	70
1231	Water Management and Development Project	4,588,820,403	1,493,243,000	834,643,632	33	56
1283	Water and Sanitation Development Facility-South West	3,654,282,318	2,719,641,000	2,719,641,000	74	100
1301	The National REDD-Plus Project	1,399,999,652	805,000,000	758,914,223	58	94
1302	Support for Hydro Power Devt and Operations on River Nile	500,000,000	190,000,000	55,832,287	38	29
1347	Solar Powewred Mini-Piped Water Schemes in Rural Areas	100,000,000	30,000,000	19,270,000	30	64
1348	Water Management Zones Project	370,233,000	122,558,250	71,334,800	33	58
1349	Large Rural Piped Water Schemes in rural Areas	100,000,000	30,000,000	10,093,536	30	34
1359	Piped Water in Rural Areas	8,765,332,552	2,208,316,750	1,473,252,129	12	67
	Total	200,794,107,726	65,775,883,742	57,047,410,119	33	87

Source: IFMS

3.3.7 Vote 113 Uganda National Roads Authority (UNRA)

The GoU approved development budget for the FY 2015/16 was Ug shs 1.309 trillion. This was revised to Ug shs 1.269 trillion through a reallocation Ug shs 45.903 billion. The vote realized Ug shs 513.901 billion (41% of the budget) and absorbed Ug shs 490.189 billion (95% of the release).28% of the projects had an absorption rate of 100%, although noted was 38% of the projects did not receive releases and therefore did not spend. Overall the release and absorption rates performance of 41% and 95% respectively was excellent. Table 3.10 shows detailed UNRA development budget performance as at 31st December 2015.

Table 3.10: UNRA GOU Budget Performance as at 31st December 2015 (Ug Shs)

Project code	Project Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
265	Upgrade Atiak-Moyo-Afoji (104km)	1,000,000,000	409,500,000	302,293,181	41	74
267	Improvement of Ferry Services	24,000,000,000	4,503,419,368	4,503,419,368	19	100
321	Upgrade Fortportal-Bundibugyo-Lamia (104)	10,000,000,000	-	-	-	-
952	Design Masaka Bukagata Road	12,000,000,000	5,315,390,000	5,315,390,000	44	100
954	Design Muyembe-moroto-Kotido(290km)	13,000,000,000	-	-	-	-
955	Upgrade Nyakihita-Ibanda-Fortportal(208km)	60,000,000,000	53,406,459,434	46,111,100,934	89	86
957	Design the New Nile bridge at Jinja	10,000,000,000	9,971,023,055	9,971,023,055	100	100
1031	Upgrade Gulu-Atiak-Bibia/Nimule(104km)	30,000,000,000	13,010,623,896	9,495,789,163	43	73
1032	Upgrade Vurra-Arua-Koboko-Oraba(92km)	5,000,000,000	1,599,326,510	471,033,572	32	29
1033	Design Hoima-Kaiso-Tonya (85km)	13,000,000,000	11,766,797,137	10,404,970,551	91	88
1034	Design of Mukono-Katosi-Nyenga(72km)	10,000,000,000	668,857,116	205,443,503	7	31
1035	Design Mpigi-Kabulasoke-Maddu(135km)	40,000,000,000	19,931,972,183	19,931,921,656	50	100
1037	Upgrade Mbarara-Kikagata(70km)	50,000,000,000	11,251,566,905	11,198,426,428	23	100
1038	Design Ntungamo-Mirama Hills(37km)	15,000,000,000	13,010,661,572	12,808,237,745	87	98
1040	Design Kapchorwa-Suam Road Road (77Km)	200,000,000	-	-	-	-
1041	Design Kyenjojo Hoima Masindi kigumba (238 Km)	40,000,000,000	13,500,000,000	7,289,893,391	34	54
1042	Design Nyendo-	30,000,000,000	5,997,795,248	5,861,812,475	20	98

	Sembabule (48 Km)					
1044	Design Ishaka-Kagamba(35km)	40,000,000,000	6,261,806,617	4,858,557,647	16	78
1056	Transport Corridor project	289,363,417,715	177,099,527,952	176,947,129,304	61	100
1104	Construct Selected Bridges(BADEA)	48,096,522,993	9,955,389,985	9,955,389,985	21	100
1105	Road Sector Institutional Capacity Development Project	36,000,000,000	16,682,140,568	16,682,140,568	46	100
1158	Reconstruction of Mbarara-Katuna Road(155km)	40,000,000,000	7,814,766,360	7,549,087,573	20	97
1176	Hoima-Wanseko Road(83km)	27,000,000,000	-	-	-	-
1180	Kampala-Entebbe Express Highway	90,000,000,000	41,831,259,304	41,787,189,304	46	100
1274	Musita-Lumino-Busia/Majanji Road	40,000,000,000	204,960,976	123,203,027	1	60
1275	Olwiyo-Gulu-Kitgum Road	100,000,000,000	43,587,604,119	44,614,533,683	44	102
1276	Mubende-Kakumiro-Kagadi Road	40,000,000,000	-	-	-	-
1277	Kampala Northern Bypass Phase 2	40,000,000,000	28,042,069,678	27,885,184,174	70	99
1278	Kampala Jinja Expressway	10,597,600,000	-	-	-	-
1279	Seeta-Kyaliwajjala-Matugga-Wakiso-Buloba Nsangi	1,000,000,000	-	-	-	-
1280	Najjanankumbi-Busabala Road and Nambole Namilyango	1,000,000,000	-	-	-	-
1281	Tirinyi-Pallisa-Kumi/Kamonkoli Road	10,000,000,000	-	-	-	-
1310	Albertine Region sustainable development project	8,000,000,000	-	-	-	-
1311	Upgrading Rukungiri Kihihi Ishasha/KanunguRoad	10,000,000,000	-	-	-	-

1312	Upgrading Mbale Bubulo Lwakhakha Road	10,000,000,000	-	-	-	-
1313	North Eastern Road Asset Management Project	600,080,000	-	-	-	-
1319	Kampala Flyover	30,000,000,000	6,500,000,000	4,379,459,116	67	-
1320	Construction of 66 Selected Bridges	10,871,944,426	-	-	-	-
1322	Upgrading of Muyembe-Nakapiripiriti	3,000,000,000	-	-	-	-
	Total	1,263,729,565,134	513,901,265,687	490,189,970,520	41	95

Source: IFMS

3.3.8 Vote 015 Ministry of Trade, Industry and Cooperatives (MTIC)

The GoU approved development budget for MTIC for FY 2015/16 was Ug shs 11.853 billion but revised to Ug shs 11.713 billion through a reallocation of Ug shs 140 million from project-1111 Soroti fruit factory. The vote realized Ug shs 4.460 billion (38% of the budget) by December 2015 of which Ug shs 4.166 billion (93% of the release) was spent. Poor absorption performance was registered on projects; 248- Government purchases and taxes (26%) and 1164-One village one product programme (31%) on account of delayed procurements and supplies.

Table 3.11 shows the detailed GoU development budget performance of projects for the first half of FY 2015/16 period to 31st December 2015.

Table 3.11: MTIC Budget Performance as at 31st December 2015 (Ug Shs)

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
248	Government Purchases and Taxes	515,995,000	121,624,990	31,914,322	24	26
1111	Soroti Fruit Factory	10,342,786,655	3,915,858,701	3,915,858,701	38	100
1164	One Village One Product Programme	488,264,345	244,132,173	75,026,668	50	31
1246	District Commercial Services support Project	100,000,000	50,000,000	44,108,463	50	88
1291	Regional Integration Implementation programme	166,925,122	83,462,557	60,598,566	50	73

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
1306	National Response Strategy on Elimination of Non Tariff Barriers	100,000,000	45,000,003	39,250,123	45	87
	Total	11,713,971,122	4,460,078,424	4,166,756,843	38	93

Source: IFMS

3.3.9 Vote 008 Ministry of Finance, Planning and Economic Development (MFPED)

The GoU approved development budget was Ug shs 366.311 billion but revised to 366.011 billion. The revision was on account of a reallocation of Ug shs 1.708 billion from project- 945 Capitalization of institutions to project 988- support to other scientists. The vote realized Ug shs 48.552 billion (13% of the budget) and absorbed Ug shs 46.015 billion (95% of the release) by 31st December 2015. Whereas the absorption rate was excellent the release to the vote was poor. Table 3.12 shows the GOU development budget performance of MFPED for the first half year period of FY 2015/16.

Table 3.12: MFPED Budget Performance as at 31st December 2015 (Ug Shs)

Project code	Project Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
54	Support to MFPED	35,431,226,524	10,569,217,133	9,803,261,828	30	93
61	Support to Uganda National Council for Science	2,006,688,388	943,344,194	943,344,194	47	100
933	Competitiveness and Investment Climate Secretariat	2,120,000,001	706,777,001	642,296,089	33	91
945	Capitalization of Institutions	60,593,838,110	14,463,625,128	13,645,185,143	6	94
978	Presidential Initiative on Banana Industrial Development	9,029,999,996	4,304,999,999	4,304,999,999	48	100
988	Support to other scientists	5,875,505,993	1,275,000,001	1,275,000,001	22	100
994	Development of Industrial Parks	8,540,000,000	2,291,250,000	2,291,250,000	27	100

Project code	Project Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
997	Support to Microfinance	2,487,360,950	919,176,444	911,773,137	37	99
1003	African Development Foundation	3,600,109,810	900,027,453	900,027,453	25	100
1063	Budget Monitoring and Evaluation	2,992,899,000	1,417,326,931	1,339,366,538	47	94
1080	Support to Macroeconomic Management	2,864,999,928	720,449,987	655,419,845	25	91
1208	Support to National Authorising Office	200,000,000	50,000,000	48,626,600	25	97
1211	Belgo-Ugandan Study and Consultancy	327,889,686	81,972,422	78,652,260	25	96
1288	Financial Inclusion in Rural Areas(PROFIRA) of Uganda	2,000,000,001	700,000,000	700,000,000	35	100
1289	Competitiveness and Enterprise Development Project	800,000,000	200,000,000	200,000,000	25	100
1290	3rd Financial Management and Accountability Program	26,526,415,953	8,745,281,966	8,016,891,837	33	92
1305	U Growth DANIDA Programme	614,000,039	264,442,260	259,530,755	43	98
	Total	366,010,934,379	48,552,890,919	46,015,625,679	13	95

Source: IFMS

3.3.10 Vote 016 Ministry of Works and Transport (MoWT)

The approved development budget for MoWT for FY 2015/16 is Ug shs 170.123 billion. The vote realized Ug shs 69.569 billion (41% of the budget) of which Ug shs 67.155 billion was spent (97% of the release) by 31st December 2015. Overall the release and absorption performance was excellent. Least release performance of 18% was registered on projects; 1047- Rehabilitation and Development of Upcountry Aerodome, 1172- U-Growth Support to DUCAR, 1284- Development of new Kampala Port in Bukasa . Table 3.13 shows the detailed budget performance for MoWT for the first half year period for FY 2015/16.

Table 3.13: MoWT Budget Performance as at 31st December 2015 (Ug Shs)

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
269	Construction of Selected Bridges	2,750,000,000	1,751,200,000	1,748,012,285	64	100
271	Development of Inland Water Transport	700,000,000	287,000,000	287,000,000	41	100
306	Urban Roads Re-sealing	3,794,000,000	1,447,006,583	1,441,282,420	38	100
307	Rehabilitation of District Roads	4,766,100,000	1,804,050,000	1,782,689,989	38	99
308	Road Equipment for District Units	6,175,786,788	2,257,029,761	2,239,869,219	37	99
515	Rehabilitation of Bugembe Workshop	1,976,256,210	489,887,598	485,760,225	25	99
936	Redevelopment of State House at Entebbe	1,500,000,000	276,112,000	276,111,433	18	100
951	East Africa Trade and Transportation Facilities	8,900,000,000	5,589,624,064	5,588,228,787	63	100
967	General Construction and Rehabilitation Works	19,478,456,790	8,768,933,446	18,497,973,085	96	99
1045	Interconnectivity Project	4,623,640,000	1,690,445,680	1,631,836,739	37	97
1047	Rehabilitation and Development of Upcountry Aerodome	1,000,000,000	181,200,000	174,036,411	18	96
1049	Kampala-Kasese Railway Line Project	1,840,000,000	498,480,000	497,428,511	27	100
1051	New Ferry to replace Kabalega-Opening Southern Route	2,100,000,000	1,054,359,400	1,054,358,460	50	100
1062	Special Karamoja Security and Disarmament	3,831,500,000	3,301,098,400	3,190,756,555	64	100
1096	Support to Computerized Driving Permits	97,500,000,000	7,873,341,011	6,032,134,224	86	97
1097	New Standard Gauge Railway Line	2,190,000,000	663,847,669	595,050,407	29	93
1105	Strengthening Sector Coord, Planning and ICT	1,000,000,000	262,327,900	260,921,182	30	90
1160	Transport Sector Development Project(TSDP0	3,997,000,000	1,008,101,600	1,008,101,600	26	99

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
1171	U-Growth Support to MELTC	1,000,000,000	181,200,000	181,200,000	25	100
1172	U-Growth Support to DUCAR	2,750,000,000	1,751,200,000	1,748,012,285	18	100
1284	Development of new Kampala Port in Bukasa	1,000,000,000	183,250,000	182,175,133	18	99
	Total	170,122,739,788	69,568,495,112	67,154,926,665	41	97

Source: IFMS

3.3.11 Vote 020: Ministry of Information and Communication Technology (MoICT)

The GoU approved development budget for MoICT for FY 2015/16 is Ug shs 1.148 billion. The vote realized Ug shs 325 million (28% of the budget) of which 195.653 million (60% of the release) was absorbed. This was fair performance for the release and expenditure. Table 3.14 shows the detailed performance of the vote for the first half year period of FY 2015/16 to 31st December 2015.

Table 3.14: MoICT GOU Budget Performance as at 31st December 2015 (Ug Shs)

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
990	Strengthening Ministry of ICT	1,147,581,989	325,161,207	195,653,418	28	60
	Total	1,147,581,989	325,161,207	195,653,418	28	60

Source: IFMS

3.3.12 Vote 126 National Information Technology Authority (NITA-U)

The GoU approved development budget for NITA-U for FY 2015/16 is Ug shs 4.192 billion. The vote release was Ug shs 772.423 million (18% of the budget) of which Ug shs 195.653 million (25% of the release) was spent. The performance of the release and absorption was poor Table 3.15 shows the detailed budget performance of NITA-U for the first half period to 31st December 2015.

Table 3.15: NITA-U GOU Budget Performance as at 31st December 2015 (Ug Shs)

Project	Project Name	GoU Approved	Cumulative	Cumulative	% of	% of

code		Budget	Releases	payments	Budget Released	Release Spent
1014	National Transmission Backbone Project	4,192,392,738	772,423,522	195,877,847	18	25
	Total	4,192,392,738	772,423,522	195,877,847	18	25

Source: IFMS

3.3.13 Vote 003 Office of the Prime Minister (OPM)

The GoU approved development budget for OPM for the FY 2015/16 is Ug shs 75.650 billion. The vote realized Ug shs 50.652 billion (67% of the budget) of which Ug shs 38.448 billion (76% of the release) was spent by 31st December 2015.The least release performance was registered at 38% on project 1235- Resettlement of Landless Persons and Disaster Victims. The overall absorption rate was 76% and the vote registered very good performance.

Table 3.16 gives the detailed performance the OPM for the first half year period to 31st December 2015.

Table 3.16: OPM GOU Development Budget Performance as at 31st December 2015

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
19	Strengthening and Retooling the OPM	7,406,082,761	5,193,150,722	4,419,038,643	70	85
0022	Support to LRDP	3,489,898,801	2,009,300,000	946,541,757	58	47
922	Humanitarian Assistance	3,376,248,021	2,315,000,000	739,011,840	69	32
932	Post-War recovery, and presidential pledges	28,553,665,160	0,684,274,428	8,062,888,530	72	87
1006	Support to Information and National Guidance	1,824,817,082	1,239,186,694	1,123,578,880	68	91
1078	Karamoja Integrated Development Programme	15,791,681,670	11,142,400,000	8,126,277,358	71	73
1112	Monitoring and Evaluation PRDP	1,332,360,000	883,100,000	826,600,887	66	94
1235	Resettlement of Landless Persons and Disaster Victims	9,198,770,021	3,495,000,000	1,341,662,205	38	38
1251	Support to Teso Development	1,928,556,303	1,291,550,000	684,338,593	67	53

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
1252	Support to Bunyoro Development	819,277,776	490,178,776	453,375,534	60	92
1293	Support to Refugee Settlement	183,000,000	183,000,000	110,436,785	100	60
1294	Government Evaluation Facility Project	386,178,637	366,178,637	300,823,279	95	82
1317	Drylands Integrated Development Project	1,360,000,000	1,360,000,000	1,314,027,300	100	97
	Total	75,650,536,232	50,652,319,257	38,448,601,591	67	76

Source: IFMS

The GoU recurrent budget for OPM for FY 2015/16 was revised to Ug shs 52.765 billion. This was on account of a supplementary budget of Ug shs 1.383 billion (3% of original budget) to programme 14- Information and national guidance. The vote realized Ug shs 28.496 billion (54% of the revised budget) of which Ug shs 27.069 billion (95% of the release) was spent. Table 3.17 shows the recurrent performance of the vote for the half year period to 31st December 2015.

Table 3.17: **OPM Recurrent Budget Performance as at 31st December 2015**

Programme code	Programme Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
01	Executive Office	1,913,400,720	1,021,575,206	948,000,292	53	93
02	Finance and Administration	2,006,462,360	1,057,154,120	879,158,192	53	83
04	Northern Uganda Rehabilitation Project	335,542,152	169,895,418	104,259,384	51	61
06	Luwero-Rwenzori Triangle	27,175,762,949	3,310,470,153	12,875,715,551	49	97
07	Karamoja Hqs	416,212,774	209,628,588	191,464,116	50	91
08	General Duties	190,322,746	101,934,369	89,577,129	54	88
09	Government Chief Whip	2,709,538,256	1,565,898,626	1,457,292,545	58	93
14	Information and National Guidance	4,093,141,534	1,490,424,987	1,385,727,040	36	93

Programm e code	Programme Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
15	Internal Audit	352,936,000	182,112,544	179,399,356	52	99
16	Monitoring and Evaluation	3,929,971,728	2,465,776,091	,366,745,502	63	96
17	Policy Implementation Coordination	789,142,816	403,985,670	399,070,737	51	99
18	Disaster Preparedness and Management	6,148,483,043	4,905,120,936	4,681,625,883	80	95
19	Refugees Management	1,372,466,356	857,160,441	841,348,133	62	98
20	2nd Deputy Prime Minister	405,226,834	206,926,000	191,651,079	51	93
21	Teso Affairs	123,252,251	63,128,303	48,429,065	51	77
22	Bunyoro Affairs	122,969,400	64,141,439	51,894,237	52	81
23	Policy and planning	680,509,485	421,157,000	377,970,620	62	90
	Total	52,765,341,404	28,496,489,891	27,069,328,861	54	95

Source: IFMS

3.3.14 Vote 011 Ministry of Local Government (MoLG)

The GoU approved development budget for MoLG for FY 2015/16 is Ug shs 36.481 billion. The vote realized Ug shs 15.586 billion (43% of the budget) of which Ug shs 15.163 (97% of the release) was spent by 31st December 2015. Overall the release and absorption performance for the vote in the first half year period was excellent. Table 3.18 shows the details of MoLG budget performance for the half year to 31st December 2015.

Table 3.18: MoLG GoU Development Budget Performance as at 31st December 2015

Project code	Project Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
1087	Community Agriculture and Infrastructure Improvement Project (CAIIP) II	2,927,000,000	2,927,000,000	2,873,552,788	100	98

Project code	Project Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
1088	Markets and Agriculture Trade Improvement Project	7,571,000,000	6,671,000,000	6,666,164,803	88	100
1236	Community Agriculture and Infrastructure Improvement Project (CAIIP) III	6,385,353,224	10,000,000	9,950,000	0	100
1292	Millennium Villages Projects II	395,000,000	65,839,902	65,839,902	17	100
1307	Support to Ministry of Local Government	15,103,312,115	3,577,788,697	3,278,453,842	24	92
1360	Markets and Agriculture Trade Improvement Project (MATIP 2)	4,099,000,000	2,334,066,636	2,268,728,131	57	97
	Total	6,480,665,339	5,585,695,235	5,162,689,466	43	97

Source: IFMS

3.3.15 Vote 011 Ministry of Public Service (MoPS)

The (GoU) approved development budget for MoPS for FY 2015/16 is Ug shs 6.879 billion of which Ug shs 1.488 billion (22% of the budget) was released. The vote absorbed Ug shs 1.313 billion (88% of the release) and this was excellent performance. Table 3.19 shows details of the vote budget performance for the first half year period to December 31st, 2015.

Table 3.19: MoPS GOU Development Budget Performance as at 31st December 2015.

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
1285	Support to Ministry of Public Service	6,879,831,489	1,488,269,295	1,313,213,914	22	88
	Total	6,879,831,489	1,488,269,295	1,313,213,914	22	88

Source: IFMS

3.3.16 Vote 108 National Planning Authority (NPA)

The GoU approved development budget for NPA for FY 2015/16 is Ug shs 405.416 million. The vote realized Ug shs 101.354 (25% of the budget) of which Ug shs 101.354 (100% of the release) was spent by December 31st. This was an excellent absorption performance. Table 3.20 shows details of the vote performance for the first half year period to 31st December 2015.

Table 3.20: NPA GoU Development Budget Performance as at 31 December 2015

Project code	Project Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
361	National Planning Authority	405,416,000	101,354,000	101,354,000	25	100
	Total	**405,416,000**	**101,354,000**	**101,354,000**	**25**	**100**

Source: IFMS

3.3.17 Vote 122 Kampala Capital City Authority (KCCA)

The GoU approved development budget for KCCA for FY 2015/16 is Ug shs 75.653 billion.The vote realized Ug shs 30.934 billion (41% of the budget) of which of Ug shs 23.436 (76% of the release) was spent by 31st December 2015. Noted was 0% expenditure on project 422- PHC development activities on account of delayed procurement of contractors. Overall the release and absorption performance was very good. Table 3.21 shows the detailed development budget performance for KCCA for the first half year period to 31st December 2015 FY 2015/16.

Table 3.21: KCCA GoU Development Budget Performance as at 31st December, 2015

Project code	Project Name	GoU Revised Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
100	NAADS	6,220,018,589	5,457,506,971	5,323,272,455	88	98
115	LGMSD	5,097,837,996	2,373,684,843	1,975,083,770	47	83
422	PHC-Development	131,000,000	131,000,000	-	100	-
423	Schools' Facilities Grant	1,304,642,450	472,267,975	300,062,884	36	64
1253	Kampala Road Rehabilitation	52,900,000,000	8,999,289,354	12,337,239,647	36	65
1295	2nd Kampala Institutional and Infrastructure Development	10,000,000,000	3,500,759,288	3,500,759,288	35	100
	Total	75,653,499,035	30,934,508,431	23,436,418,044	41	76

Source: IFMS

3.3.18 Vote 110 Uganda Industrial Research Institute (UIRI)

The GoU approved development budget for UIRI for FY 2015/16 is Ug shs 8.323 billion. The vote realized Ug shs 2.703 billion (32% of the budget) of which Ug shs 2.676 (99% of the release) was spent by 31st December 2015. The absorption performance of the vote was excellent. Table 3.22 shows the performance of UIRI development budget for the first half year period to 31st December 2015 FY 2015/16.

Table 3.22: UIRI GoU Development Budget Performance as at 31st December 2015

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
430	Uganda Industrial Research Institute	8,322,619,780	2,702,564,560	2,676,148,488	32	99
	Total	**8,322,619,780**	**2,702,564,560**	**2,676,148,488**	**32**	**99**

Source: IFMS

3.3.19 Vote 154 Uganda National Bureau of Standards (UNBS)

The GoU approved development budget for UNBS for FY 2015/16 is Ug shs 3.279 billion. The vote realized Ug shs 899.479 million (27% of the budget) of which Ug shs 892.566 was spent by 31st December 2015. The absorption performance of the vote was excellent. Table 3.23 shows the detailed performance of UNBS for the first half year period to 31st December 2015.

Table 3.23: UNBS GoU Development Budget Performance as at 31st December 2015

Project code	Project Name	GoU Approved Budget	Cumulative Releases	Cumulative payments	% of Budget Released	% of Release Spent
253	Support to UNBS	3,279,748,374	899,479,545	892,566,191	27	99
	Total	**3,279,748,374**	**899,479,545**	**892,566,191**	**27**	**99**

Source: IFMS

3.4 Conclusion

The approved GoU development budgets for 26% of the selected priority central government ministries and agencies were revised as at 31st December 2015. The highest revision of 9.7% was registered under MoESTS. 75% of the votes registered revisions to their recurrent budgets. Government registered on average 37% release performance for development budgets for all Ministries and Agencies with the exception of MFPED that realized 13% of the development budget. The recurrent budgets performance was averagely at 46% which was excellent compared to 50% target at 31st December 2015.

The absorption of funds was excellent at 83% for the development budgets of the Ministries and agencies and 92% for the recurrent budgets.

Overall the treasury single account had unspent balances of Ug shs 12.324 billion as at 31st December 2015 pointing to some absorption weaknesses in some sectors.

Key challenges that constrained absorption performance of the votes were;

- Delays in the commencement of the procurement process and slack in the implementation by contractors
- Delays in the finalization of warrants by the votes and actual availability of funds to the votes

3.5 Recommendations

- The MFPED should prioritize development of a real time Integrated Procurement Management System that communicates with the IFMS. This will enforce monitoring and evaluation of procurement performance.
- The MFPED should enforce finalization of warrants and observation of release schedules by all stakeholders to enable the timely implementation of development works
- The central government/department/agencies staff should adopt the new PPDA law to improve efficiency in the procurement process.
- The MFPED should continue enforcing compliance to reporting deadlines by the accounting officers.

PART 3: PHYSICAL PERFORMANCE

CHAPTER 4: AGRICULTURE

4.1 Introduction

The Government of Uganda (GoU)'s target for the agricultural sector is: *"To transform two million (50%) subsistence agricultural households to market oriented production through sustainable commodity value chains by 2020"*[2].

The sector is composed of nine votes namely: i) Vote 010: Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) ii) Vote 121: Dairy Development Authority (DDA) iii) Vote 125: National Animal Genetic Resource Centre and Data Bank (NAGRC&DB) iv) Vote 142: National Agricultural Research Organisation (NARO) v) Vote 152: National Agricultural Advisory Services (NAADS) Secretariat vi) Vote 155: Uganda Cotton Development Organisation (UCDO) vii) Vote 160: Uganda Coffee Development Authority UCDA viii) Vote 122: Kampala Capital City Authority (KCCA) and ix) Vote 501-850 Local Governments (LGs) -District Production Services.

4.1.1 Sector objectives and priorities

The sector medium term objectives for FY 2010/11 to FY 2014/15 were to: a) enhance rural incomes and livelihoods b) improve household food and nutrition security[3]. Interventions focused on enhancing agricultural production and productivity through the commodity approach that prioritized 11 commodities for public investment, namely: maize, beans, rice, bananas, cassava, cattle, meat, fish, coffee, tea, and market fruits and vegetables.

4.1.2 Overall financial performance FY 2015/2016 Semi-annual

The sector semi-annual financial performance is summarized in Table 4.1. The sector had an excellent (51.4%) half year release and below average (35.1%) absorption performance. The fund absorption was highest in LGs, KCCA and UCDA and lowest in MAAIF, UCDO and NAADS Secretariat. The budget release above approved estimates and poor absorption performance under the UCDO was on account of a supplementary of Ug shs 3.8 billion that was disbursed in December 2015.

Table 4.1: Agricultural sector annual financial performance by 31st December 2015 (billions excluding Arrears and Taxes)

Vote/ grant	Approved budget (Ug shs)	Releases (Ug shs)	Expenditure (Ug shs)	% budget released	% release spent
MAAIF	89.60	30.44	19.69	34.0	22.0
DDA	5.04	1.92	1.78	38.1	35.3

[2] MAAIF, 2013; MAAIF, 2010.
[3] MAAIF, 2013.

KCCA	6.36	5.85	5.56	92.1	87.5
NAGRC & DB	4.15	1.94	1.85	46.8	44.7
NARO	36.87	17.38	17.38	47.1	47.1
NAADS Secretariat	178.68	105.14	64.79	58.8	36.3
UCDO	5.30	6.89	1.25	130.0	23.7
UCDA	27.91	24.48	18.98	87.7	68.0
LGs	30.53	3.56	3.56	11.7	100.0
Total	**384.45**	**197.62**	**134.86**	**51.4**	**35.1**

Source: MFPED, 2016.

4.1.2 Scope

The report presents financial and physical performance of selected agricultural sector programmes and projects by half-year FY 2015/16. The monitoring covered six selected programmes/projects in four out of the seven votes in the sector (Table 4.2).

Table 4.2: Agricultural programmes monitored for FY 2015/16 Semi-annual

Vote	Entity/project	Sampled districts/institutions
Vote 010	Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) Project 1264: Commercialization of Agriculture in Northern Uganda Project 1330: Livestock Disease Control Project Phase 2	MAAIF, Bukalasa Agricultural College, Kamuli, Kole, Masaka, Lira, Luwero
Vote 501-850	Local Governments (LGs) Production and Marketing Grant (PMG)	Bushenyi, Gulu, Hoima, Jinja, Kamuli, Kiboga, Kole, Lira, Luwero, Masaka, Ntungamo
Vote 142	National Agricultural Research Organisation (NARO) Project 0382: Support for NARO Project 1139: Agricultural Technology and Agribusiness Advisory Services (ATAAS)	NARO Secretariat, Hoima, Kabale, Lira, Mbarara, Wakiso
Vote 160	Uganda Coffee Development Authority (UCDA)	UCDA Head quarters, Bushenyi, Gulu, Jinja, Kabale, Lira, Luwero, Mitooma, Ntungamo, Rukungiri

Source: Authors' compilation

4.1.3 Limitations

1) Incomplete information gathered in some cases due to under developed data collection, analysis and management systems in agriculture sector institutions, especially at LG level

2) Incompaility to compare progress against targets in the coffee sector due to differences in reporting calendars. The progress that was reported following the financial year (July to June) could not be compared with the annual targets that were set for the coffee year (October to September).

4.2 Ministry of Agriculture, Animal Industry and Fisheries

4.2.2 Commercialization of Agriculture in Northern Uganda (Project 1264)

Background

More than a decade after the civil conflict, agricultural production in Northern Uganda remains low despite the ongoing investments in rehabilitation and development. To address this challenge, GoU and Italy are jointly implementing a project "**Promotion of Commercialization of Agriculture among the Resettling populations in Gulu, Kole and Lira districts"** aimed at improving food security and incomes of smallholder farmers and emerging Small and Medium Enterprises (SMEs) through development of the key priority agricultural sub-sectors in areas such as rice and sunflower.

The lead implementing agencies for the project are: the Food and Agriculture Organization (FAO) and the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF). The project was estimated to cost US$ 1.3 million to be implemented during June 2012 to December 2015. Project implementation in the Acholi and Lango sub-regions started in 2013 involving signing of a Memorandum of Understanding (MoU) between FAO, the three local governments, farmer cooperatives, NARO and service providers.

Long term outputs June 2012 to December 2015[4]:

1) Targeted Farmer Institutions (FFS Network & association) strengthened to produce and engage in commercial activities and establish effective financial linkages.
2) Post harvest losses reduced and market access increased among the smallholder farmers.
3) Capacity of SMEs engaged in rice, sunflower and other potential products, processing and marketing enhanced/strengthened.
4) Stakeholder platforms established and strengthened to ably engage in policy dialogue, formulation, enhancement and monitoring.

[4] FAO, 2012.

Annual planned outputs FY 2015/16
FAO:

- 100 Selected Farmer Institutions (FFS Networks & associations) strengthened to produce and engage in commercial activities in Gulu, Kole and Lira ddistricts.
- Post harvest losses reduced and market access increased among the targeted smallholder farmers in Gulu, Kole and Lira districts.
- Capacity of at least 10 SMEs engaged in rice, sunflower and other potential commodities processing and marketing in Gulu, Kole and Lira ddistricts enhanced/strengthened.
- Stakeholder platforms for the farmers involved in rice, sunflower and additional potential commodities established and strengthened to ably engage in policy dialogue, information, enactment and monitoring in Gulu, Kole and Lira districts.

MAAIF

- Sub-county authorities, leaders and farmer association in the project area mobilized and sensitized.
- Technical backstopping of farmer association/groups undertaken to support activities of the services providers.
- Services providers supervised.
- Review and planning meetings, monitoring and evaluation of project activities undertaken.
- Project activity reports prepared and disseminated.
- Project activities coordinated and managed.

Findings

i) Financial performance

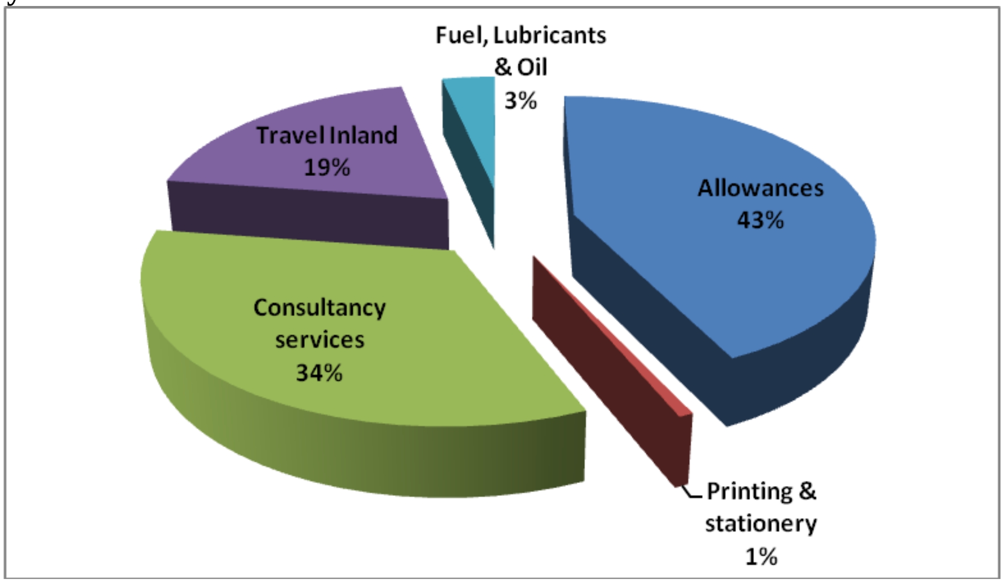
Donor funds

The total approved budget for the three year period was Ug shs 3.380 billion allocated to general operating expenses, technical support services, trainings, contracts to the services providers, expendable and non-expendable equipment and consultancy services. The release and expenditure data for donor funds that were directly handled by FAO was not accessible.

The GoU funds

The GoU approved budget for the project is Ug shs 700,000,000 of which Ug shs 526,185,494 (75.2%) was released and expended by 31st December 2015. This was a very good release and excellent expenditure performance. The GoU funds were expended as shown in Figure 4.1.

Figure 4.1: GoU Expenditure for Commercialization of Agriculture in Northern Uganda project by 31st December 2015



Source: IFMS Data

Physical performance

a) Past performance

During FY 2013/14 and FY 2014/15, the following outputs were achieved[5]:

- Technical backstopping by MAAIF and the local governments was undertaken
- The following inputs were procured and distributed to farmers: rice and sunflower seeds, walking tractors, manual planters, Tarpaulins, moisture meters, motorized threshers and weighing scales
- Business linkages among value chains actors were initiated
- Tailored trainings on business and organisational management, value chains, good agronomic practices and commercialisation of sunflower and rice were conducted in the beneficiary districts
- Conducted a survey and identified 15 farmer institutions in Lira district. The survey in Kole and Gulu districts were also initiated during the period.
- Conducted a survey and over 16 mills were identified in Lira, eight mills in Gulu and five in Kole.

[5] MAAIF, 2015a.

b) **Current performance**

Government of Uganda component

By 31st December, the MAAIF working with the District Commercial Officers implemented the following activities in Kole, Gulu and Lira districts:

- Mobilized and sensitized sub-county authorities, leaders and farmer associations in the production area.
- Carried out technical back stopping of farmer association groups to support activities of the services providers.
- Coordinated and managed the service providers, prepared and disseminated the project activity reports.
- Attended reviews and planning meetings and undertook monitoring and supervision of project activities and services providers
- Supported the local governments in mainstreaming the project in the district development plans and budgets.

Donor component

Several interrelated activities were implemented through the five non-governmental organisations (NGOs)/implementing partners (IPs) engaged under Letters of Agreement (LA) with FAO, signed in late November 2013. The partners worked in the two sub-regions of Acholi (Gulu district) and Lango (Lira and Kole districts). The contracts were to run for a period of 18 months officially ending in March 2015; after a review they were all extended to 30th June 2015. Implementation continued into FY 2015/16 and below are the achievements:

Lango sub-region (Kole and Lira)

a) The Uganda Oil Seed Producer and Processors Association (UOSPA) was contracted at a sum of Ug shs 104 million and built capacity of farmers institutions on sunflower component.
b) The Agency for Sustainable Rural Transformation (AFSRT) was contracted at a sum of Ug shs 77.7 million and undertook the farmer institutional development (FID) on Rice component.

Acholi sub-region (Gulu)

c) The Gulu District Farmers Association (GDFA) was contracted at a sum of Ug shs 65,000,000 and built capacity of farmer institutions on sun flower component.
d) The Action for Community Development in Uganda (ACOD-UG) was contracted at a sum of Ug shs 101 million and undertook FID on rice component.
e) The International Institute for Rural Construction (IIRR) was contracted at a sum of Ug shs 97,000,000 and built capacity of SMEs.

f) The Mid-North Private Sector Development Project that was responsible for capacity development of SMEs did not perform and the contract was terminated.

The FAO procured 15 tonnes of rice seed and 11 tonnes of sunflower seed that were distributed to the selected farmer cooperatives. The following equipment was also distributed to the selected farmer institutions in the three districts:

- Six power tillers/ walking tractors distributed to farmer groups; four were distributed in lira and the two in Gulu district.
- 50 Rippers planters (ox-driven); 30 were distributed in Lango region (Kole 8 and Lira 22) and 20 in Gulu district to 50 farmer organizations.
- 500 pieces of Tarpaulins were procured and the 1,300 pieces were yet to be delivered; all the 21 farmer institutions in the three districts got the Tarpaulins.
- 10 pieces of digital weighing scale were procured and distributed in Gulu (5), Kole (1) and Lira (4) districts to 10 farmer organizations.
- 10 pieces of moisture meters were distributed to 10 farmer organization.
- 12 pieces of motorized rice threshers were distributed to 10 farmer organizations; 8 in Gulu and Lira districts (each four pieces) and 2 in Kole district.
- The region also received the 50 pieces of rice harvesters that were yet to be distributed as on 4th January 2016.

Gender perspective

All the farmer cooperatives had both male and female members, and every leadership committee in each subcommittee has a female representative, especially in the areas of quality assurance, finance and credits. Even in the small farmer groups most of the leaders are female.
To use the power tiller, each user pays a maintenance fee of Ug shs 20,000 per acre, fuel and food for the machine operator. All the members in the cooperative belong to village savings and loan associations and in each group on average has almost 70% male members, because it is an income generating venture.

Two beneficiary districts in Acholi and Lango sub regions were monitored to assess the project performance. The findings are presented below.

Lira district

By 31st December 2015, Lira district received Ug shs 6,495,000 out of the planned Ug shs 12,990,000 which was fully spent. The following activities were undertaken: mobilization and sensitization of farmers and SMEs; review meetings, studies and demonstrations of equipment; sensitization meetings on VLSA; and trainings on access to modern equipment and market linkages.

The selected farmer cooperatives received a total of 1,500kgs of sun flower seeds and 5,500kgs of rice seeds for demonstration and the following equipment from FAO (Table 4.3).

Table 4.3: Equipment received by the farmer cooperatives in Lira district by 30th December 2015

Farmer institution/ Cooperative	Walking tractors	Ripper planters	Weighing scales	Moisture meter	Motorized Rice thrasher
Boww	1	4			1
Ayami	1				
Agweng	1				
Can-Ogura		2			
Olywako		4	1		
Agali		4	1	1	
Itek-B		4		1	1
Ayami		4	1		1
Abutoadi			1		1
Ayabe				1	
Ajara Agro. Enter. Ltd				1	
Total	**3**	**22**	**4**	**4**	**4**

Source: Field findings

Two case study beneficiary organisations in Lira district were visited to verify receipt of inputs and assess project performance. The findings are presented below.

Case Study 1: Abutoadi Farmer Cooperatives Society

The cooperative society is located in Abutoadi village, Abutoadi parish, Amach sub-county. Registered in 2014, the cooperative is engaged in growing maize, rice and soya beans as a business. By 5th January 2015, the cooperative society had received a rice thrasher, a moisture meter and 30 pieces of tarpaulins.

L-R: A rice thresher received by the group and some of the threshed rice at the stores of Abutoadi cooperative society in Amach sub-county, Lira district

The beneficiaries realized an improvement in cooperative performance after the FAO/MAAIF intervention. The equipment they received made work less labour intensive and led to increased output. For example;

- Six bags of 100Kgs each of rice is threshed within 40 to 45 minutes than the manual process that takes hours to thrash.
- The tarpaulins have reduced the time spent in transporting rice to the threshing machine, increased the volumes of rice dried in a short period and also improved the quality of rice produced by the society, due to timely drying of rice after harvesting.

By 5th January 2016, the rice thresher had developed a mechanical problem and was not in use, the group members were yet to have a meeting to ensure that the machine is repaired.The key challenges for this cooperative society were;

- The heavy thresher that cannot easily be transported to the different rice fields and it is costly to hire people with wheel barrows to lift it from one garden to another.
- The group received 30 tarpaulins, however, they are not enough for all the members; some members have to wait for others to dry their rice, which leads to deterioration of the quality of some rice produced.
- High costs of production; the rice is heavy thus calling for the need to hire energetic men to transport it from the garden to the stores.

Recommendations: The cooperative society is in the process of buying a tractor to transport the rice from the garden to the store, putting tires on the thresher to ease its movement and planning to procure more tarpaulins that will be sold to the group members at a reduced price and in installments.

Gender perspective

The society has 78 members (50 males and 28 females). There are more male than female members in this society, men are more interested in this venture than women, who believe that rice growing is more hectic and labour intensive. The price of each share (Ug shs 10,000) also discourages women to join the society, since they are mainly low income earners and others do not have any source of income. Other women say that they have more home responsibilities to undertake than participating in this income generating activity.

Case study 2: Barr Orphans Widows Widowers (BOWW) Cooperative Farmers Society

The cooperative society is located in Telela village, Ober Parish, Barr sub-county in Elute South constituency. It started with 30 members as a farmer organization with support from Kulika Uganda. It was later registered as a cooperative society in 2013 with 1,300 members, of which 300 are males, engaged in growing maize, rice (Nerica 4), soya beans, sorghum, simsim and sunflower.

The cooperative seeks to improve the livelihoods of the farmers within their area, through bargaining for better market for their produce and availing quality seeds at a subsidized price to its members.

The partnership with FAO started in 2013 and the group has received trainings, linked to other farmer organizations and been availed with improved seeds of sunflower and rice (Nerica 4).

Between July and September 2015, the society also received a walking tractor, a power tiller, four ripper planters (oxen drive), 30 tarpaulins and a motorized rice thresher.
Group members realized an increase in production and the equipment they received has lessened the time spent in the garden for other productive activities. The walking tractor takes a day to open up five acres of land, than the manual methods that take over five days to open up a single acre.

Left to Right: Some of the equipment (a power tiller and the four ripper planters) received by the group and the bulked harvested grains from the seeds (inputs) at the produce store in Barr Sub county, Lira District

The rice thresher threshes over 300 bags of grains in an hour than the one week it used to take. Currently, the group clears five fields a day during the peek season, with only five liters of fuel and one liter of engine oil, than employing over five energetic men to thresh 300 bags of 100Kgs each in one week that used to be costly.

The tarpaulins have improved the quality of grains produced through producing clean grains and the moisture content has improved. It was noted that, the tarpaulins are still very few for all the members in this cooperative. By the time of the monitoring, the cooperative society had not started using the planters as members were still learning how to use them. They were planning to use them at the beginning of the planting season.

The key challenges to this cooperative society are; i) unavailability of spare parts for the walking tractor that started breaking down and ii) delays in planting due to inadequate equipment like the planters.

The cooperative society recommended walking tractors from Japan; members have adopted and planning to buy another walking tractor to further increase production.

Kole District

The district received Ug shs 4,940,000 out of the planned Ug shs 9,880,000 for the year. These funds were received in installments of Ug shs 3,540,000 and Ug shs 1,400,000 and different activities were undertaken. These include; Mobilization and Sensitization of Farmers and SMEs, Review meetings, studies and demonstrations of equipment, sensitization meetings on VLSA and conducted trainings on access to modern equipment and markets linkages. The following equipment were also received by the selected members in Kole district (Table 4.4).

Table 4.4: Equipment received by farmer cooperatives in Kole district by 31st December 2015

Farmer institution/ Cooperative	Walking tractors	Ripper planters	Weighing scales	Moisture meter	Motorized Rice slathers
Ayer	1	3			1
Aye Development Association.		2			
Aleto		3	1	1	1
Total	***1***	***8***	***1***	***1***	***2***

Source: Field findings

The three farmer cooperatives in Kole district received one walking tractor, eight Ripper planters, one weighing scales, one moisture meters and two Motorized rice threshers each. They also received 1,320 sunflower seeds and 1,500 rice seeds that were distributed to different farmer groups.

Case study 3: Ayer Farmer`s Cooperative Society

The cooperative society that started in 2012 and promoted to a cooperative/registered in 2014 is located in Alip Village, Okwor parish, Ayer sub-county in Kole district. It has 220 members of which 100 are females, engaging in maize, rice (Nerica 4), soya beans, cassava and sunflower growing.

During the months of June and July 2014, members of the society received training on good agronomic practices and Financial Management from the Agency for sustainable Rural Transformation (AFSRT).

After the training, the cooperative society received rice seeds of four types; Super, Namuche 1, 2 and 3 each one kilo gram for demonstration purpose. The society also received a walking tractor, 20Kgs of tarpaulins, two planters, a moisture meter and a motorized rice thresher.

A walking tractor received by Ayer Farmer`s Cooperative Society in Ayer sub-county in Kole district

After the FAO intervention, there was an improvement on the quality of seeds produced by the cooperative society. The cooperative has also realized reductions in wastage through improved post-harvest handling by using tarpaulins for drying the produce.

The walking tractor increased the produce, through additional number of acres opened and planted per day. The tractor opens seven acres of land per, than before FAO intervention, where they were using 15 to 20 people to help open up five acres of land per day. Cheating by the millers has reduced since the cooperative society takes the grains with knowledge on the moisture content.

By 8th January 2016, the cooperative had not started using the planter as they were brought late (in November 2015) towards the end of the planting season. They were to start using them in March 2016, the beginning of the planting season. The cooperative's key challenge was their low capacity to produce; this was due to; i) the few inputs like seeds for demonstration, tarpaulins and one walking tractor the group received from FAO is used by all members in the group that is still keeping the production low. They recommended FAO to give them more inputs in order to increase their production rate, mainly the tractors.

Case study 4: Alito farmers' Cooperative Society

The cooperative society that started in 2013 is located in Tekidi Village and parish, Alito Sub-County in Kole district. It has 200 members of which 144 are females. The aim of the group is to boost farmers' interest in commercial farming for income generation. They are engaged in maize, rice (Nerica 4), soya beans, cassava, sunflower, simsim growing and tree planting.

The cooperative started working with FAO in March 2015, where the group members received training on effective management of cooperatives, record keeping and financial management in cooperatives, given demonstration materials which include; rice seeds; super and upland each 1Kg and 40Kgs of sunflower, which they recommended to be of good quality. In July 2015, they also received a rice thresher, three planters, a moisture meter and 120 tarpaulins.

The 200 members of this cooperative used to produce 72 tons of rice gains and after FAO intervention the production increased to 183 tons per season. The production of sunflower planted by 150 members on average, increased from 39 tons on average to 80 tons per planting season. Currently, the rice sold by the group is of a better quality compared to what they used to produce. This increased the price rice from Ug shs 2 500 to Ug shs 3,500 and Ug shs 3,800 unbroken rice grains.

Members of the group have managed to; i) start off some other small income generating business out of the monies they receive from their sales like engaging themselves in oil seed and rice grains selling, ii) cleared debts on school fees for their children iii) Planning and putting up permanent houses in their villages v) Started accessing production loans for buying improved seeds and vi) Attracted more farmers to join the cooperative.

The major challenges were: i) lack of enough implements to open up land, ii) Low farm gate prices that discourage some group members to produce enough grains, iii) High prices of seeds from Mukwano Seed Company (at Ug shs 3,500 per Kg) that discourages production and v) the project`s not being successful in creating market linkages and members were still selling their grains to middle men who were setting low farm gate prices.

The cooperative society recommended; i) continuous FAO intervention mainly on availing them with more inputs, and ii) the MTTI and MAAIF should also strengthen the cooperative societies, through linking them to better market and help them to source foundation seeds from producers and multiply.

Gulu district

Gulu district received 1,150Kgs of sun flower seeds, 6,500Kgs of rice seeds and the following equipment were also received and distributed to the selected farmer institutions in the district (Table 4.5).

Table 4.5: Equipment received by farmer cooperatives in Gulu district by half year FY 2015/16

Farmer institution/ Cooperative	Walking tractors	Ripper planters	Weighing scales	Moisture meter	Motorized Rice slathers
Ongako	1				
New Owalo	1		1		
Bobi Com.		2		1	
Bobi far		2			
Bobiwikwoyo					1
Ribbe- Aye-Teko		2	1	1	1
Awach		2		1	
Tera		2			
Pukoly			1		1
Pateko foundation			1		
Tulaliya young farmers			1		
Bungatira				1	1
Tela-dwong				1	1
Tera-Mote					1
Total	**2**	**10**	**5**	**5**	**6**

Source: Field findings

Implementation challenges

1) Low turn-up of farmers in the trainings due to absence of sitting allowances after the training.
2) Ineffective implementation of the project activities mainly those in upland areas were due to:
    - Unpredictable weather conditions
    - Late initiation of the procurement process. With exemption of the seeds, the procurement process for other inputs started in 2015 instead of 2014 as planned. This was mainly due to shortage of staff and reform transformation that were ongoing in FAO offices.
    - Low farm gate prices that discourage some farmers to increase production and poor community rood network. This limits timely transporting of the farmers produce to the market when still fresh.

- High dependence syndrome; some cooperative societies own facilities on donated pieces of land, on which the land loads have forced the societies off those pieces of land. For example Lira DLG took over the building that used to house one of the cooperative societies which affected the operationalization of the society activities.

3) Production is still very low; due to untimely delivery/supply and high prices of improved seeds varieties from the seed suppliers. Most of the seed suppliers like Mukwano Ltd supply seeds in the middle of the planting season when the farmers have already resorted to the local varieties of low yield.

Analysis

Link between financial and physical performance

The link between physical and financial performance could not be made as the release and expenditure details of the donor component could not be accessed. However, on the GoU component; release and expenditure performance was very good as 75.2% of the funds were released and expended on items that were in line with the achievement of the core outputs of this project. Physical performance was also very good (78%), however it was slightly affected by i) the low turn up of farmers as they were not effectively mobilized and sensitized and ii) The unpredictable weather pattern that also affected the effectiveness in the implementations of the planned activities.

Achievement of targets

The key targets of distributing equipment and inputs, strengthening the corroboration of farmer organizations with other agencies,reducing post-harvest losses, farmer trainings and mentoring have been achieved, but members are still being cheated by middle men who set low farm gate prices for the farmers, hence the objective of creating market linkages not successfully implemented. Almost all the farmer groups visited reported to have received inputs; however, they were not enough to exploit their full potential. Apart from the procurement delays on equipment, which affected the project implementation; all the activities were implemented on schedule.

Implementation Challenges

i) Low turn-up of farmers in the trainings sessions due to non-expectation of training allowances.
ii) Unpredictable weather conditions affected the yields.
iii) High dependence syndrome; some cooperative societies own facilities on donated pieces of land, some landlords have forced the societies off their land. For example Lira DLG took over the building that used to house one of the cooperative societies which affected the operationalization of the society activities.
iv) Late initiation of the procurement process. With exemption of the seeds, the procurement process for other inputs started in 2015 instead of 2014 as planned. This was mainly due to shortage of staff and reform transformation that were ongoing in FAO offices.

v) Production is still very low; due to untimely delivery/supply and high prices of improved seeds varieties from the seed suppliers. Most of the seed suppliers like Mukwano Ltd supply seeds in the middle of the planting season when the farmers have already resorted to the local varieties of low yield.

Comparative analysis

The project`s aim of ensuring that the farmer institutions are in position to do their own business, made them procure more seeds than what the project availed to them. There were more institutions supporting sunflower production in Lango than Acholi sub-region and more rice production in Acholi than Lango sub-region. The sunflower production was almost zero in Acholi sub-region.

In Kole district, the outcome of Namuche 3 was the best with good tailoring process, short term duration (90 days) with heavy grains. Namuche 2 did not grow taller, lacked good results, and Namuche 1 was short in size and very hard to work on mainly in management. The farmers in Kole adapted Namuche 3 from Namulonge.

The power tiller/ walking tractors and Ripper planters were delivered between July and September (dry season), hence not effectively utilized as at the time of visit on 5th January 2016. Some cooperatives like Agweng in Lira district rented the ripper planters out and others used them as transport to collect produce to the stores. The cooperatives further reported that; the rice threshers are very helpful that they speed up the process of threshing rice improved the quality and have reduced the amount of labor required for this activity. For example; a single thresher threshes an average of three tons of rice in one hour and three tons can be derived from three acres on average. The power tiller opens three to five acres of land a day hence increased production.

Conclusion

The Performance of project 1264 “Commercialization of Agriculture in Northern Uganda”is rated as very good (76%) as most of the set targets were achieved. All the beneficiaries visited received the inputs and equipment. Smallholder farmers, through their organizations, reported to have increased the acreage of sunflower and rice through engaging in contracts with SMEs in which seeds of improved varieties were acquired under agreement and planted. The seeds acquisitions were supplemented with trainings and the establishment of production demonstration sites to facilitate skills transfer to the beneficiary farmer organizations.

The capacity of farmer organizations to transact business was strengthened through their registration as cooperatives and the training they received in business skills, as well as the close monitoring and mentoring.

Recommendations

i) The NARO should collaborate with the DLGs to mobilise and sensitize farmers with regard to adoption of improved technologies

ii) The NARO should undertake more research on new varieties of seeds that are torelant to weather conditions/ climatic change.
iii) The cooperative societies should work towards strengthening their groups through owning properties to reduce the high dependence syndrome.
iv) The NARO institutions should raise enough improved seeds varieties in Lango sub region. The MAAIF should also give support to cooperative societies to raise their own seeds.

4.2.3 Livestock Disease Control Project Phase 2 (Project 1330)

Background

The overall objective of the project is to create a conducive capital investment atmosphere in the livestock sub-sector that will see increased employment opportunities related to improved animal health by; putting in place, operationalization and use of technical infrastructure to prevent-control contagious and other major animal diseases that will enhance increased animal productivity; food security and safety, local and regional market access for animal products.
Specific objectives:

1) To construct/upgrade the national animal disease diagnostic laboratory infrastructure and operationalize it to detect and control animal disease emergencies.
2) To construct/upgrade the national animal quarantine infrastructure to control animal movements related to animal disease emergencies.
3) To construct a modern national veterinary vaccine and drug store, stock it with adequate state controlled animal vaccines and drugs and utilise that optimally.

Annual planned outputs FY 2015/16

- Viable silkworm egg parent lines available at National Sericulture Center labs.
- Animals and animal products inspected at entry points and stockouts for control of animal movement strengthened at the border posts.
- The National Referral Laboratory at Entebbe (NADDEC) supported to improve capacity for animals disease diagnosis and certificate of animal for export.
- Disease outbreaks investigated country wide.
- Epidemic animal disease surveillance undertaken country wide.
- Surveillance and control of vector-born disease undertaken in Western, Central, Eastern and Northern parts of Uganda.
- Technical backstopping to at least 60 districts to control major epidemic diseases & vectors implemented.
- Veterinary regulations especially during animal quarantine restrictions enforced.
- An enabling environment and guidelines created for the development of areas involved in obtaining livelihood through pastoralism related activities; especially the Basongora in Mid-Western Uganda.

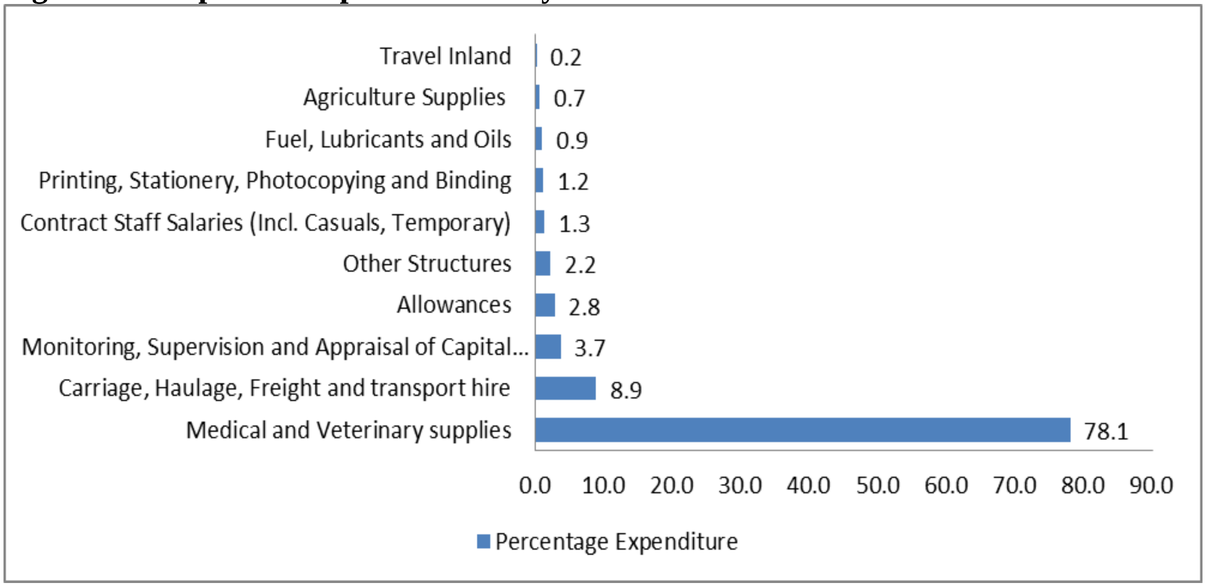
- Pastorism & Normadic policy finalized & submitted to Cabinet.
- 500,000 doses of FMD, 100,000 doses of CBPP and 120,000 doses of rabies vaccines procured.
- Quarantine stations at entry points of Elegu/Busia, Oraba, Mutukula and Entebbe Airport and Central Lab renovated.
- Valley tanks constructed in FMD high risk district with the heavy equipment from Japanese Government.

Findings

i) Financial performance

The approved budget for Livestock Disease Control Project Phase II (LDC2), for FY 2015/16 is Ug shs 5,531,500,000 of which Ug shs 2,011,547,048 (36.4%) was released and 94% of the total releases was spent by 30th December 2015. This project exhibited a very good (72.8% by half year) release and excellent resource absorption. The released funds were spent as shown in Figure 4.2. Most of the funds were expended on medical and veterinary supplies as a core item under the project; other items received less than 10% of the total releases.

Figure 4.2: Expenditure performance by item as on 31th December 2015



Source: IFMS data

ii) Physical performance

By 31st December 2015, the overall physical performance of Livestock Disease Control Project Phase 2 is summarized in Table 4.6. The overall physical performance was very good (74.6%) as 10 out of the 13 key half year planned targets were fully achieved, one was partially achieved and two outputs were not implemented due to low release.

Table 4.6: Physical performance of the Livestock Disease Control Project Phase 2 by 30th December 2015

Planned output	Progress by half year	Remark
Viable silkworm egg parent lines available at National Sericulture Center laboratory	-Multiplied & distributed silkworm eggs to farmers. -Conducted refresher training, data collection and documentation of silk farming activities. -Surveys for silkworm and mulberry pests and diseases and quality control were carried out. -Technical backstopping on mulberry and quality silk production was carried out.	100% half year target Achieved
Inspection of animals and animal products at entry points and stock routes for control of animal movement strengthened at the border posts.	Veterinary Inspectors and District Veterinary Officers were facilitated to enforce quarantine restrictions for control of further Spread of Food and Mouth Diseases & enhanced subsequent lifting of restrictions in 13 districts.	100% half year target Achieved
The National Referral laboratory at Entebbe (NADDEC) supported to improve capacity for animals disease diagnosis & certificate of animal for export.	The High performance liquid chromatography (HPLC) filters were procured for chemistry laboratory.	100% half year target Achieved
Disease outbreaks investigated country wide.	Listeriosis surveys in Sembabule, investigations for ASF were undertaken in four districts. Abattoir surveillance for CBPP were undertaken in different districts. Investigations for ASF were undertaken in Kabarole, Kabale, Mbarara and Hoima district.	100% half year target Achieved
Epidemic animal disease surveillance undertaken country wide.	Foot and Mouth Disease outbreak investigation was carried out in Ssembabule district.	
Surveillance and control of vector-born Disease undertaken in Western, Central, Eastern & Northern parts of Uganda	Foot and Mouth Disease (FMD) surveillance for various districts was planned and activity was pending funds that were not released by half year.	0% half year target achieved
Technical backup to at least 60 districts to control major epidemic diseases &vectors implemented	Facilitated for Veterinary Inspectors and DVOs to enforce quarantine restrictions for control of further spread of FMD and enhancing subsequent lifting of the restrictions in Luwero, Kyankwanzi, Nakaseke, Masindi, Kiruhura, Isingiro, Rubirizi, Hoima, Kween, Busia, Kapchorwa, Bukedea and Kumi	100% half year target Achieved
Veterinary regulations especially during animal quarantine restrictions	Support to the veterinarians at border post was undertaken to enhance their mobility to conduct surveillance along international borders and control entry of foreign disease	100% half year target Achieved

enforced.	Monitoring and provision of supervision and legislative enforcement to ensure compliance to formal activities in border crossing points was undertaken.	
Creating an enabling environment & guidelines for the development of areas involved in obtaining livelihood through pastoralism related activities; especially the Basongora in Mid-Western Uganda.	Veterinary inspection at ports of entry, exit and stock routes (10 regional offices & 13 broader posts offices) were supported through procurement of modems and internet bundles for communication. Market access was promoted and supported compliance with sanitary & phytosanitary (SPS) measures by inspecting milk processing plants, hatches & hides & skins tanneries.	100% half year target Achieved
Pastorism & Normadic policy finalized & submitted to Cabinet.	Not achieved	0% half year target achieved
500,000 doses of FMD, 100,000 doses of CBPP & 120,000 doses of rabies vaccines procured.	Purchased 250,000 doses of FMD and distributed 392,500 (of which the 170,000doese come from FAO) to farmers in different districts with outbreaks. The request was made for 560,000 doses of FMD, 500,000 doses of CBPP, 10,000 doses Rabies vaccine, 500,000 doses of Brucella vaccine for cattle and 200,000 doses for Brucella vaccine for sheep and goats, that were awaiting delivery when more funds become available	30% half year target Achieved
Quarantine stations at entry points of Elegu/Busia, Oraba, Mutukula& Entebbe Airport & Central Lab renovated.	Land at Oraba in Koboko district was surveyed by cartographer and a team of surveyors from Ministry of Water and Environment.	100% half year target Achieved
Construct valley tanks in FMD high risk district with the heavy equipment from Japanese Government.	Supervision of valley tank construction activities was carried out in 12 districts and the technical verification of works for rehabilitation of Veterinary Inspection Offices at Elegu/Bibia, Oraba Entebbe and Packwach were undertaken.	100% half year target Achieved

Source: Field findings

The field monitoring verified two outputs: the distribution of FMD vaccines and sericulture, including the national laboratory. Seven districts of Masaka, Lira, Kiboga, Ntungamo, Luwero, Kamuli and Wakiso were monitored. The findings are presented below.

Distribution of FMD Vaccines

The MAAIF contracted M/s ERAM Uganda Limited at a sum of Ug shs 958,950,000 to supply 150,000 doses of FMD vaccines and M/s MTK Limited to supply 100,000 doses of FMD at US$ 1.2775 per dosage.

By 30th December 2015, the MAAIF had procurement a total of 250,000 doses of FMD vaccines and distributed 392,500 doses (of which 170,000 doses were from FAO) to livestock farmers in 57 districts, through their production departments. The 27,500 doses of FMD where still in MAAIF stores by 31st December 2015.

Kiboga District

The district received 20,000 doses of FMD vaccines in two consignments of 10,000 doses each. The first consignment was received on 9th September 2015 and the second on 5th October 2015.

The district veterinary department mobilized cattle farmers in the sub-counties of Kapeeka, Lwamata, Kibinga, Dwaniro and Kiboga town council for this exercise, and a total of 39,645 heads of cattle were vaccinated by 30th December 2015. These were mainly the breeding stocks that were being transported from the district and those that were being taken to the North and Eastern part of Uganda for restocking. A total of 506 households were involved in this exercise with 39,242 Bovine and 404 shoats' heads of cattle from the three sub-counties.

The district had utilized 17,000 doses of FMD and the activity was still ongoing and there was no active case of this disease in Kapeeka and Lwamate sub counties by 27th January 2016.

Implementation challenges

1) Ineffective implementation of the project activities due to low funding allocated to PMG for fuel and allowances, and the high breakdown of the old equipment used during the exercise. The MAAIF did not avail the district with any equipment like syringes and gloves to use during the exercise.
2) High costs of implementing the project due to lack of effective means of transport in the field. The production department uses a very old NAADs vehicle which is too costly to repair and maintain.
3) The vaccinators were standing higher chances of being injured during the exercise, due to improper vaccination of animals in the district. The animals were vaccinated at the Boma ground and there were no cattle crashes in the district.

Recommendations

1) The MAAIF should always give a complete package including the equipment to use during the vaccination exercise like ice boxes, syringes and cold chain and allowances for the staffs to undertake these activities effectively.
2) The MAAIF should avail transport means to the production department to effectively carry out this activity in the field.
3) The MAAIF should allocate more funds on development activities like construction of cattle crashes within Kiboga district to ease the vaccination exercise and avoid injuries.

Lira District

The district received 1,500 doses of FMD and CBBP vaccines each in September 2015 worth Ug shs 450,000 from MAAIF. The vaccines were used to vaccinate the 832 animals in the district, for restocking at lira holding ground. By 5th January 2016, the district had a balance of 500 doses of FMD and CBBP each that was yet to be utilized.

The major challenge: there were no funds allocated for administering vaccines for the three diseases and sometimes the DLG gets outbreaks with no ready funds for handling these diseases, hence leading to a wider spread.

Recommendation; The MAAIF should have continuous funding for handling and managing such epidemics in local governments.

Luwero District

There has been a number of FMD outbreaks in Luwero district caused mainly by unscrupulous traders who smuggle in Friesian cross breed animas from quarantined areas (Ngoma Sub County) of Nakaseke district. These animals, because of their cheap costs have tempted some farmers to buy them for breeding in hope of getting better yielding breeds of cattle.

The district received a total 18,000 doses of foot and mouth disease vaccines in four consignments as follow: 7,000 doses on 1st September 2015, 3,000 doses on 10th October 2015, 4,000 doses on 23rd September 2015 and the last dose of 4,000 was received on 24th November 2015.

In light of the eight days of intensive FMD vaccination exercise in the district, emphasis was put on the sub-counties of Kamara, Butuntumula, Kikyusa, Luwero, Katikamu and Luwero Town Council, with a target of 20,000 Heads of cattle, and 5,000 sheep and goats. The exercise was conducted in November and December 2015 and the following categories of animals were vaccinated.

Table 4.7: Number and categories of animals vaccinated during the month of November and December 2015

Categories of animals	Sub Counties and number of animals vaccinated				
	Luweero	Butuntumula	Kikyusa	Kamara	*Totals*
Cattle	1,390	893	3,266	5,206	*17,955*
Goats	375	124	673	608	*1,780*
Sheep	208	57	70	408	*743*
Beneficiary households	171	112	134	056	*473*

Source: Field Findings

Implementation challenges

1) Ineffective implementation of the project activities was due to:
    - Low morale of extension works as far as facilitation for vaccination exercise is concerned. The extension workers were not facilitated to undertake this activity in the district.
    - High breakdown of old motorcycles and vehicle currently used by some veterinaries and requires replacement, which slowed down the vaccination exercise.

- Lack of complete vaccination kits for example syringes, needles, spare glass burrows, washers, nasal leads, ropes and cool boxes for effective conduction of this activity. They were using alternative non recommended vaccinated kits.
- Poor community mobilization as there was no enough funds allocated for professional attire, T-shirts and flip charts.

2) Low turn up of farmers due to;
    - Too many activities that were targeting farmers within the district and reduced the expected numbers.
    - Some farmers who thought of individually carrying out livestock vaccination/treatment did not bring their animals for vaccination which lowered the coverage.

Recommendations

1) The MFPED should avail funds to facilitate extension works to effectively implement the production activities of the district in the respective sub-counties.
2) The law should came into infect to ensure that all animals are vaccinated in the district to control diseases.
3) The MAAIF and MFPED should avail the production department with transport means to effectively do their work.
4) The MAAIF should always give a complete livestock vaccination package to local governments.

Masaka District

The district received 20,000 doses of FMD vaccines in two consignments. The first consignment of 10,000 doses was received from FAO on 3rd September 2015 and the second of the same quantity was received on 20th November 2015. The district veterinary department mobilized cattle farmers in all sub-counties to construct cattle crushes and the program was passed on to the area leaders on the vaccination exercise.

The exercise which began on 10th September 2015 continued up to 22nd December 2015, covered five sub-counties and one division in district.

A total of 18,225 animals were vaccinated against FMD in the following sub-counties of Masaka district: Mukungwe 2,000 H/C, Kyannamukaaka 5,900 H/C, Buwunga 800 H/C and Nyendo/Ssenyange Division 500 H/C and a total of 9,025 livestock were vaccinated in slaughter slabs which include 5,000 cattle, 1,500 goats and 2,525 pigs.

Implementation challenges

1) Inadequate vaccination due to:
   Lack of facilitation and equipment to carry out this activity in the district. The budget allocated to the PMG is too small to conduct this activity effectively. The MAAIF did not allocate any funds for sensitization and mobilization of farmers, and other various stake holders in the district on the vaccination exercise.

2) Inability to assess the level of perseverance of FMD, other diseases and the impact after intervention. This was due to lack of equipment in the veterinary laboratory at the district to undertake this activity.

Recommendations

1) The MAAIF should always avail comprehensive support for pests and disease control to Masaka district like the; syringes allowances, needles and protective gear to use during the exercise.
3) The MAAIF should equip the Masaka Veterinary Laboratory with key reagents, vaccination, containers, needles, cold facilities and central fridges in order to assess the level of perseverance of FMD and other diseases in the district.

Ntungamo District

The district requested for 85,000 doses of FMD vaccines and received 1,500 doses on 18th December 2015. The production department organized eight vaccination centers in three wards of Rwemiriro, Kakango and Akatojo in Rubare Town Council.

The vaccination exercise took 11 days, starting on 18th December up to 28th December 2015. A total of 18,020 heads of cattle were vaccinated in the whole exercise. However, the exercise was ineffective due to:

- The small number of doses that was provided compared to the herd size in the prone cattle corridors of Rubaare, Kitwe and Ngoma Sub County.
- Absence of holding grounds for expounded suspected livestock. The district gazetted and proposed Kafujo village which has never been funded.
- Few and old equipment were used to carry out this exercise in the district like syringes, needles and protective gear which kept on breaking down.

Recommendations

1) The district veterinary officer was yet to request for more vaccines. He also further recommended that the vaccination of the above nature should be carried out routinely in order to create an immune herd in the area.
2) The MAAIF and MFPED should allocate funds for construction of cattle holding ground in Kafujo, Ntungamo district.
3) The MAAIF should always avail a comprehensive support for pests and disease control to Ntungamo district i.e. Syringes allowances, needles and protective gear to use during the exercise.

National Sericulture Centre

Background

Sericulture refers to activities involved in the production of silk which include; mulberry cultivation, silkworm rearing to produce cocoons and post-harvest cocoon processing to silk yarn and finished silk products. The MAAIF established the National Sericulture Centre (NSC) at Kawanda in Wakiso District, that provides an institutional framework and central services required for the development of sericulture sector.

From the year 2005 to 2009, the center received support from Japans International Co-operation Agency (JICA) in technical aspects of silk culture, preserving silk worm eggs and laboratory support for silk worm production. Some individual farmers were also assisted in mulberry planting materials and construction of silk worm rearing houses. The MAAIF took over these activities in 2010.

Annual Planned activities

During the FY 2015/16, the MAAIF planned to undertaken the following activities under the National Sericulture Center.

- Maintained mulberry and silkworm stocks at the National Sericulture Centre in Kawanda.
- Mobilized and sensitized farmers in 12 districts.
- Technical backstopping and supervision.
- Supported farmer groups in mulberry cultivation and management.
- Supported silkworm rearing for cocoon production.
- Post-harvest cocoon processing to silk yarn and finished silk products.
- Carried out monitoring and data collection on previously planted mulberry plantations.

Financial performance

From July to December 2015,the National Sericulture Center received Ug shs 31,200,000 from MAAIF. By 29th January 2016, the center had expended Ug shs 30,200,000 on the following items as shown in Table 4.8 with a balance of 1,000,000 on the center`s account.

Table 4.8: The National Sericulture Center expenditure items by 31st December 2015

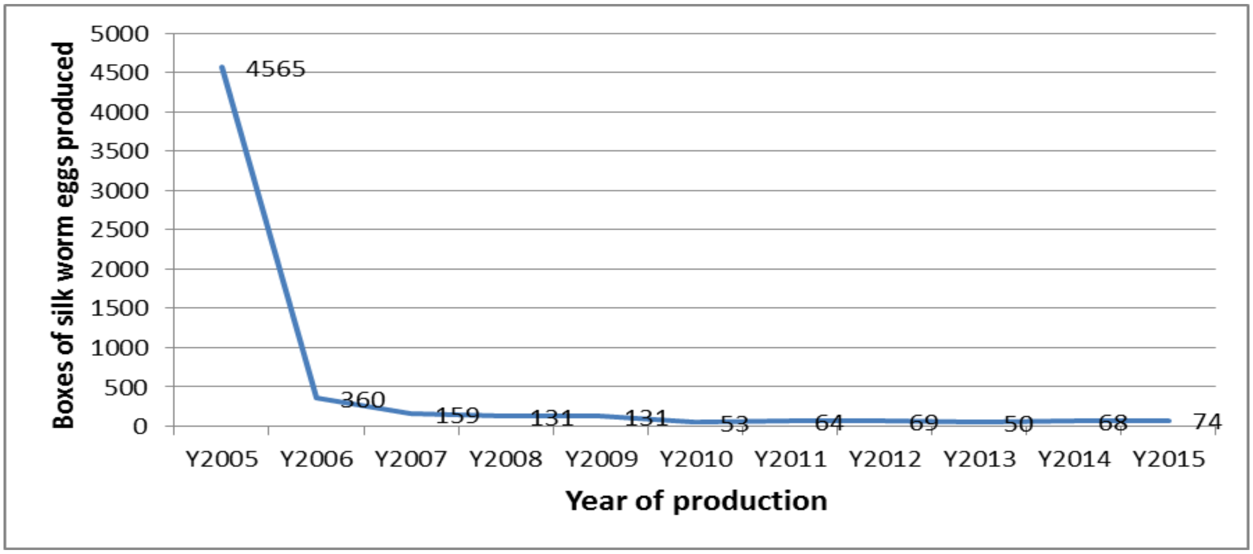
ITEM	AMOUNT
Purchase of (farm tools, Pesticides, herbicides, disinfectants and laboratory reagents)	3,500,000
Labour (for breeding silkworms, maintenance of mulberry fields and payment of 2 security guards)	5,280,000
Fuel for field work	2,700,000
Allowances (for staff and driver)	6,900,000
Training facilitation	7,800,000
Repairs and maintenance	3,400,000
Miscellaneous	620,000
Total expenditure	30,200,000

Source: field findings

Physical performance

Since the project inception to date, the center has been producing silkworm eggs that are distributed to silk farmers in a number of districts to produce cocoon. Figure 4.3 shows a trend analysis in boxes of silkworm eggs produced from 2005 to December 2015.
Note: Each box of eggs constitutes 20,000 eggs).

Figure 4.3: Production trends of silk worm eggs from the 2005 to December 2015



Source: Field findings

More boxes of silkworm eggs were produced in 2005 due to high demand in Kiruhura, Bushenyi and Kanungu districts. Starting in 2006, these districts got another supplier from IFAD under International Center for Insect Physiology and Ecology (ICIPE) project which reduced the boxes of silkworm eggs produced by National Sericulture Center.

The silkworm laboratory with solar fridges donated by JICA for preservation of silk worm eggs at the National Sericulture Center

The production continued to be very low, due to a few farmers involved in the production of cocoon, until 2014 where production slightly started increasing, mainly due to; i) increased sensitization of more farmers to join silkworm farming, and ii) technical backstopping and supervision of silkworm farmers and iii) Bringing new districts on board to start silk farming to produce cocoon.

The sericulture center implemented the following activities in half year of the FY 2015/16:

1) Distributed 32 bags of mulberry planting materials to three farmer groups of Kweterana (10bags) in Mubende, Katugo (12 bags) in Lwengo and Namayumba (10 bags) in Wakiso district. The mulberry was growing well and more cuttings were still required by other farmers. However, some farmers' mulberry was affected by drought.
2) Distributed 22.0 boxes of silkworm egg to three farmer groups of; Kamuli district silk Farmers association (14boxes), Mpigi farmers (2) in Mpigi and KASICA/NSC 6 boxes
3) Conducted trainings and demonstrations to seven Farmer groups/ Associations at NSC that attracted 479 farmers from the districts of Masaka, Lwengo, Nakaseke, Gulu, Kampala Masaka Lyantonde and Karamoja sub region
4) Conducted trainings/ internships to 273 University students, educated 490 secondary school students and primary school pupils on sericulture practices.
5) Mobilized and sensitized farmers in the six out of the 12 planned districts of; Mpigi, Kamuli, Nakaseke, Mubende, Wakiso and Luwero for FY 2015/16, that were active in silk farming; the beneficiaries groups included:
    - Wakiso women`s group located in Namayumba sub-county, the group also received mulberry cuttings for three acres (9 bags of 100Kgs each).
    - Katuugo Progressive development group in Katoogo parish, Luwero Sub-County received three trainings and mulberry cuttings for three acres.
    - Established one acre demonstration for mulberry and training on good agronomic practices of this crop to Butuntumula area cooperatives enterprise in Kakinzi parish, Butuntumula Sub-County in Luwero district.
    - Sensitized and gave three sacks of mulberry cuttings and equivalent for one acre demonstration and expansion to Lukomera women beekeepers group in Migadde parish, Katikamu Sub-County in Luwero district.
    - Kyarugondo women group in Kyalugando village, Migadde parish in Katikamu Sub-County received trainings on mulberry growing and silkworm rearing.
    - Mugagga Deo is a host farmer for a newly formed group. Last FY they received mulberry planting materials and by half year FY 2015/16, they were monitored to check on their performance.
    - Kamuli Silk farmers association has about 30 members; they were provided with silkworm eggs, technical advice on production of mulberry and management and some disinfectants.
    - Mubende silk farmers association in Kiyuni and Madudu sub-counties was trained, visited and given 10 bags of mulberry cuttings.
    - There was also a farmer forum in Kiwoko town council in Nakaseke district were the National Silk culture Center in Kawanda extended information on silk worm farming and organized a demonstration on silk production.
    - One box of silk worm eggs was given to Mr. Matovu William, a host farmer in Mpigi district.
6) Undertook technical backstopping trained and still training students of Bukalasa Agriculture College on silkworm farming. By 29th January 2016, the center had 35 students from Bukalasa, Makerere University, Busitema and Kyambogo University.
7) Maintained a three acre mulberry plantation at the National Sericulture Center. It was weeded; pruned, applied manure/fertilizer, pests and disease were managed as well as controlling soil erosion.

Left: A well maintained mulberry plantation, Right: Students of Bukalasa Agriculture College being trained on production of yarn from cocoons at the National Sericulture center in Kawanda

Implementation Challenges

1) Delayed and ineffective implementation of the planned activities due to:
    - Untimely and insufficient funds leading to differing activities to the following quarters. The funds for quarter one FY 2015/16 came towards the end of that quarter.
    - Lack of transport means to follow up the field activities and effectively supervise the silkworm activities.
    - Delayed payments and signing of contracts for the contract staffs. The contracts expired in June 2015 and were renewed in December 2015.
2) The production of cocoons is still very low; due to limited silk culture extension services in local governments, that necessities technical backstopping from the center.

Recommendations

1) The MAAIF and MFPED should ensure that funds are released at the beginning of every quarter for effective and timely implementation of the planned activities.
2) The MAAIF and MFPED should provide a vehicle to the staff of the NSC to effectively monitor and supervise the sericulture project in the implementing LGs.
3) The MAAIF should strengthen the sericulture extension services in local governments and mainstream sericulture component in the production departments (Entomology sub-sectors) of the implementing local governments.

Kawanda Silk Craft Association (KASICA)

The association operates in Kawanda Research Center at the National Sericulture Center in Nkokonjeru village. It started in the year 2014; with 30 active members of which two are males and 28 are females. The aim of this association is to promote silk production and encourage more women to engage in its production as an income generating activity. The group is involved in crafts value addition, where members buy cocoons from farmers to produce yarn and crafts which they sell and exported abroad.

In FY 2014/15, the MAAIF provided the association with a working space for operation and a riling machine for producing yarn. By 30th December 2015, MAAIF has helped the association carry out demonstrations on silk production, technical backstopping of its members on value addition, technical guidance in mulberry cultivation and management, silkworm disease and pest management, linked them to cocoon producers market for their crafts and yarn abroad. The association was also supported with silkworm eggs and other inputs.

Mrs. Hope Katwijukye, showing some of the products from yarn made out of the cocoon, which include; bags, scuffs and ear rings

Mrs. Hope Katwijukye, the chairperson of the group reported that the gross sales were Ug shs 960,000 for the period July to December 2015. The key challenge for the association is lack of enough market for their finished products and the low inputs (cocoon production) from farmers leading to few silk yarns produced.
She recommended MAAIF to help them look for more market abroad and help more farmers to adopt and expand silk farming in Uganda.

Kamuli Silk Farmers Association

The farmer group is located in Naluwoli village and Parish, Butansi Sub-County in Kamuli district. It started with 17 members in 2010, by 27th January 2016; they were 12 active members of which three are females. The aim of the group is to rear silkworms as a source of income through selling silk cocoons. The group owns a silk rearing house and each member had planted at least one acre of mulberry to feed the silk worms.

Mr. Tom Kyebanakolanga the chairman of the group planted three acres of mulberry in Naluwoli parish, Butansi sub-county

The group started working with MAAIF in 2010, and it had received guidelines on silk worm production and silkworm eggs from Kawanda. Between 13th October 2009 and 24th May 2015, the farmer group had received 45boxes of silkworm eggs.

By 30th December 2015, the farmer group had received silkworm eggs (each constitute of 20,000 silkworm eggs) and chemicals (formalin and breaking powder) from kawanda research center for production of cocoons, which were sold by the association to Kawanda Silk Farmers Association as shown in the table below.

Note: One box of silkworm eggs produces 30kgs of fresh silkworm cocoons, for each box of silkworm eggs the farmer is given 0.5liters of formalin chemical and 0.5Kgs of breaking powder. For each kg of fresh silkworm cocoon produced, reduces wait by 25% after of drying silk worm cocoon.

Table 4.9: Fresh silkworm cocoon produced from July to December 2015 by Kamuli Silk Farmers Association

Months	Boxes of silk eggs received	Expected Kgs of cocoon to be produced	Actual Kgs of cocoon produced	Variance in production
July	3	90	51	39
August	2	60	39	21
October	4	120	49	71
December	2	60	53	7
Totals	**11**	**330**	**192**	**138**

Source: Field findings

By 21st January 2016, Kamuli Silk Farmers Association had procured 11 boxes of 20,000 silk eggs each, from the National Sericulture Center, Kawanda and produced 192Kgs (58.2%) of fresh silkworm cocoon from the expected 330Kgs (100%). The causes of the (41.8%) variance of 138Kgs of fresh silkworm cocoon production were mainly due to:

- Poor rearing equipment; instead of using quality spinning frames, the farmer group uses a non-recommended cheap local wire mesh. The spinning frame of 100ft costs Ug shs 450,000 while a wire mesh of the same size costs Ug shs 50,000 making the spinning frame unaffordable for the silk farmers. In a season this farmer group uses 300 ft of either a spinning frame or a wire mesh.
- Lack of knowledge on improved methods of silkworm farming, equipment for rearing the silkworms and absence of extension services in Kamuli district LG in production of fresh cocoons.

It was also noted that there was no value for money on a riling machine that was given to this association. The group received three riling machines in 2009 from JICA and as by 27th January 2016, they were never put to use, due to lack of knowledge and inadequate training in the use of this machine by the members.

The riling machines that the group received from JICA, but never put to use due to lack of knowledge in the use of these machines

Recommendations

1) The MAAIF should link the silk farmer groups to other partners who can offer support in the areas of infrastructural development and extension.

2) The MAAIF should support the association by availing extension services; decentralize the expertise to LLG level and other inputs like trainings to the farmer groups.
3) The MAAIF should send a technical expert to train the silk farmer groups in the use of the riling machine to produce yarn.

Ms. Mugulusi Margaret a household head is a host farmer of Kamuli Silk Farmers Association that started silk farming in 2012 and has one acre of mulberry plantation. She joined silk farming due to its being an all-weather enterprise and done in house. She can do both reproductive and productive activities at once.

Ms. Mugulusi Margaret`s silk rearing house under construction in Butansi Sub county

From July to December 2015, she brought mulberry for three cycles (three months) and each Kg of dry silk worm cocoon produced she is paid Ug shs 8,000. Her key challenge is transporting the mulberry every day to the rearing center at the group chairman’s house, which is almost two kilometers away from her home.
To overcome this challenge, she has been constructing her own silk rearing house since August 2015, which by 27th January 2016, was 70% completed. Delayed completion of this house is due to high cost of labour force in constructing this house. She recommended that the government undertake affirmative action to provide subsidies to women in paying for labor during the construction of such structures.

Challenge
Lack of knowledge in recordkeeping - Ms. Margaret does not know the returns after drying of the cocoon at Mr. Tom Kyebanakolanga’s place.

Recommendation: The farmer should be trained in business management and record keeping to effectively do her work.

Bukalasi Agricultural College
The college is located in Wobulenzi town council in Luwero district. The program of silkworm and mulberry planation started in 2012 when MAAIF planted four acres of mulberry. Silk culture is being taught as a module in this college. The college has been trying demonstration of silk culture at a minimal scale especially during the cold weather conditions. In FY 2014/15, the college received mulberry planting materials and silkworm eggs from the National

A silkworm laboratory with spinning frames at Bukalasi Agricultural College, in Luwero District

Sericulture Center which are hatched at the college.

During the half year FY 2015/16, the college received training on silkworm rearing and examination materials. The National Sericulture Center supervised and monitored students undertaking this module.

Implementation challenge: The production of cocoon is still low in this college due to absence of a silk rearing house. The college carries out practical module activities in a small laboratory.

Recommendation: The MAAIF should establish a functional demonstration sericulture unit at Bukalasi Agricultural College to act as a center for producing planting materials for sericulture farmers and students in Luwero district.

Analysis

Link between financial and physical performance
A total of Ug shs 2,011,547,048 was released for livestock disease control project phase 2, which was 36.4% of the approved budget. Expenditure was Ug shs 1,891,299,629 (94%) of the total release, representing very good (72.8% by half year) release and excellent expenditure performance by half year. About 78.1% of the funds were expended on medical and agricultural supplies, followed by carriage, haulage, freight and transport hire which received 10% and expenditure on other items was less than 10% each, representing excellent expenditure performance as more funds were expended on the core activity of the project.

By 30th December 2015, MAAIF had purchased and distributed the 250,000 doses of FMD, including the 142,500 doses from FAO to farmers in different districts with outbreaks, multiplied & distributed silkworm eggs to farmers, mobilized and sensitized silkworm farmers in the six out of the 12 planned districts, which are the core activities of this project.

Implementation challenges

1) Low coverage in vaccination was mainly due to;
    - Inadequate supply of vaccines due to low funding, yet many diseases have been reported like rabbies. The request for the procurement of Rabbies, CBPP and Brucellosis vaccines was made on 31st August 2015 and by on 18th December 2015, the vaccines had not been procured due to low funding.
    - The small vaccines that were provided to a number of implementing districts as compared to the herd size in those districts; some animals were not vaccinated in the districts of Ntungamo, Luwero and Gulu.
2) Ineffective inspection and investigations of disease outbreaks by the 10 regional officers and 13 border posts officers due to lack of transport means to undertake the field activities.

Conclusion

The performance of the Livestock Disease Control Project Phase 2 is rated as very good at 75% as most of the set targets were achieved and funds absorption was excellent by half year. More of the funds were expended on the core planned activities and all the beneficiaries visited conformed to have received the vaccines, trainings, technical backstopping, trainings, silkworm eggs and other inputs. However, due to limited resources, some half year planned outputs like procurement of 560,000 doses of FMD, 500,000 doses of CBPP, 10,000 doses Rabbies vaccine, 500,000 doses of Brucella vaccine for cattle and 200,000 doses for sheep and goats, were not achieved as there were no funds allocated for those procurements by half year.

Recommendations

i) The MAAIF should always plan and give a comprehensive livestock package to support the project to effectively implement all the planned activities. These include vaccination kits for livestock, transport to the veterinary departments of LGs, the 10 regional offices, the 13 border posts offices and the Nationals Sericulture Center to effectively implement and monitor all the planned activities in the implementing districts.
ii) MFPED should avail funds to facilitate extension works to effectively implement the production activities of the district in the respective sub-counties.

4.3 National Agricultural Research Organisation (Vote 142)

4.3.1 Overview

Introduction

Established by an Act of Parliament in 2005, the mission of the National Agricultural Research Organisation (NARO) is *"generation, adoption and dissemination of appropriate and demand driven technologies, knowledge and information through an effective, efficient, sustainable, decentralized and well coordinated agricultural research system"*[6].

The NARO activities are implemented through seven research institutes and nine Zonal Agricultural Research and Development Institutes (ZARDIs). The NARO is implementing two development projects namely: Project 1139 Agricultural Technology and Agribusiness Advisory Services (ATAAS) and Project 0382 Support for NARO.

The monitoring work during half year FY 2015/16 focused on the two development projects. However, Project 0382 Support for NARO does not have specific planned outputs but rather provides complementary development funds to the Institutes and ZARDIs to support implementation of ATAAS and other research work. The financial performance of Project 0382 is presented below while that of Project 1139 is given in Section 4.3.2.

[6] www.naro.go.ug.

Overall financial performance of NARO

The semi-annual financial performance of NARO is presented in Table 4.10. By 31st December 2015, Ug shs 27.477 billion (27.75%) was released of which Ug shs 19.345 billion (70.40%) was spent. The release performance was below average due to under-performance of the donor budget line. Donor funds were released late following the restructuring of the ATAAS programme and fulfillment of the pre-requisite of preparation of a joint workplan between MAAIF and World Bank. The absorption performance of released funds was very good. The funds were expended in line with the planned activities and outputs as discussed below.

Table 4.10: NARO financial performance by 31st December 2015 (Ug shs Billion)

Budget item	Approved budget	Releases	Expenditure	% Budget released	% Releases spent
Recurrent	28.480	12.462	12.369	43.75	100.00
Development (Project 0382)	9.130	2.354	2.354	25.78	100.00
Development (Project 1139)*	54.364	11.954	3.945	21.98	33.00
NTR	7.009	0.677	0.677	9.65	100.00
Total	**98.983**	**27.477**	**19.345**	**27.75**	**70.40**

Source: IFMS, NARO Secretariat

Note* Releases include Ug shs 739,509,520 as balance brought forward from FY 2014/15.

Recurrent expenditure: Almost all funds (94.5%) were spent on strengthening agricultural research capacity through payment of wages and allowances; the remaining funds were expended on generation of technologies (3.5%), payments to International Organisations (1.3%), and strengthening research and extension interface (0.4%).

Development expenditure (Project 0392 Support for NARO): The funds were spent as follows: agriculture research capacity strengthened (38%); research extension interface strengthened (22.1%); technology generation (27.1%); and government buildings and infrastructure (12.8%). The funds were disbursed to NARO institutions as shown in Table 4.11. Close to half (46.14%) of the development funds were spent at the NARO Secretariat. *The detailed financial performance of ATAAS is presented in the next section.*

Table 4.11: Support for NARO project disbursements to Institutes by 31st December 2015

Institute	Amount disbursed (Ug shs)	% total
NAROSEC	1,086,321,137	46.14
CGAIR	300,480,000	12.76

NACRRI	82,457,400	3.50
NAFIRRI	67,749,400	2.88
NAFORRI	67,749,400	2.88
NALIRRI	67,749,400	2.88
NaSARRI	71,376,500	3.03
NARL	82,457,400	3.50
ABI ZARDI	49,939,300	2.12
BULINDI ZARDI	49,939,300	2.12
KACHWEKANO ZARDI	49,939,300	2.12
MUKONO ZARDI	79,856,200	3.39
NGETTA ZARDI	49,939,300	2.12
NABUIN ZARDI	52,583,500	2.23
MBARARA ZARDI	49,939,300	2.12
BUGINYANYA ZARDI	52,583,500	2.23
RWEBITABA ZARDI	52,583,500	2.23
NACORRI	40,586,700	1.72
TOTAL	**2,354,230,537**	**100**

Source: NARO Secretariat

4.3.2 Agricultural Technology and Agribusiness Advisory Services (Project 1139)

Background

Agricultural production and productivity in Uganda has remained low due to limited adoption of improved technologies and practices at farm level. This problem is partly attributed to the weak link between research and extension. The GoU introduced the Agricultural Technology and Agribusiness Advisory Services (ATAAS) in July 2010 to increase agricultural productivity and incomes of participating households by improving the performance of agricultural research and advisory service systems in Uganda. The project period is 2011 to 2016. Total ATAAS financing was projected at US$665.5 million ($120 million IDA Credit, US$7.2 million GEF Grant, US$14.5 million IFAD Credit, and US$523.8 million GoU contribution)[7].

The project has 5 components: (1) Developing Agricultural Technologies and Strengthening the NARS; (2) Enhancing Partnerships between Agricultural Research, Advisory Services and other Stakeholders; (3) Support to the National Agricultural Advisory Services; (4) Supporting Agribusiness Services and Market Linkages; and (5) Programme Management. Starting FY 2014/15, Components 2, 3 and 4 of the ATAAS project became dysfunctional with the restructuring of the NAADS to improve programme effectiveness. The coordination of extension service delivery was transferred from NAADS to MAAIF.

Following the joint IDA/GoU midterm review conducted during 2014, the ATAAS was restructured to accommodate the following key changes: i) Component 1 to focus on finalizing research infrastructure rehabilitation and laboratory equipment; and increased allocation for Competitive Grant System (CGS) Support ii) Component 2 adjustment and enhancement of technology upscaling activities; and activating sustainable land management (SLM) support iii) Replacement of Component 3 and 4 to have a new Component 3 - Strengthening Agricultural Support Services to facilitate the development of sustainable channels for market-oriented technology uptake[8].

The 15 planned annual outputs for ATAAS during FY 2015/16 are:

- Construction/rehabilitation of research infrastructure and laboratories at Public Agricultural Research Institutions (PARIs) completed
- Assortment of office and Information Communication Technology (ICT) equipment provided at NARO Secretariat and PARIs
- Assortment of Research Laboratory and field equipment at PARIs provided
- Crop technologies and protocols for enhanced productivity, pest resistance, disease resistance and utilization generated for priority commodities (coffee, tea, cotton, maize, rice, beans, cassava, irish potatoes, citrus, pineapples, apples, bananas)
- Animal breeds and breeding techniques, nutrient and health management practices for priority commodities (dairy and beef cattle, goats, poultry and fish)
- Crop technologies and protocols for enhanced productivity, pest resistance, disease resistance and utilization generated for non-priority commodities (Cereals excluding maize and rice; tubers excluding cassava & irish potatoes; legumes excluding beans; horticultural crops excluding citrus, pineapples and apples;
- Animal breeds and breeding techniques, nutrient and health management practices generated for priority commodities (pigs; bees; silkworms, sheep)
- Soil and water conservation protocols and technologies developed and promoted
- Soil fertility and nutrient protocols and technologies developed and promoted
- Labour saving technologies and protocols developed and promoted
- Economic values and gross potentials of crops, livestock and fisheries established

[7] World Bank, 2010.
[8] IDA/GoU Aide Memoire: ATAAS Project Mid-term Review October 6-21 2014 and November 27-December 12 2014.

- Forage technologies and protocols developed and promoted
- Cattle and plant genetic resources conserved
- Awareness creation of agricultural research (scientific, policy and farming information) in the public domain.
- Physical infrastructure, human, financial and informational resources managed, maintained and strengthened at the Secretariat and in the PARIs (financed from complementary funds under the Support for NARO project).

Findings

i) Financial performance

The financial performance of the ATAAS project is presented in Table 4.12. By 31st December 2015, a total of Ug shs 11,954,444,173 was available for project implementation of which 3,945,882,660 (33%) was spent. This was below average performance. The funds were spent mainly on contract staff salaries, infrastructure development, medical and veterinary supplies and travel inland at the various institutes and ZARDIs.

Table 4.12: Financial performance of ATAAS project by 31st December 2015 (Ug shs)

Institution	Opening Balance from FY 2014/15	Total Receipts FY 2015/16	Total Available funds	Expenses	Balance	% Spent
Nalirri	27,210,700	886,590,000	913,800,700	162,001,351	751,799,349	17.73
Nacori	136,694,476	752,890,000	889,584,476	246,462,736	643,121,740	27.71
Bulindi	23,476,410	460,511,000	483,987,410	217,199,483	266,787,927	44.88
Kachwekano	-	474,184,725	474,184,725	149,011,803	325,172,922	31.42
Abi	-	466,951,270	466,951,270	111,342,329	355,608,941	23.84
Mbarara	20,857.00	424,441,000	424,461,857	277,668,339	146,793,518	65.42
Mukono	43,551,869	487,064,000	530,615,869	178,554,428	352,061,441	33.65
Rwebitaba	470,061.00	408,123,000	408,593,061	351,882,364	57,097,310	86.12
Ngetta	2,341,909	425,712,000	428,053,909	149,815,670	278,238,239	35.00
KARI	71,948,682	3,265,673,029	3,337,621,711	1,136,743,166	2,200,878,545	34.06
SARRI	191,781,127	552,977,000	744,758,127	306,953,562	437,804,565	41.22
FIRI	27,195,322	549,720,029	576,915,351	116,587,607	460,327,744	20.21
FORRI	88,923,721	656,071,600	744,995,321	206,108,980	538,886,341	27.67
NACRRI	119,554,243	1,008,252,700	1,127,806,943	209,504,397		18.58

					918,302,546	
Buginyanya	6,340,143	395,773,300	402,113,443	126,046,445	276,066,998	31.35
Total	739,509,520	11,214,934,653	11,954,444,173	3,945,882,660	8,008,948,126	33.01

Source: NARO Secretariat

The NARO commenced payments under the ATAAS project for infrastructure development at various ZARDIs in FY 2014/15; most civil works were near completion or completed and additional payments were made in FY 2015/16. The infrastructures included offices, laboratories, residential buildings, stores, animal infrastructure facilities, water, sewage and electrical works and screen houses. The original contract period was 36 weeks ending August 2015. As the civil works were not completed by the project end date, two extensions were granted: i) Up to 12th December 2015 for all infrastructures ii) Up to 12th February 2016 specifically for works at Bulindi, Mbarara and Kamenyamiggo stations.

By 31st December 2015, the NARO Secretariat had cumulatively spent Ug shs 10,299,507,852 (67.17%) on the infrastructures out of the contract value amounting to Ug shs 15,332,980,174. The payments were made as follows, inclusive of the withholding tax: FY 2014/15 Ug shs 8,134,948,871 and FY 2015/16 Ug shs 2,164,558,981. The supervising consultants were ID Forum Consultants. Table 4.13 shows the contract details and financial progress of the running contracts.

Table 4.13: Financial performance of ATAAS NARO infrastructure projects by 31st December 2015

Lot No.	Scope of works	Contractor	Contract sum (Ug shs)	Cumulative payments	% physical progress to date
1	Rehabilitations of Laboratories at NaSARRI: Soil, Sorghum, and Entomology.	Techno Three (U) Ltd	2,163,952,816	1,466,968,132	80%
	Construction of office block; and a Laboratory at Ngetta ZARDI				100%
2	Construction of Office with a Conference facility, and Rehabilitation of Laboratory at Buginyanya; and Construction of Office with a Conference facility at Bulegeni	DRD Construction and Engineering Ltd	3,110,663,869	2,648,478,455	
3	Construction of Conference and Training Facility, Laboratory, Store, and Director's House at NaBUIN ZARDI	Excel Construction Company Ltd	2,417,026,428	1,332,000,217	88%
5	Construction of Conference and	Excel	1,475,086,630	857,956,743	97%, 100%

	Training Facility, and Rehabilitation of Tissue Culture Laboratory at KaZARDI, and Construction of a Screen House at Karengere sub station.	Construction Company Ltd			and 100%
6	Construction of a Conference and Training Facility and Laboratory at Bulindi ZARDI	Nicole Associates Ltd	1,504,235,741	1,014,417,426	95%
7	Construction of Conference and Training Facility at Kajjansi, and Nakyensasa; and Rehabilitation of NAROSEC Canteen.	Techno Three (U) Ltd	1,762,292,422	1,440,166,030	95%, 95% and 100%
8	Construction of a Conference and Training Facility at Kamenyamigo and Mbarara ZARDI; and Rehabilitation of Water Works at Mbarara	Egy Trading and Engineering Projects Ltd.	2,899,722,268	1,539,520,849	50% and 52%
	Total		**15,332,980,174**	**10,299,507,852**	
Lot	Scope of Works	Supervising Consultant	Contract Sum (US$)	Cumulative payments (US$)	
1	Designing the buildings	ID Forum Consultants	128,000	128,000	100
2	Supervision of Civil Works	ID Forum Consultants	105,260	52,630	50
	Total		**233,260**	**180,630**	**77**

Source: Field findings; NARO Secretariat

ii) Physical performance

a) Past performance

During FY 2014/15, a total of Ug shs 75.667 billion was spent by NARO for implementing the ATAAS programme. These were donor funds contributed by the International Development Association (88.21%), International Fund for Agriculture and Development (9.80%) and Global Environment Facility (1.98%). The following key outputs were delivered under the ATAAS during FY 2014/15[9]:

- Construction/rehabilitation was partially completed for various infrastructures at NARO Secretariat (NAROSEC) and the Public Agricultural Research Institute (PARIs). These included laboratories, office blocks, conference and training facilities, screen houses, stores and water works.

[9] MAAIF, 2015; MFPED, 2015d.

- Various technologies and research protocols were generated and disseminated to farmers for the priority commodities banana, cassava, maize, rice, beans, coffee, tea, dairy and beef cattle and fish.
- Recently released technologies were screened for resistance on station; the varieties were evaluated at multi-location sites for stability and adaptability to pests, diseases and climate changes.
- Nutrition and value added products were developed and promoted
- Farmer needs assessments were undertaken for the priority and non-priority commodities and the findings were incorporated in the research work.

b) Current performance

By 31st December 2015, the NARO had registered fair progress in the achievement of the key outputs (Table 4.13). Overall, good progress was registered as 8 (61%) out of the 13 planned outputs were substantially implemented.

Table 4.13: Physical performance of NARO ATAAS project by 31st December 2015

Annual planned output	Progress
Construction/rehabilitation of research infrastructure and laboratories at Public Agricultural Research Institutions (PARIs) completed	Construction/rehabilitation of laboratories, training facilities and administrative blocks was completed or near completion in NASARRI, Ngetta, Buginyanya, Nabuin, Kachwekano, Bulindi, Kajjansi, Nakyesasa, Kamenyamiggo
Assortment of office and Information Communication Technology (ICT) equipment provided at NARO Secretariat and PARIs	No progress
Assortment of Research Laboratory and field equipment at PARIs provided	No progress
Crop technologies and protocols for enhanced productivity, pest resistance, disease resistance and utilization generated for priority commodities (coffee, tea, cotton, maize, rice, beans, cassava, irish potatoes, citrus, pineapples, apples, bananas)	Mukono ZARDI: Newly Introduced apple rootstocks were managed and multiplication trials were established; NACORI Kituuza, Mukono: 2 CWD resistant materials due for release; 1090 CWD-R robusta plants availed to farmers; 4,885 planted at Kituza for mother garden expansion; 4,292 plants ready for planting; 16,884 plants under maintenance in tunnels/cages; 15,000 seedlings of Arabica raised at Bugusege; 950kg Arabica seed produced; Buginyanya ZARDI: 0.5 tons of quality Arabica coffee seed and 50,000 coffee seedlings at the nursery; 2.5ha of re-planted coffee seed garden trained for multiple stems and gap filled; 50 mature apple rootstocks harvested and potted; Over 50 rootstock plants re-sprouted using stool beds and 500 apple seedlings grafted.
Animal breeds and breeding techniques, nutrient and health management practices for	Mukono ZARDI: 140,000 Sex reversed Tilapia produced and given to 11 farmers. Some progress was registered at other stations.

priority commodities	
Crop technologies and protocols for enhanced productivity, pest resistance, disease resistance and utilization generated for non-priority commodities	Buginyanya ZARDI: About 60 wheat crosses made & the F1 ears at grain hardening stage Mukono ZARDI: 2 on-station trials on tomato and nakati established and data collected; Abi ZARDI: 14 land races of Godo sorghum maintained Crosses made between 5 land races and 5 improved varieties.
Soil fertility and nutrient protocols and technologies developed and promoted	Mukono ZARDI: Trials for manure and fertilizer rates established both on-station at Kamenyamiggo and on-farm sites in Kayunga, Nakaseke and Masaka; Three treatments (mulching, Nitrogen & spacing/ shade) introduced in the 3 coffee experiments in Kamenyamiggo station;
Labour saving technologies and protocols developed and promoted	Limited progress
Economic values and gross potentials of crops, livestock and fisheries established	NaSARRI: Agronomic data collected, in the effort to develop improved cotton varieties; 8 trials conducted in West Nile, Northern and Eastern agro-ecological regions and data analyzed. The most appropriate and productive intercropping system identified and Integrated disease management options for Scab in cowpeas developed. Buginyanya ZARDI: Data analyzed and report produced on 268 fish farms surveyed in Bulambuli, Kapchorwa, Kween, Bukwo, Mbale, Sironko, Manafwa, Bududa, Budaka, Kibuuku, Butaleja, Tororo and Busia. NACORI: One data set on morphological traits of new lines under trial collected; Coffee samples from different shade trees and in the open acquired for quality analysis; 3 promising primers for CWD pathogen identified; 8 ha of commercial coffee plots inter-planted with bananas. Abi ZARDI, Arua: New trials planted and data on 2014- 15 trials collected on adaptation and commercialization of improved cassava varieties with farmer preferred attributes for increased production in the West Nile Region On-station trials maintained, harvested and data collected on improvement of landrace “Godo” sorghum and dissemination of adapted released varieties in the West Nile Agro-ecological Zone NaSARRI:; GIS maps for scab disease distribution and associated Incidence and severity generated; Two data sets from fungicide trials obtained; two sets of data on the effect of sorghum-cowpea intercropping obtained; 2 data sets on the effect of spacing on scab disease obtained; 18 selected sorghum genotypes screened against sorghum midge for resistance / susceptibility; 3 promising sorghum genotypes resistant, and 4 susceptible to sorghum midge established.
Forage technologies and protocols developed and promoted	Ngetta ZARDI: Laboratory analysis of livestock forage undertaken

Cattle and plant genetic resources conserved	The genetic resources were preserved at all the stations, although at a low scale due to limited funding.
Awareness creation of agricultural research (scientific, policy and farming information) in the public domain	NACORI: Coffee technologies availed to about 5,000 coffee farmers who participated in coffee shows in 10 districts in Eastern, Central and Northern Uganda; 140 coffee enthusiasts sensitized during a Regional Trade and Agricultural Show in Kitgum district; 2500 NaCORI brochures, 1000 posters, leaflets and other promotional materials produced; Rwebitaba ZARDI: NARO technologies were showcased at the World Food Day celebrations held at the ZARDI.
Physical infrastructure, human, financial and informational resources managed, maintained and strengthened at the Secretariat and in the PARIs.	Utilities (water, electricity, telephones) for NAROSEC and PARIs paid for; tractors, water pumps and other equipment serviced; casual workers paid

Source: Field findings; NARO Q2 Report FY 2015/16

Four out of nine ZARDIs (Bulindi, Kachwekano, Mbarara, Ngetta) and one out of seven institutes (NACCRI) were monitored to assess progress in programme implementation by NARO. The findings are presented below.

Bulindi ZARDI – Hoima district

Introduction

Bulindi Zonal Agricultural Research and Development Institute (Bulindi ZARDI) is a NARO institution mandated to conduct and manage adaptive, strategic and basic agricultural research and facilitate the development and dissemination of appropriate technologies in the Lake Albert Crescent Zone (LACZ). The zone covers five districts namely: Hoima, Masindi, Buliisa, Kibaale and Kiryandongo. The ZARDI is located in Bulindi village, Kyabigambire sub-county, Hoima district.

Financial performance

The financial performance of the ATAAS at Bulindi ZARDI is presented in Table 4.14. By 31st December 2015, 58.69% of the released funds were spent indicating fair absorption performance. Most of the expenditures were on operating expenses and dairy cattle, fish and apiary projects (Figure 4.4). The ATAAS funds were complemented with development funds under the Support for NARO project. Bulindi ZARDI received and fully disbursed Ug shs 49,939,300 as development funds.

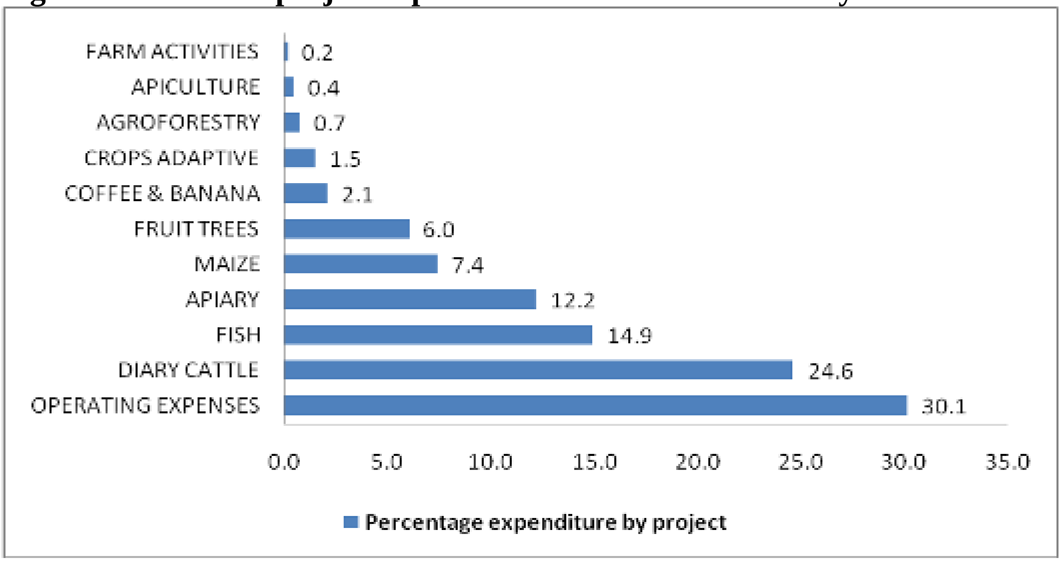
Table 4.14: Financial performance of ATAAS project at Bulindi ZARDI by 31st December 2015

	Approved budget	Release	Expenditure	Balance

	(Ug shs)	(Ug shs)	(Ug shs)	(Ug shs)
FY 2015/16	835,236,410	460,511,000		
B/C forward FY 2014/15		23,476,410		
	835,236,410	**483,987,410**	**284,088,879**	**199,898,531**

Source: Bulindi ZARDI

Figure 4.4: ATAAS project expenditures at Bulindi ZARDI by 31st December 2015



Source: Bulindi ZARDI

Physical performance

a) **Infrastructure development**

The NARO was constructing an administration block and laboratory block at Bulindi ZARDI in Kigungu village, Bulindi parish, Kyabigambira Sub-County in Hoima district. The contract details/financial performance of this project is shown in Table 4.12 above. By 27th January 2016, construction of the two winged administration block was still ongoing at 95% completion level pending finalising painting, furnishing and rectification of other defects.


L-R: ATAAS financed laboratory and administration block in final stages of construction at Bulindi ZARDI in Hoima district

Construction of the two unit laboratory block was ongoing and almost complete, in final stages of designing the walkways and connecting the piping system to the water harvesting tank.

b) Research and technology development

By 31st December 2015, six research projects were financed and implemented at Bulindi ZARDI using the ATAAS funds. The implementation progress is presented below. Overall, the overall performance of Bulindi ZARDI was below average as out of the 27 planned outputs in the six projects, 9 (33%) were substantially achieved, 4 (15%) were partially achieved and 14 (52%) were minimally implemented.

Project 1: Enhancing productivity of maize, beans, groundnuts and rice in the LACZ

Table 4.15 shows the implementation progress of the ATAAS project 1. By 31st December 2015, two out of the eight outputs were fully/substantially achieved and three were partially implemented. This was fair performance.

Table 4.15: Physical performance of ATAAS Project 1 at Bulindi ZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
1.5 acres each of maize, beans and groundnuts established	• 1.5 acres of groundnuts established and yielded 0.646 tonnes (12kgs of SERENUT 8, 62kg of SERENUT 10, 58kg of SERENUT 14 and 514 kgs of SERENUT 5) • 5.5acres of maize were established and yielded 6 tonnes of longe 5	*70% achievement of output* *Yields were affected by the prolonged dry spell for groundnuts*
At least 1 tone each of maize, beans and groundnuts harvested from 1.5 acres and distributed to farmers	No progress	*0% achievement of outputs* *Insufficient funds*
At least 2.5 acres of rice multiplication established and maintained	No progress	*0% achievement of outputs*
Growth and yield data on maize, beans, rice and groundnut varieties grown at different plant spacing in different sub-ecologies of LACZ collected and analyzed	The growth and yield data was collected and analyzed.	*100% achievement of output*
Growth data on maize, beans, rice and groundnut varieties grown under different fertilizer rates in different sub-ecologies of LACZ	Used fertilizer (90kg/ha for N+15kg/ha for P) that improved yield of longe 5 from 4500kg/ha to 5408kg/ha	*30% achievement of output. Experiments on other crops were not set up.*
Growth and input costs data generated of at least 4 newly released varieties of each of maize, beans, rice and groundnut in the humid	The data was generated as planned for maize varieties. Staff for conducting the profitability studies were inadequate.	*25% achievement of output*

forested areas, hot low lying areas and the woodland savana areas of LACZ.		
Growth, disease incidence and severity data for bean root rot, bean anthracnose and ground nut rosette under different disease management options	No progress	*0% achievement of output*
Growth, pest infestation and crop damage data collected for birds in rice, maize stalk borer, bean fly and groundnut aphids	Incidence and Severity Stem borer infestation/and damage was established for maize. Pesticide use was most effective compared to other treatments.	*Partial achievement of output*

Source: Field findings

ATAAS financed Longe 5 maize trial at Bulindi ZARDI in Hoima district

Project 2: Enhancing productivity of Coffee and Banana in the Lake Albert Crescent Zone (LACZ)

Out of the two key planned outputs under the ATAAS project 2, one was fully achieved while poor performance was noted for the second output (Table 4.16). This was fair performance.

Table 4.16: Physical performance of ATAAS Project 2 at Bulindi ZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
At least 1 acre of coffee mother garden established	• 0.25 acres containing 700 seedlings of coffee (100 seedlings for each of KR1, KR2, KR3, KR4, KR5, KR6 and KR7) maintained • 1030 seedlings for KR1, KR2, KR3 and KR4 were generated	*25% achievement of output*
At least 3 acres of a banana mother garden established	Three (3.25) acres of banana mother garden (1 acre for Kitika, 1 acre for Mbwazirume, 0.5 acre for Mpologoma and 0.5 acre of Atwalira) were planted and weeded.	*100% achievement of output*

Source: Field findings

Newly established banana mother garden at Bulindi ZARDI
Hoima district

Project 3: Development and promotion of technologies that increase productivity of selected fruit trees in LACZ

Below average performance was achieved for the ATAAS project at Bulindi ZARDI; only one out of the three planned outputs was partially achieved (Table 4.17).

Table 4.17: Physical performance of ATAAS Project 3 at Bulindi ZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
At least 3 acres of each of mangos, citrus, apple and avocados planted in each sub-ecological area of LACZ	• Generated 9,000 Mango and 4,000 Orange root stocks • 02 acres of Mango (Tommy artikin, Dodo red, Zillate and Apple mango) trials established, one for Kimengo and Nyangahya Sub counties of Masindi District. Performance data not yet collected • 0.5 acres on station apples (Anna and Dorset varieties) established.	*Partial achievement of output. Delayed release of funds affected implementation.*
At least 1,000 brochures, 1,000 fact sheets and 1,000 posters produced and distributed to farmers	No progress	*0% achievement of output. No funds*
Trial on effectiveness of fruit fly control method established	No progress	*0% achievement of output*

Source: Field findings

Project 4: Development and promotion of technologies for increased productivity of apiaries in LACZ

Below average performance was registered by Bulindi ZARDI for ATAAS project 4; only one out of the four planned outputs was fully achieved (Table 4.18).

Table 4.18: Physical performance of ATAAS Project 4 at Bulindi ZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
A zonal apiary demonstration, research and training centre at BUZARDI equipped	"• Established 800 seedlings of ocimum in the nursery bed and Planted 100 seedlings • Established 0.5 acres of sunflower. • Procured one honey processing equipment (manual centrifugal honey extractor). •Maintained the apiculture unit (10 Langstroth, Kenya top bar and 10 local bee hives, 1 acre of Calliandra and 0.5 acres of Ocimum) 30 litres of branded Bulindi ZARDI honey processed and availed to farmers in the zone •Transferred 500 seedlings of ocinum forage to the field (0.5 acres) currently being maintained	*100% achievement of output*
At least 2500 brochures, 2500 fact sheets and 10 posters distributed at an exhibition , 75 farmers availed with apiculture technologies and 1 paper presented at a conference	No progress	*0% achievement of output*
Hive colonization data per bait type collected and analyzed	No progress	*0% achievement of output*
20 nuclear boxes and grafting worker larvae procured and at least 20 queens reared	No progress	*0% achievement of output*

Source: Field findings

Project 5: Evaluation of cage fish farming for increased fish productivity in Lake Albert Crescent Zone (LACZ)

Very good performance was registered by Bulindi ZARDI in achievement of the planned outputs for Project 5; out of the four planned outputs, two were fully achieved and one was partially implemented (Table 4.19).

Table 4.19: Physical performance of ATAAS Project 5 at Bulindi ZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
At least 3 on station ponds rehabilitated/maintained	Maintained 2 on station ponds of capacities; 150m2 and 250m2 and the 300m2 pond also fully constructed.	*100% achievement of output*
At least 60,000 Nile tilapia fingerlings produced and availed to farmers	• 30,000 mixed sex Nile tilapia seed produced yet to be availed to famers in the zone • 3,000 Nile tilapia seed availed to a fish farmer in Hoima municipality • 26 Nile Tilapia Broodstock supplied to a farmer in Hoima Municipality.	*55% achievement of output*
Growth rate and survival of African catfish under specific cage stocking densities established. • Yield of African catfish per unit volume of cage under specific cage stocking densities	"• Fish in cages with high stocking densities (300m3) were analyzed to find out the cause of wounds. The wounds were a result of high stocking densities • water quality was analyzed and parameters tested were within the acceptable ranges.	*100% achievement of output*
Yield and inputs cost data of African catfish reared in cages on Lake Albert.	No progress	*0% achievement of output*

Source: Field findings

Fish ponds that were under maintainance at Bulindi ZARDI Hoima district

Project 6: Development and Promotion of Strategies for feeding Elite Livestock in the Lake Albert Crescent Zone of Uganda

Good performance was registered by Bulindi ZARDI in implementing project 6; three out of the five planned outputs were fully or substantially achieved (Table 4.20).

Table 4.20: Physical performance of ATAAS Project 6 at Bulindi ZARDI by 31st December 2015

Annual output	Achievements	Remark
At least 300kg of Centro and siratro seed and 100,000 splits of brachiaria	20 kg of Centro seed, 3 kg of Siratro seed, 8,000 Calliandra seedlings and 73,000 splits of Brachiaria species generated.	*15% achievement of seed production* *100% achievement of splits of Brachiaria*
At least four dry season feeding strategies evaluated for high growth, milk and beef production in zebu, Friesian and jersey cattle	Cattle shed partially renovated. Unit stocked with 4 Ankole heifers and 4 Friesian cross heifers. Silage (7 tons) prepared, maize stover chopped and bagged (4 tons). The feed resources including hay and molasses tested on existing cattle to get acclimatized.	*100% achievement of output*
Baseline survey on current prevalence of notifiable diseases established	No progress	*0% achievement of output*
At least 3 newly introduced pasture species evaluated on station for on farm promotion	Napier grass varieties and Brachiaria species maintained in the field. 2 dairy farmers supplied with planting materials (for 4 acres) for on-farm evaluation	*67% achievement of output*
At least 4 dry season water harvesting and storage options evaluated on station	No progress	*0% achievement of output*

Source: Field findings

Friesian cattle that were procured and under experimentation with different feeding regimes at Bulindi ZARDI Hoima district

Implementation challenges

i) Slow/poor implementation of the planned activities due to:

a. Late release of funds; Q2 funds were disbursed to Bulindi ZARDI on 15th December 2015.
b. Inadequate transport means to effectively implement and supervise the on and off station research activities.
c. Lengthy procurement processes.

ii) High costs of measurements/ laboratory analysis due to absence of laboratory facilities at the station for water, feed and soil sample analysis. The analysis was done in Kampala.
iii) Non-conclusive research results due to delayed renewal of the ATAAS project and alteration of planned activities by the NARO secretariat and World Bank.

Recommendations

i) The NARO Secretariat should ensure timely disbursement of funds for research at the ZARDI.
ii) The PPDA should simplify the procurement process for effective implementation of the planned activities.
iii) The NARO secretariat should provide additional transport means to the ZARDI.
iv) The MAAIF/NARO Secretariat should fasttrack completion and equipping of the laboratories.
v) The NARO Secretariat should ensure that the ZARDI staff are involved in the renewal of their work plans to avoid loss of experimental results.

Kachwekano ZARDI – Kabale district

Background

The Kachwekano ZARDI (KAZARDI) is located in Kacwekano village, Kagarama parish Bubale sub-county. The ZARDI operates in the South Western zone covering the districts of Kanungu, Rukungiri, Kisoro and Kabale. Priority commodities that are researched are apples, irish potatoes, fisheries, goats, sorghum, rice and cassava.

Financial performance

By 31st December 2015, the KAZARDI received from NARO Secretariat Ug shs 474,184,725 for the ATAAS project of which Ug shs 132,534,038 (27.94%) was spent. This was below average funds absorption, attributable to the late and untimely release of funds when the cropping season was over. In addition, the ZARDI received Ug shs 49,336,000 under the Support for NARO project that complemented the ATAAS funds.

The ATAAS funds were mainly spent on management of research and development activities, and apple and potato varieties research (Table 4.21).

Table 4.21: Financial performance of ATAAS project at KAZARDI by 31st December 2015

Project	Total expenditure (Ug shs)	% expenditure
Development and promotion of fish species for enhanced productivity in diverse culture systems in SWHAEZ	7,690,000	6.00
Development of improved breeds of goats with enhanced genetic value for early maturity and weight gain	4,650,000	4.00
Development and promotion of quality declared apple varieties for enhanced productivity in Uganda	13,787,000	10.40
Development and promotion of quality declared potato varieties for enhanced potato productivity in Uganda	16,581,000	13.00
Development of highland sorghum varieties for enhanced productivity in the zone	2,308,000	1.74
Commercialisation of quality declared seed potato	4,059,000	3.06
On-station, rice, cassava germplasm maintenance and multiplication	1,035,000	0.78
Staff Training	6,539,800	4.93
Management of Research & Development activities	75,884,238	57.26
Total	132,534,038	100.00

Source: Kachwekano ZARDI

Physical performance

Seven research projects were supported and infrastructure development undertaken using ATAAS funds. The semi-annual performance of the NARO at KAZARDI by 31st December 2015 is presented below.

a) Infrastructure development

Using ATAAS funds, the NARO constructed/rehabilitated a conference hall and tissue culture laboratory at KAZARDI and a screen house at Karengere satellite station. The contract details of this project are shown in Table 4.12 above. By 31st December 2015, the construction works were at 97% for the conference hall and 100% for the other infrastructures. The infrastructures were in the defect liability period. Some reinforcements were being undertaken on the conference hall on the parts that appeared weak.

L-R: Completed conference hall and tissue culture laboratory at KAZARDI Kabale district

The KAZARDI staff expressed satisfaction with the quality of civil works undertaken by the contractor. The facilities were not in use by 13th January 2016 as they lacked furniture and equipment.

b) Research and technology development

Six research projects were implemented under the ATAAS programme at Kachwekano ZARDI. By 31st December 2015, fair performance was registered as out of the 25 planned outputs, 12 (48%) were fully/substantially implemented, 9 (36%) were partially implemented and 4 (16%) were minimally achieved.

Project 1: Development and promotion of fish species for enhanced productivity in diverse culture systems in SWHAEZ

The intervention aims at development and promotion of fish species for enhanced productivity. The physical performance of the project during the reporting period is summarized in Table 4.22. The project performance was very good as the outputs were substantially achieved.

Table 4.22: Performance of ATAAS fish project at KAZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
Growth performance and management costs of introduced cold water fish species in fish cages established in two lakes; 12 cages installed	Six (6) cages were installed in Lake Bunyonyi	*50% achievement of output*
Phenotypes of native Nile Tilapia and Lake Victoria Tilapia established: 3 fish strains from Lake Kyoga and Lake Kayumbu stocked	Two strains of Nile tilapia from Lakes Victoria and Kayumbu stocked at Kyamanamira KAZARDI ponds. One more Nile tilapia strain from Lake Kyoga not yet sourced	*67% achievement of output*
Fish species adapted to diverse culture systems in the region promoted: At least 80 fish farmers trained in fish	125 farmers were trained in the districts of Kisoro, Kanungu, Rukungiri and Kabale in the best fish management practices	*100% achievement of output*

management practices:		
At least one Fish breeding facility (ponds) maintained and 250,000 fish seed generated	Two ponds were renovated and 150,000 fish seed for Nile Tilapia generated	*60% achievement of output. Used development and ATAAS funds*

Source: Field findings

ATAAS financed fish cages installed at Lake Bunyonyi in Kabale district

Project 2: Development of improved breeds of goats with enhanced genetic value for early maturity and weight gain

The intervention aims at development of improved breeds of goats and feeding management options for enhanced productivity. Table 4.23 presents the summary semi-annual performance of the project. The project performance was fair as three out of the planned outputs were achieved fully and one output was partially implemented.

Table 4.23: Performance of ATAAS Goat project at KAZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
A 300M2 goat housing unit on-station constructed.	a 50 m2 Housing unit for experimental goats for the feeding trial was renovated; a second goat house was partitioned	*40% achievement of output* *The funds were insufficient hence renovation was opted for. Used development funds.*
At least 100 breeding stock of goats maintained on station	112 goats maintained on-station as breeding stock	*100% achievement of output*
3 pasture legume and 4 grass species maintained	5 pasture plots; 2 for Elephant grass, 1 for Lab lab, 1 for Canavalia, and 1 for Alfalfa maintained; 100kg of lab lab seed harvested for replanting in 2016A	*100% achievement of output*

4 pasture legume species sourced and planted; preliminary data on biomass and growth rate obtained	No progress	*0% achievement of output*
At least 125 farmers trained in the use of worm control strategies	No progress	*0% achievement of output*

Source: Field findings

L-R: Newly renovated goat house and partitioned goat house at KAZARDI Kabale district

Project 3: Development and promotion of quality declared apple varieties for enhanced productivity in Uganda

The intervention aims at development and promotion of quality apple varieties in Uganda. The project performance is summarized in Table 4.24. Work on most outputs was still in progress.

Table 4.24: Performance of ATAAS apple project at KAZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
Trials of at least 6 apple varieties established in South Western Uganda.	Six varieties Fuji, Mayae, Michael, Shilomit, James Grieves, and Sharp Early were planted in 10 sites (5 in Kisoro and 5 in Kanungu)	*Output achieved 100%. Used ATAAS and development funds*
Appropriate fertilizer types and rates for increased apple fruit productivity determined	Applied TSP and lime in experimental plots at Kachwekano (two sites). Established apple fertiliser experiments. Assessment was still ongoing	*60% achievement of output*
At least 250 farmers trained in apple production and management	25 apple stakeholders were trained on-station	*10% achievement of output*
At least 1 efficient apple seedling production technique	No progress	*0% achievement of output*

identified		
At least 5,000 apple seedlings generated at Bugongi station	A total of 5,460 apple root stocks were generated and maintained in layer beds and nurseries	*100% achievement of output*
Returns to investment in apple production established	Questionnaire was developed and pre-tested; preliminary information on investment costs and returns in apple production	*50% achievement of output*

Source: Field findings

**Grafted apple root stocks in nursery at Bugongi station
Kabale district**

Project 4: Development and promotion of quality declared potato varieties for enhanced potato productivity in Uganda

This research aims at development and promotion of quality potato varieties for enhanced productivity in Uganda. Table 4.25 summarises the semi-annual physical performance. Fair performance was registered as three of the six planned outputs were fully or substantially achieved.

Table 4.25: Performance of ATAAS Potato project at KAZARDI by 31st December 2015

Semi annual output	Achievements	Remark
Growth and yield performance and resistance to late blight of 100 FI progenies ascertained	269 F1 clones from 11 families were evaluated in the fields at Kalengyere station during 2015A season. They were in store for sprouting and dormancy checks. F1 Progenies planted out in the field and were being evaluated for late blight resistance, growth and yield	*About 70% of output achieved. Work was still ongoing.*

	performance	
New varieties and advanced clones with high yields and resistance to late blight identified	Bulking of planting materials was ongoing	*50% achievement of output; work in progress.*
60 bags of pre-basic seed produced	2 ha equivalent of 60 bags of seed were prepared; planting was not done yet	*20% achievement of output*
45,000 minitubers generated	52,376 minitubers were generated and 20,258 plantlets were planted	*100% achievement of output*
Characterisation and damage of leaf minors in potatoes established	A survey of pests and diseases in potatoes was undertaken in Kabale, Rukungiri, Kisoro and Kanungu districts. The major pests were aphids and leaf minors. Two experimental sites were set up in Bukimbiri and Chahi sub counties in Kisoro district.	*100% achievement of output*
Potato yield response to inorganic and organic fertilizers determined	A survey was carried out in Kabale and Kanungu districts; Experimental sites were identified and soil samples were collected. The analysis was still ongoing	*30% achievement of output*

Source: Field findings

F1 progenies of irish potatoes under field experimentation at KAZARDI Kabale district

Project 5: Development of highland sorghum varieties for enhanced productivity in the zone

The intervention focused on multi-locational evaluation of sorghum verities for adaptation in the region. The annual output is that at least three highland acceptable sorghum varieties selected after planting. By 31st December 2015, one hectare of sorghum was harvested on station and one hectare planted in Kihihi Town Council in Kanungu district. Four varieties (E1291, BM27, MB29 and Ndamoga) were found promising. The key output was 100% achieved.

Project 6: Commercialisation of quality declared seed potato

The intervention aimed at building and supporting seed suppliers for increased production and commercialization of quality declared seed potato. The annual output was to ensure increased availability and production of quality declared seed potato in the region. By 31st December 2015, limited progress was registered on the output. The performance level of existing seed multipliers in production and supply of quality seed was ascertained. Farmer groups were encouraged to produce potatoes for the market.

Project 7: On-station, rice, cassava germplasm maintenance and multiplication

The intervention aimed at maintaining, evaluating and multiplication of rice and cassava germplasm. By 31st December 2015, the following progress was registered for the two key outputs. The performance of this project was excellent as both outputs were achieved.

- At least 8 highland cassava varieties maintained on-station: 8 cassava varieties were maintained at Bugongi station. *The output was 100% implemented*.

- At least 2 highland rice varieties maintained on-station: 30 rice varieties were planted and maintained on-station. *The output was 100% implemented*.

Rice germplasm under maintenance at Bugongi station Kabale district

Implementation Challenges at KAZARDI

i) Slow/poor implementation of planned outputs due to late and timely release of donor funds; funds were disbursed in December during the dry season when crop experiments could not be established.
ii) Underperformance of research projects due to:
    a. Inadequate technical staff; the ZARDI had 36 (72%) staff in post against an establishment of 50.

b. Lack of research facilities such as laboratories and equipment for soil sample analysis.

Recommendations

i) The NARO should prioritize ATAAS activities, mainstream and funds them under the GoU budget.
ii) The NARO should disburse funds to the ZARDI according to the approved work plans and seasonal calendar.
iii) The NARO, Ministry of Public Service and MFPED should review the staffing needs and recruit the required staff at the ZARDI.
iv) The NARO and MFPED should restructure the ATAAS fund to focus more on infrastructure development and provision of critical equipment.

Mbarara ZARDI – Mbarara district

Background

Located in Mbarara Municipality, Mbarara ZARDI (MBAZARDI) is mandated to conduct and manage applied and adaptive agricultural research in the South Western region. Priority commodities that are researched include cassava, banana, coffee, rice, livestock, aquaculture and pastures.

Financial performance

The MBAZARDI received funding for the ATAAS project from NARO Secretariat in December 2015. The detailed financial performance for the project by 31st December 2015 could not be ascertained as the Station Accountants were not available. Efforts to follow up the financial data at the ZARDI during January and February did not meet with success. However, it was reported by the Acting Director that the funds were not spent as they were received towards the Christmas festive season and the technical staff had signed out.

The contract details and financial performance of infrastructure development projects at MBAZARDI that were directly procured by NARO Secretariat are given in Table 4.12 above.

Physical performance

a) Infrastructure development

The NARO Secretariat was constructing a Conference facility and civil works at MBAZARDI. By 11th January 2016, the infrastructures were half way (50%) complete yet the contract period and second extension had elapsed. The contractor was granted a third extension period up to April 2016 to complete the works. The floors, walling, some electrical connections, roofing and ceilings were done. Ongoing works were on plumbing and construction of the septic tank and soak pit.

Pending works included floor finishing, painting, putting glasses in the windows, landscaping the compound, casting the soak pit and septic tanks, installing power and water system and constructing a pump house.


L-R: Conference facility and excavated pit still under construction at MBAZARDI Mbarara district

b) Research and technology development

By 31st December 2015, the NARO implemented nine ATAAS funded projects at MBAZARDI. The findings on the implementation progress is presented below. The ZARDI exhibited below average performance; out of the 33 planned outputs in nine projects, 10 (30%) were fully or substantially achieved; 7 (21%) were partially implemented; and 16 (49%) were minimally achieved.

Project 1: Development and promotion of improved tea, banana and rice technologies for improved productivity in the South West Agro-Ecological Zone (SWAEZ)

The main objective of the project is to develop crops technology options for increased productivity in the SWAEZ. The project period is July 2011 to June 2016. Mbarara ZARDI had to implement seven outputs by the end of the half year under this project. By 31st December 2016, the project performance was below average as given below.

- Surveillance studies on banana nematodes conducted – *No progress (0%)*
- On farm trials on effectiveness and suitability of different management options for banana Nematodes established in Ibanda and Ntungamo districts – *No progress (0%)*
- On station trials on BBW control through improved soil nutrition and moisture management established – *No progress (0%)*
- Dissemination materials on crops technologies for World Food Day and Source of the Nile National Agriculture and Trade show (Posters, leaflets, newsletters and brochures) – *No progress (0%)*

- Participatory rice variety selection multi-location experiments established in three sites (Rubirizi, Mitooma and Mbarara) – on station trial on rice varieties was maintained on station at MBAZARDI - *(30% achievement of output)*
- Affordable water harvesting and irrigation technologies /practices for rice experiments acquired – *no progress (0%)*
- On-station participatory performance evaluation of selected tea lines in SWAEZ conducted – *No progress (0%).*

Poorly weeded on station rice variety trial at MBAZARDI in Mbarara district

Project 2: Morphological Genetic Diversity Assessment and Agronomic Performance of Ugandan and Nigerian Cocoyam Accessions under upland conditions

The project aims at assessing the morphological traits of the different varieties of cocoyam accessions in upland conditions. The project period is June 2014 to May 2016. The planned semi-annual output was: On-farm and on-station experiments to evaluate the agronomic performance of distinct cocoyam accessions under upland conditions conducted.

By 31^{st} December 2015, field experiments were established in two sites i.e. Lake Victoria Crescent (Mukono) and Southwestern agro ecological zone (Mbarara) and research work was ongoing *(100% achievement of output).*

Project 3: Sustainable Land Management (SLM)

The objective is to scale-up SLM in order to increase farmer yields and enhance environmental resilience and sustainability of agricultural land resources in hotspots within the major agro-ecological zones in Uganda. The project period is January 2016 to December 2017. Five outputs had to be implemented by half year. By 31^{st} December 2015, fair progress was registered under this project as two out of the five outputs were fully achieved while one output was partially implemented.

- Demonstrations set up and contour bunds, grass bunds and agroforestry scaled up – the set up of demonstrations of contour bunds, grass bunds and agroforestry continued *(100% achievement of output)*
- Degraded watersheds using various SLM techniques rehabilitated (woodlots planted and bushes cleared for pasture improvement) - nine hectares of degraded watershed/ rangelands were rehabilitated through planting woodlots and clearing bushes *(100% achievement of output)*
- On-farm agronomic/vegetative SLM practices (mulching, intercropping, etc.) set up – *no progress (0%)*

- District level awareness and training on up- scaling SLM technologies in the zone supported – *no progress (0%)*
- Zonal, district and community level supervision and monitoring activities on SLM supported - Two national and zonal level monitoring and supervision visits conducted *(partial achievement of output)*

Project 4: Improving Tea (Camellia sinensis) Production through Soil Fertility and Water Management in the SWAEZ

The project aims at developing decision support tool for Soil Nutrient Management and water management (SNWM) in tea productivity on major soil types in SWAEZ. The project period is June 2010 to June 2016. During the half year, MBAZARDI planned to implement two key outputs. By 31st December 2015, no progress had been registered:

- Farmer sensitization and feedback – *no progress (0%)*
- Establishment of trial in Mitooma, Rubirizi and on-station – *no progress (0%)*

Project 5: Improving feeding and water quality in catfish culture

The project aims to develop alternative cost effective and safe quality fish feeds for fish production in hatchery and grow-out systems. The project period is January 2014 to June 2016. The ZARDI planned to implement five outputs during the reporting period. By 31st December 2015, the project performance was below average as only two out of the five outputs were implemented.

- Weight gain and feed conversion of fish larvae fed with MBAZARDI developed hatchery fish feeds determined – *No progress (0%)*
- At least 10 tonnes of grow out fish feeds produced and disseminated – *No progress (0%)*
- At least 500 quality brood stock of tilapia ,catfish and common carp each raised for artificial breeding - Stocked about 200 tilapia brood stock from Kazinga Channel in the on-station valley tank for multiplication of quality F1 fry to seed experiments and for dissemination to farmers – *40% achievement of output*
- At least two technical papers published in peer reviewed journals, books and presented in national, regional and international conferences – *No progress (0%)*
- Routine maintenance of on-station aquaculture research facilities - Established drainage structures on the valley tank and the research facilities were routinely maintained – *100% achievement of output*

L-R: Adjustable water pipe was installed in valley tank to drain water into the fish ponds, and valley tank were the tilapia were being raised at MBAZARDI in Mbarara district

Project 6: Multiplication of high milking Friesian breeding cows for dissemination to farmers in the South West Agro-Ecological Zone

The project aims to develop a model pure Friesian diary breeding herd which will be a source of diary breeding stock in the SWAEZ. The project period is July 2015 to June 2020. The ZARDI planned to undertake six outputs during the reporting period in this project. By 31st December 2015, out of the six outputs, four were fully implemented which was very good performance.

- Synchronizing hormones procured – the hormones were procured, pregnancy diagnosis on 100 animals was conducted and started collecting data on the selected animals *(100% achievement of output)*
- Hormones optimized and the right working levels established - Optimized the action dose levels *(100% achievement of output)*
- Farm herd inventory designed for use in data collection per animal - An excel sheet was designed to capture the data *(100% achievement of output)*
- Routine Pregnancy diagnosis conducted - 50 pregnancy diagnosis were done and 25 cows were recommended for synchronization *(100% achievement of output)*
- Semen procured to improve the semen bank - placed orders for procuring semen from NAGRIC and Worldwide sires. The procurements were still ongoing *(30% achievement of output)*
- Breeding units repaired and new structures for selected animals for on farm trials and demonstrations constructed – *no progress (0%)*

Project 7: Characterization of the nature and etiology of tick resistance against common acaricides and mitigation strategies for dissemination to farmers in the South West Agro-Ecological Zone

The project aims to generate appropriate practices that can be used to overcome the tick acaricides resistance. The project period is July 2015 to June 2018. The ZARDI planned to implement three outputs during the reporting period. By 31st December 2015, the project performance was below average as only one output was partially implemented.

- Field surveys on acaricide usage and common tick species conducted - started mapping and selection of target farmer sites in high risk in the region; staff were trained in the use of the geographical information system (GIS) – *partial implementation of output*
- Different acaricides classified and molecular characterization of the different tick species conducted – *No progress (0%)*
- Preliminary results disseminated to farmers – *No progress (0%)*.

Project 8: Improving management and utilization of livestock forage resources and ration development in the South West Agro-Ecological Zone

The project aims to integrate feed management strategies in livestock production systems for sustainable utilization of rangelands. The project period is July 2015 to June 2016. The ZARDI planned to implement two outputs during the reporting period. By 31st December 2015, very good progress was registered in implementing the outputs.

- Baseline study on utilization of brewer's spent grain in SWAEZ carried out – the baseline survey was on-going *(100% achievement of output)*
- Stocking undertaken and nutrient analysis of legume pasture varieties and agro-industrial resources, including Brewers' spent grain carried out - samples of brewer's waste and legume leaves were collected *(30% achievement of output).*

Project 9: The Promotion of Good Management for Increased Productivity of Market Oriented Chicken Producers

The project aims to promote good management practices for increased productivity of chicken among the market oriented small scale chicken producers in Uganda. The project period is July 2015 to June 2016. The MBAZARDI planned to implement two outputs during the reporting period. By 31st December 2015, good implementation progress was registered.

- A survey in 12 districts conducted - 12 districts were selected and project inception meetings were held; the survey and data collectors were trained and data collection undertaken in 12 districts. The report was available *(100% achievement of output)*
- A manual produced – The draft manual was developed, this was work in progress (partial *achievement of output).*

Implementation challenges at MBAZARDI

i) Poor implementation of research projects due to:
    a. Late disbursement of funds by the NARO Secretariat.
    b. Understaffing in some departments
ii) Non-conclusive research results due to halting of projects that were affected by the ongoing construction of a national road passing through the ZARDI.
iii) Slow implementation of infrastructure projects due to low capacity of contractors. Construction of the Conference facility was behind schedule.

Recommendations

i) The NARO should ensure that funds are disbursed early at the start of each quarter.
ii) The NARO and Ministry of Public Service should review and fill the staffing gaps at the ZARDI.
iii) The Uganda National Road Authority (UNRA) and Ministry of Works should consult the ZARDI management prior to construction of the road to enable proper handling/shifting of projects to other locations.
iv) The NARO should ensure that contractors with sufficient capacity to implement infrastructure projects are contracted.

National Crops Resources Research Institute – Namulonge Wakiso district

Introduction

The National Crops Resources Research Institute (NaCRRI) is a NARO Institute mandated to conduct, carry out research and knowledge generation for the following commodities: legumes, cassava, cereals (maize and rice), horticulture and oil palm and sweet potatoes.

Financial performance

By 31st December 2015, a total of Ug shs 1,075,411,063 was available for implementation of ATAAS projects (Table 4.26). Information was not available on the detailed expenditures.

Table 4.26: Releases to NACCRI for the ATAAS project by 31st December 2015

Item	Releases	Remark
Opening balances	131,478,063	Committed funds to procurements initiated during FY 2014/15
ATAAS funds	834,182,000	Received in December 2015
Competitive Grant System	109,751,000	Spent on two horticulture projects
Total	**1,075,411,063**	

Source: NACRRI

Physical performance

By 31st December 2015, four programmes (horticulture and oil palm, legumes, cereals and root crops) benefitted from the ATAAS funds. The implementation progress is presented below. The ZARDI registered fair progress during the reporting period. Out of the 40 planned outputs, 18 (45%) were fully or substantially achieved; 7 (17%) were partially implemented; and 15 (38%) were poorly implemented.

Horticulture and Oil Palm Programme

Project 1: Unlocking offseason mango production potential for improved nutrition and income

The NACRRI planned to implement four key outputs under this project. By 31st December 2015, the performance was very good as three out of the four outputs were fully implemented (Table 4.27)

Table 4.27: Performance of ATAAS project 1 at NACRRI by 31st December 2015

Semi-annual output	Progress	Remark
On-station and on-farm mango experimental field maintained	Agronomic management practices were conducted in nine mango maintenance sites. A set of induced flower data was collected from Bulindi, Masindi and Namulonge and variation in flower induction identified	*100% achievement of output*
laboratory reagents and consumables procured	Consumables and reagent procurement completed to conduct nutritional profiling of flower induced mango varieties	*100% achievement of output*
Fruit samples collected, analyzed & their quality documented	Mango fruit samples assembled from three districts of Hoima, Serere and Soroti for nutritional profiling	*40% achievement of output*
Progress of students research tracked	The student research proposal was approved; the draft thesis was developed, advisory meeting held and progress report submitted	*100% achievement of output*

Source: Field findings

Mango maintenance sites where flower inducement was undertaken at NACRRI in Wakiso district

Project 2: Interventions to address leaf and fruit spot and fruit fly biotic stresses affecting citrus and mango production in Uganda

The NACRRI planned to implement seven key outputs under this project. By 31st December 2015, below average performance was noted as only one out of the seven outputs was partially achieved (Table 4.28).

Table 4.28: Performance of ATAAS project 2 at NACRRI by 31st December 2015

Semi-annual output	Progress	Remark
Diversity of fruit flies and host range in central Uganda documented	No progress	*0% achievement of output*
Fruit fly species in Central Uganda identified	No progress	0% achievement of output The study was not conducted due to lack of trapping materials- pheromone traps and bait traps for fruit
Fruit fly population dynamics in Northern & Eastern Uganda documented	No progress	*0% achievement of output* *The study was not conducted due to lack of trapping materials- pheromone traps and bait traps for fruit*
On farm site selection undertaken	No progress	*0% achievement of output* Delayed procurement of entomological items
Efficacy of the candidate pesticides and fungicides for the control of fruit and leaf spots and mango and citrus fruit flies established	Chemicals were procured	*30% achievement of output*
Weaver ant effect on fruit flies evaluated	The study was suspended	
IPM approaches for managing fruit fly and leaf and fruit spot diseases developed	No progress	*0% achievement of output* *Delayed procurement of pathological and entomological items*

Source: Field findings

Project 3: Development and promotion of management options for effective/safe control of citrus Anthracnose and melanose

The NACRRI planned to implement three key outputs under this project. By 31st December 2015, all the outputs were not implemented.

- Field visits to locate areas for on -farm experimentation undertaken *(0% progress)*

- Survey in Teso region -Soroti, Serere, Amuria, Kumi, Bukdea, Katakwi, Ngora, Kaberamaido on citrus farmers conducted *(0% progress)*
- Data collected and analyzed for on station trials and surveys *(0% progress).*

Project 4: Develop improved agronomic practices for enhanced mango and citrus production

The NACRRI planned to implement seven key outputs for this project. By 31st December 2015, only two outputs were fully implemented which was below average performance

- Soil and fruit nutrition analysis undertaken – *(0% progress)*
- New areas for fertilizer evaluated identified – (0% progress)
- Farmer preferred chemicals for managing citrus diseases procured – *(0% progress)*
- Surveys for scions for citrus varieties conducted– *(0% progress)*
- Farmer fact sheets developed and printed – *(0% progress)*
- At least 5kgs of Disease free foundation seeds of elite vegetable generated and distributed to farmers - 45kgs of grain amaranth, 5Kg of Nakati-5, 3Kg of Bugga and 1kg of Jobyo generated and distributed seed growers in Kamengo; 3 kg of malakwanga foundation seed has been generated and distributed to 2 farmer groups in Lira for multiplication *(100% achievement of output)*
- At least 300 Manual copies for training produced - 3 Amaranth, Jobyo and Pumpkin production manuals developed and 300 copies distributed during Jinja Agricultural show (*100% achievement of output)*

Project 5: Enhancement of the production of pineapple in Uganda

The NACRRI planned to implement two outputs under this project during the reporting period. By 31st December 2015, one of the outputs was achieved which was fair performance.

- Information on management practices, production, marketing, processing constraints faced by pineapple producers documented in Central Uganda – *no progress (0%)*
- Major pests and disease of pineapple documented – the pests and diseases were documented and data analysis and report writing was in final stages *(100% achievement of output).*

Legumes programme

Project 6: Monitoring of bean pests, their impact and understanding their dynamics in order to develop control options for specific key pests

The NACRRI planned to implement three outputs during the reporting period. By 31st December 2015, excellent performance was noted as all outputs were achieved.

- Survey in selected agro-ecologies of bean pests and diseases undertaken – A survey for Rust and Anthracnose diseases was conducted in 100 locations in 13 districts and 600 disease samples were collected *(100% achievement of output)*.
- DNA extraction and analysis undertaken – The extraction and analysis was undertaken involving genotyped 143 cultivars (100% achievement of output).
- Surveys, processing of samples and identification of bean pests and diseases – the surveys were undertaken. It was established that yield loss due to bean rust disease 5.6% to 33.9% in susceptible varieties *(100% achievement of output).*

Project 7: Introgression of high iron and zinc into Uganda market class varieties

Nutritional beans harvested from the trials that were graded for further analysis and evaluation at NACRRI. Wakiso district

The NACRRI planned to undertake on-station and on-farm trials for the evaluation of 10 nutritionally enhanced advanced bean lines. By 31st December 2015, ten on-station and 48 on-farm trails were established for the evaluation of 10 nutritionally enhanced bean genotypes. Data on both screening and evaluation trials was collected and analyzed and respective lines and populations for advancement selected *(100% achievement of output).*

Project 8: Develop and evaluate integrated crop and soil fertility management options for common bean to enhance increased productivity

It was planned that the economics of staking options for the common beans would be determined. No progress was registered on this output *(0% achievement).*

Cereals programme

Project 9: Development of maize genotypes resistance to Striga and Imazapyr and evaluating the effectiveness of different Striga control measures

By 31st December 2015, the progress of this project was as follows on the two planned outputs:

- Five Striga resistant lines identified, one Imazapyr resistant (IR) hybrid nominated for release and at least on crop management protocol validated for Striga control - 5 IR and 2 Striga resistant hybrids selected and evaluated; 8 elite inbred lines selected for subsequent crossing; 35 inbred lines and 60 hybrids were acquired for evaluations under Striga *(100% achievement of output).*

- At least 80 striga resistant hybrids formed and one IR trial conducted in multiple locations; At least one superior maize intercropping option identified. 20 IR hybrids formed; 4 IR and 1 Striga resistant hybrids were selected for evaluations. 18 Striga resistant hybrids were evaluated at 3 sites. Data on the effectiveness of different maize-legume intercrops was being collected for selecting the best combination *(partial achievement of output).*

Project 10: Development and dissemination of highland maize varieties

By 31st December 2015, the progress of this project at NACRRI was as presented below on the four planned outputs:

Highland maize in trials at NACRRI in Wakiso district

- Advance segregating of inbred lines and test cross highland lines to form hybrids undertaken - advanced 660 segregating lines derived form 33 highland maize populations *(100% achievement of output)*
- At least 100 hybrids in 3 highland ecology evaluated - Completed evaluation of 110 highland hybrids at 3 sites Kere, Rwabitaba and Buginyanya *(100% achievement of output)*
- Seed increased and best performing hybrids reconstituted - Seed of 33 highland inbred lines was increased for hybrid formation *(100% achievement of output)*
- Identified hybrids submitted and evaluated - Seed of parental lines of the 3 candidate highland hybrids were increased for reconstitution *(partial achievement of output).*

Project 11: Development and dissemination of cold tolerant rice varieties

By 31st December 2015, the implementation progress for the two planned outputs at NACRRI was as follows:

- Crosses of cold tolerant rice and advance segregating inbred lines made and advance segregation undertaken on station Namulonge - 20 crosses were made for generation of cold tolerant genotypes; 75 cold tolerant lines were introduced for evaluation and adaptation. The 20 F1 were advanced to F2 generation and 75 introduced lines were screened under controlled cold environment in Kabanyolo *(100% achievement of output).*

- Seed increased and other diseases screened on station (blast and RYMV) for at least 100 lines - planted at least 50 new lines in 4 cold prone locations; 50 segregating lines were advanced at Namulonge. Another 50 lines was screened under controlled environment at Kabanyoro *(partial achievement of output)*

Root crops programme

Project 12: Development of nutrient-rich and stress tolerant sweet potato varieties

The NACRRI planned to implement one output under this project: Sweet potato variety improvement trials established and maintained in at least 3 districts. By 31st December 2015, promising stress tolerant orange-fleshed genotypes were identified and basic seed maintained in 3 districts (Kamuli, Mukono and Wakiso) – *100% achievement of output*

Project 13: Development of disease/pest resistant cassava varieties with desired root quality traits

The progress in implementation of the two planned outputs under this project at NACCRI by 31st December 2015 is given below:

- 1,000 open-pollinated cassava botanical seeds produced by 22 parental lines in 2 crossing blocks collected and preserved to break dormancy - 1000 cassava seeds were collected from the crossing blocks and preserved to break dormancy *(100% achievement of output)*
- Nutrient requirements and nutrient-use-efficiencies trials for 4 genotypes established in 3 locations - Nutrient requirement and nutrient use efficiency experiments with 4 genotypes established in 3 locations (Arua, Kumi & Wakiso) – *100% achievement of output*
- First soil mapping in 2 agro ecologies conducted and soil samples analyzed - Soil in 2 agro-ecologies (21 districts) was mapped *(partial achievement of output)*
- 6 genotypes virus indexed, 12 acres of multiplication blocks established at 2 locations - A 4 acre multiplication site of 4 cassava genotypes (Nase 15, Nase 19, Nase 18 & NAROCASS 1) established in Arua *(partial achievement of output).*

Implementation Challenges at NACRRI

i) Non-implementation of some research activities due to delayed/untimely disbursement of funds, late procurements and understaffing.
ii) Poor adoption of improved technologies by farmers due to low prioritization and funding of dissemination of proven technologies.
iii) High level of debts and expenditures categorized as ineligible due to lack of appropriate codes in the chart of accounts for donor funds and inadequate recurrent budget. *"For example, the Bioscience laboratory that was installed with donor funds has heavy equipment that requires a 24 hour power service costing Ug shs 10 m per month. Only Ug shs 9 million was provided as a recurrent budget for the quarter. We used donor*

funds to ensure that the laboratory remained operational but there are no codes were this expenditure can be posted" Accountant NACRRI.

Recommendations

i) The NARO should ensure timely disbursement of funds for research.
ii) The NARO and NAADS Secretariat should prioritize and finance dissemination of proven technologies.
iii) The MFPED and NARO should review and create relevant codes for donor funds.

Nakyesesa Dairy Research and Incubation Centre

Introduction

This is a satellite centre for the National Livestock Resources Research Institute (NaLIRRI) mandated to undertake research on animal nutrition from a business perspective. The centre is located in Nakyesesa village, Busukuma sub-county in Wakiso district. The NARO planned to construct two laboratories, an administration block and a cow shed at the centre.

Implementation progress

The contract details for these projects are provided in Table 4.12 above. The civil works work were sub-contracted out to M/s Dolphins Ltd (Nutrition laboratory), M/s Spacious Ltd (Health and Breeding Laboratory) and M/s Techno Three Ltd (Administration block).

The construction work for the three facilities commenced in FY 2014/15. By 25th January 2016, all the civil works were fully completed. The buildings were not in use awaiting commissioning and furnishing/equipping. The quality of works was noted to be satisfactory.

L-R: Completed nutritional laboratory and administration block at Nakyesesa Centre in Wakiso district

The site for construction of the cow shed was handed over on 4th January 2016. The large scale zero grazing unit would accommodate 250 milking animals with automated milking units, cooling rooms and processing unit for yoghurt, UHT and cheese. The contract period was 52 weeks. By 25th January 2016, the construction works had not started.

Ngetta ZARDI – Lira District

Background

Ngetta ZARDI is one of the NARO entities that was established in 2007 to carry out applied and adaptive research for the mid-Northern and Northern agro-ecological zone. The institution implements programmes in 15 districts namely: Agago, Alebtong, Amolator, Amuru, Apac, Dokolo, Gulu, Kitgum, Kole, Lamwo, Lira, Nwoya, Otuuke, Oyam and Pader. Implementation of the ATAAS project at Ngetta ZARDI started in 2012.

Financial performance

By 31st December 2015, Ngetta ZARDI received Ug shs 149,400,746 as ATAAS funds and Ug shs 49,139,827 as development release under the Support for NARO project. The ATAAS funds were fully spent as shown in Table 4.29. A total of Ug shs 11,525,000 (23%) of the Support for NARO project were complementary in delivering outputs in five ATAAS projects as shown in Table 4.27. The funds were primarily spent on research and technology generation for the priority commodities dairy, bean, fish, cattle and poultry.

Table 4.29: NARO ATAAS expenditures at Ngetta ZARDI by 31st December 2015

Programme	Particulars	Amount
Workshop	Annual review and Planning workshop	48,794,903
Dairy	Supply of animal feeds	8,198,000
	Supply of animal drugs	4,032,000
	Sub – total	12,230,000
Bean	Purchase of Fertiliser	1,760,000
	Allowance for field trails	4,155,000
	Sub – total	5,915,000
Fish	Allowance to visit fish farmers	970,000
	Supply of Aquariums	7,332,000
	Sub-total	8,302,000
Other	Purchase of Fertiliser	9,920,000
	Collecting coppile germplasm	4,800,000
	Establishing tissue culture	3,420,000

	Conducting cost benefit analysis	1,434,000
	Payment for propagation troughs and distilled water	2,900,000
	Payment for contract Labour for 4 months	12,881,000
	Payment for perlite peat moss and coarse sand	2,450,000
	Payment for nursery materials	4,985,000
	Sub – total	42,790,000
Administration	Payment for Fuel	6,532,500
	Repair of motor vehicles	11,716,343
	Allowances for variance activities and meetings	13,120,000
	Sub – Total	31,368,843
	Grand Total	**149,400,746**

Table 4.30: Support for NARO project expenditures in ATAAS programme at Ngetta ZARDI by 31st December 2015

Project	**Amount spent (Ug shs)**
Project 1: Developing feeding strategies for cattle, goats and poultry to ensure nutrition of communities in the Northern Agro-Ecological Zone (NAEZ)	1,996,000
Project 2: Exploring improved aquaculture management for enhanced fish productivity in the NAEZ	4,300,000
Project 4: Developing vegetative propagation techniques for rapid multiplication of Shea Tree in Uganda	3,041,600
Project 5: Developing integrated pest and disease management strategies for increased productivity of simsim and citrus in the NAEZ	1,468,000
Project 6: Evaluation and adaptation of new varieties of beans in the NAEZ	720,000
Total	11,525,600

Source: Field findings; Ngetta ZARDI

Physical performance

The implementation progress of the infrastructure civil works and the six research projects that were financed with ATAAS/development funds at Ngetta ZARDI by 31st December 2015 is presented below.

a) Infrastructure development

The NARO was implementing civil works at Ngetta ZARDI since FY 2014/15 involving construction of an administration block, two laboratories and external works. The contract details are presented in Table 4.12 above. By 6th January 2015, the civil works were 100% completed, awaiting commissioning. The users of the facilities at Ngetta ZARDI expressed satisfaction with the quality of works that were done.

L-R: ATAAS financed completed laboratory facility and office block at Ngetta ZARDI in Lira district

b) Research and technology development

Ngetta ZARDI planned to implement six projects during the reporting period. By 31st December 2015, the ZARDI exhibited below average performance. Out of the 29 planned outputs, 5 (17%) were fully implemented; 11 (38%) were partially implemented and 13 (45%) were poorly implemented.

Project 1: Developing feeding strategies for cattle, goats and poultry to ensure nutrition of communities in the Northern Agro-Ecological Zone (NAEZ)
The project aims at developing suitable pasture species supplementation packages for livestock from locally available materials; and strengthening skills of farmers in pasture management and conservation. The project period for Project 1 is July 2009 to September 2016. The physical performance of the project during July – December 2015 is summarized in Table 4.28. Only two out of the four outputs for Project 1 were achieved.

Table 4.28: Physical performance of ATAAS Project 1 at Ngetta ZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
Conservation requirements of forages evaluated	No progress	*Output was not achieved*
Nutrient profiles of the shrub feed resources established	Samples were collected for laboratory analysis.	*Output was 50% achieved.* *Funds were not sufficient to conclude the laboratory analysis*
Four different feed rations for local	No progress	*0% achievement of output*

poultry evaluated		
Four dairy cattle rations for dry season feeding evaluated	Data on performance of four dairy rations was collected	*50% achievement of output. Funds were insufficient.*

Source: Field findings

Project 2: Exploring improved aquaculture management for enhanced fish productivity in the NAEZ

The project aims at enhancing aquaculture productivity through better management practices and marketability for improved food security and nutrition, household income and environmental sustainability. The project period is July 2009 to June 2016. The physical performance of project 2 during July – December 2015 is summarized in Table 4.29. Five out of the six outputs for Project 2 were partially achieved

Table 4.29: Physical performance of ATAAS Project 2 at Ngetta ZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
Happas repaired and broodstock and fry maintained	Broodstock and fry maintained	*50% achievement of output*
Bushes cleared and minor repairs on pond	All bushes were cleared to a perimeter of 10 metres off the fish fence.	*50% achievement of output*
Cage and aquaculture mapping survey findings analyzed and published	The data was analyzed	*50% achievement of output*
Water quality in experimental fish ponds determined	No progress	*0% achievement of output*
Predators and diseases affecting fish farming and control options identified	Monitoring undertaken and lizards, snakes and birds identified as major fish predators	*70% achievement of output*
A cost effective feed and feeding regime for fingerlings	9 experimental aquaria of 30x60x60 cm were fitted with water heaters and filter pumps were acquired	*20% achievement of output. Funds were insufficient to conclude the research*

Source: Field findings

Project 3: Mechanization of Maize and upland rice production systems in the NAEZ

The main objective of Project 3 is to develop and promote labour saving “smart options” by combining appropriate mechanization, herbicide use and novel crop traits. The project started in January 2014 and is scheduled to end in June 2016. The physical performance of Project 3 is summarized in Table 4.30. Progress was registered in two out of five targets.

Table 4.30: Physical performance of ATAAS Project 3 at Ngetta ZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
Production value chains for maize and rice in the NAEZ analyzed	Data analysis was completed pending report writing	*50% achievement of output*
Catalogue on existing labour saving technologies for maize and rice enterprises developed	No progress	*0% achievement of output*
Trials on labour saving integrated smart options on station and in Kitgum satellite station established	Second season 2015B maize trials were set up on-station	*100% achievement of output*
New released rice trials in NAEZ promoted	No progress	*0% achievement of output*
On-farm rice variety trials established	No progress	*0% achievement of output*

Source: Field findings

On-station maize trials at Ngetta ZARDI Lira district

Project 4: Developing vegetative propagation Techniques for Rapid Multiplication of Shea Tree in Uganda

The overall objective is to develop effective vegetative propagation protocol for producing quality planting materials for Shea Tree in Uganda. The project started in September 2009 and is scheduled to end in June 2016.The physical performance of Project 4 is summarized in Table 4.31. Fair progress was registered in achievement of the outputs.

Table 4.31: Physical performance of ATAAS Project 4 at Ngetta ZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
Shea coppice cuttings for further on	Shea coppice cuttings were collected and	*100% achievement of output*

station evaluation collected	undergoing on-station evaluation for rooting.	
Air-layering trials in Otuuke and Pader districts maintained	Second set of trials on stool bed air layering technique was established in the two districts	*100% achievement of output*
Trials on grafting established in Otuuke and Pader districts	No progress	*0% achievement of output*
Micro propagation by tissue culture using shoot tips, root tips and leaves as explants evaluated	Proliferation of shoot was obtained from shoot tip culture in an Msc project	*30% achievement of output*

Source: Field findings

Project 5: Developing integrated pest and disease management strategies for increased productivity of simsim and citrus in the NAEZ

The primary objectives of the project are to: i) assess the incidence and severity of pests and diseases of citrus and sesame ii) evaluate and disseminate appropriate control methods for the pests and diseases. The project period is July 2009 to June 2016. The physical performance of Project 5 is summarized in Table 4.32. Fair performance was noted as only one out of the six outputs was fully achieved and two were partially implemented.

Table 4.32: Physical performance of ATAAS Project 5 at Ngetta ZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
Yield loss caused by citrus leaf spot diseases assessed	Six farmers to host yield loss trials were identified in Lira, Dokolo and Oyam districts. Pending was training the host farmers and collecting yield loss data	*30% achievement of output*
440 citrus seedlings for leaf spot disease screening trials raised	440 lemon root stocks were obtained and budded with 13 improved citrus varieties	*100% achievement of output*
Performance of chemical control options for citrus leaf spot diseases evaluated	No progress	*0% achievement of output*
One disease fact sheet and one disease management guide produced both in English and Luo	The draft versions of the fact sheets were produced pending finalization and translation.	*50% achievement of output*
Yield loss caused by sesame gall midge assessed	No progress	*0% achievement of output*
A pest and disease survey on sesame in the NAEZ conducted	No progress	*0% achievement of output*

Source: Field findings

Lemon root stocks being raised in a green house at Ngetta ZARDI in Lira district

Project 6: Evaluation and adaptation of new varieties of beans in the NAEZ

The primary objective of the project is to evaluate the performance of improved bean varieties in the NAEZ. The project period is January 2014 to June 2016. The physical performance of Project 6 is summarized in Table 4.33.

Table 4.33: Physical performance of ATAAS Project 6 at Ngetta ZARDI by 31st December 2015

Semi-annual output	Achievements	Remark
Data on bean varieties surveys analyzed	The analysis was undertaken indicating that 97% of farmers planted improved varieties (NABE2, K131 and K132) and the major disease affecting beans was root rot (52%)	100% achievement of output
Adaptive trials for different bean varieties established	Three acres of improved bean varieties (NABE 15, 16, 17, 18, 19 and 23) were established for seed multiplication. Pending establishing trials for NABE 20, 21 and 22	*67% achievement of output*
Performance of nine bean varieties in the different zones established	No progress	*0% achievement of output*
A strategy for pest and disease	No progress	*0% achievement of*

management strategy developed		*output*

Source: Field findings

Challenges at Ngetta ZARDI

i) Poor implementation of planned research activities due to:
   a. Late and off season disbursement of donor funds.
   b. Lack of laboratories and equipment

Recommendations

i) The NARO should ensure timely disbursement of funds for research work.
ii) The NARO should fast track equipping and commissioning the newly constructed laboratories

Analysis

Link between physical and financial performance
There was a close link between the financial and physical performance of the NARO. The low level of achievement of outputs (35%) was consumerate to the low disbursements (27.75% for half year) and absorption (70.40%). The outputs under the ATAAS project were boosted by the development funding from the Support for NARO project.

Achievement of targets
The NARO underperformed with regard to the ATAAS project as out of the 154 planned research outputs under the five Institutes/ZARDIs, 54 (35%) were fully or substantially achieved; 38 (25%) were partially implemented and 62 (40%) were minimally achieved. However, good progress was registered with infrastructure development, with most structures at completion stage apart from the conference facilities/laboratories/office blocks at MBAZARDI, BULINDI and NASAARI.

Implementation challenges

i) Slow/poor implementation of the planned activities due to:
   a. Late and timely release of donor funds; funds were disbursed in December during the dry season when crop experiments could not be established.
   b. Inadequate technical staff
   c. Inadequate transport means to effectively implement and supervise the on and off station research activities.
   d. Lengthy procurement processes.

ii) Slow implementation of infrastructure projects due to low capacity of contractors. Construction of the Conference facility was behind schedule.

Conclusion

The performance of NARO by 31st December 2015, using the ATAAS and Support for NARO projects, was rated as fair (57%). This took into account the low achievements in research work (35% fully implemented) and good progress in infrastructure development (above 80% overall). The beneficiaries expressed satisfaction with the quality of infrastructure that was established.

Recommendations

i) The NARO should ensure that contractors with sufficient capacity to implement infrastructure projects are contracted.
ii) The NARO Secretariat should ensure timely disbursement of funds for research at the ZARDI.
iii) The NARO, Ministry of Public Service and MFPED should review the staffing needs and recruit the required staff at the ZARDIs.
iv) The PPDA should simplify the procurement process for effective implementation of the planned activities.
v) The NARO secretariat should provide additional transport means to the ZARDIs.
vi) The MAAIF/NARO Secretariat should fast track completion and equipping of the laboratories and other newly established infrastructures.

4.4 Production and Marketing Grant (Vote 501-850)

Background

The Production and Marketing Grant (PMG) replaced the Plan for Modernization of Agriculture Non- Sectoral Conditional Grant (PMA NSCG). The Grant supports implementation of MAAIF related functions in Local Governments. Therefore effective FY2010/11, PMG was initiated to support both capital development and recurrent expenditures for activities relating to pests and disease control; regulatory services, quality assurance services; agricultural statistics and food security information functions in Local Governments. The main purpose of the PMG is to:

1) Strengthen disease, pest and vector control & quality assurance services in Local Government; and
2) Strengthen the agricultural statistics & information system in local governments.

The grant is used to support capital development & recurrent expenditure in all local governments in the crop, livestock, fisheries, entomology sub-sectors, agricultural statistics & information system.

The development component (Non-wage) takes 55% of the grant to undertake activities which include; construction of slaughter slabs, cattle markets, cattle dips, water reservoirs, fisheries infrastructure, irrigation demonstrations etc. The Recurrent expenditure takes 45% of the grant to cater for operational costs such as fuel, training, farmer field visits, Monitoring and Evaluation, maintenance of equipment etc. related to activities of strengthening disease, pest and vector control, regulatory services, quality assurance, and collection of agricultural statistics. In the Northern districts, the PMG is combined with the Peace Recovery and Development Programme (PRDP) funds to address infrastructure bottlenecks in the eligible sub-sectors. The grant that is received in Northern Uganda is named PMG-PRDP while that disburse in other regions is PMG-Normal.

Findings

i) Financial performance

The approved budget for PMG/PRDP in FY 2015/16 is Ug shs 14,249,676,000 (Ug shs 10,168,928,000 is PMG Normal) of which (50%) Ug shs 7,124,838,000 (Ug shs 5,084,464,000 was PMG Normal) was released by 30th December 2015. These funds were released in two installments of Ug shs 3,562,419,000 to the different local governments that are supposed to ensure expenditure as per the guidelines on both development and recurrent activities of the respective districts.

ii) Physical performance

Overall performance

- **Agriculture:** activities focused on enhancing food security, training and demonstrations on food multiplication, pest and disease surveillance, community mobilization and supervision and monitoring.
- **Entomology sub-sector:** activities included tsetse/entomological monitoring, trap procurement, and deployment and supervision and monitoring
- **Veterinary sub-sector:** activities included inspections and setting up Mobile check points, follow up of demonstration units, establishment of zero grazing demonstrations, rabies surveillance, and construction of mini laboratories and installation of equipment.
- **Fisheries sub-sector:** activities focused on land and lake patrols against fishing illegalities, advisory and statistical data collection, field visits to fish farmers and landing sites, training of fisher communities and stocking fish ponds and dams.
- **Production and management services:** activities included visual laid information collection, agriculture data collection, soil analysis, supervision and monitoring, staff meetings, producing work plans and quarterly progress reports, technical backstopping, and corroboration with MAAIF and other organizations.

Nine districts were monitored to assess progress in implementation of the PMG by half year FY 2015/16. The findings are presented below.

Bushenyi district

Implementation progress

The approved budget for PMG in Bushenyi district for FY 2015/16 is Ug shs 64,272,000 of which 50% was released and absorbed by 31st December 2015.The district observed the spending guidelines, where Ug shs 7,200,000 was expended on promotion of trade and commercial services and the balance spent as per the PMG guidelines, with 55% of the resources being spent on development & 45% was utilized on the recurrent activities of the district.

The district expended Ug shs 32,882,400 (including Ug shs 7,200,000 for promotion of trade and Commercial services) on recurrent and Ug Shs 15,594,870 on one development activity as shown below.

Recurrent activities conducted

- Conducted monitoring and supervision of the delivery of agricultural inputs under the NAADs/OWC in 12 Lower Local Governments.
- Conducted one quarterly staff meeting and two senior sector staff meeting at the district.
- Eight crop disease surveillance were conducted across the district.
- Supported the village, sub-county BBW disease control task forces.
- Farmer training on improved agriculture technologies was conducted.
- Inspected two livestock markets and promoted trade and commercial services in the district.
- One field supervision & monitoring visit was conducted in Kyeizooba, Kyabugimbi, Bumbaire, Ibanda and Bushenyi Municipality.
- A total of 1,650 poultry were vaccinated in Nyakabirizi and 1,600 poultry vaccinated in Kyeizooba & Bumbaire sub counties.

Development activity conducted

The DLG contracted M/s Turiyo Construction Company Limited at a sum of Ug shs 33,899,400 to execute and complete the construction of a crop mini laboratory at the district headquarters. The contract was scheduled to run for a period of four months starting on 9th September 2015, with the expected completion date set on 8th January 2016.

The crop mini laboratory under construction at Bushenyi DLG headquarters

By 12th January 2016, civil works were estimated to be at 75% completion level; the crop mini laboratory had been roofed external plastering done, shuttered, pending internal plastering, fixing glass widows, flooring, painting, casting worktops, wiring and plumbing works.

Implementation Challenges

i) Delayed implementation of development activities due to piecemeal release of development funds.
ii) The recurrent expenditure was not adequate to implement the NAADs/OWC program and supervise the field staff.
iii) Slow adoption of new farming technologies by the farmers due to their passive attitude of doing farming as a business.
iv) Low staff to farmer ratio was estimated to be at 1:300 leading to inadequate extension services.

Recommendations

i) The MFPED should release all the development funds in the first half of the FY for effective implementation of development projects in local governments.
ii) The MAAIF and LGs should fast track implementation of the single spine extension system and ensure that adequate extension staff are recruited.
iii) There is need for more technical staff to closely monitor farmers' activities and proposed extension.

Gulu District

The approved budget for PRDP/PMG Normal in Gulu district for FY 2015/16 is Ug shs 255,154,000 of which Ug shs 74 million is for PRDP, Ug shs 7,200,000 Trade Grant & Ug shs 8,000,000 for DATIC. During the period the district planned to undertake the following development & recurrent activities (Table 4.44).

Table 4.44: Planned PMG/PRDP activities for Gulu DLG for FY 2015/16

Planned development activities	**Budget (Ug shs)**
Procurement of pyramidal traps	12,320,000
Construction of a mini-abattoir	26,757,000
Construction of a cattle market	74,000,000
Construction of a cattle crash	18,000,000
Procurement of water testing kits	5,754,760
Sub total	136,831,760
Planned recurrent activities	
Mobile animal check points	8,120,851
Pests and disease surveillance	15,331,851
Monitoring and Evaluation	10,074,000
Fish inspection and quality Assurance	3,802,000

Coordination, supervision and technical backstopping	36,947,389
Agriculture data collection	16,947,000
Livestock vaccination	11,900,000
DATIC-Study tour to Mbarara District	6,200,000
Trade Grant (Registration, supervision of cooperatives and development of SACCOs)	7,200,000
Others	1,799,149
Sub total	118,322,240
Grant Total	**255,154,000**

Source: Gulu district production department

By 31st December 2015, Ug shs 117,264,000 had been released by MFPED and Ug shs 52,768,800 spent on recurrent activities of the production department. Implementation of the development activities was not undertaken due to procurement delays.

The district undertook the following recurrent activities under the different sub-sectors.

- Vaccinated livestock which included cattle, goats and sheep.
- Fish inspection and quality assurance.
- Carried out Monitoring and Evaluation of the production activities of the district.
- Agriculture data collection on crops, livestock, fisheries, entomology, tsetse fly control, bee keeping and planting returns.
- Technical backstopping, coordination and supervision of the production activities.
- Mobile animal checks points.

Implementation Challenges

i) Untimely implementation of the development planned activities due to late release of funds; this affected mainly the development component.
ii) The district has been scaling down its planned activities and prioritizing in the different development sub-sectors due to inadequate funds released every FY, leading to low impact of the project.
iii) Ineffective supervision of the project activities due to lack of transport means and extension staff especially at sub-county level. Each officer handles three sub-counties in the district.
iv) Piecemeal release of funds slowed implementation of development activities.

Recommendations

i) The MAAIF and MFPED should re-prioritise sector expenditure to allocate more funds for the PMG for effective implementation of the production activities.
ii) The MFPED, MoPS and MAAIF should procure motorcycles and recruit more staff in the production department to fill the gaps in Lower local Government.

iii) The MFPED should release all procurement funds for development activities in the first two quarters of the financial year.

Jinja District

Implementation Progress

The approved budget for the PMG in Jinja District for FY 2015/16 is Ug shs 102,400,000. By 30th December 2015, 50% of the total budget was released and 103.6% (Ug shs 53,085,938) expended of the total releases. The expenditure of over and above the total releases was due to the NTR contribution to the production activities. The department expended 88.2% of the released funds on recurrent activities and 11.5% on development activities. The physical performance of PMG in Jinja district is given in Table 4.45.

Table 4.45: PMG activities implemented in Jinja district by 31th December 2015

Sub sector	Recurrent/Development Activities undertaken	Amount spent
Veterinary	-7,191 birds were vaccinated against NCD using thermo stable vaccine in Bused and Buwenge sub Counties. -Carries out monitoring and supervision of slaughter places, butcheries, animal drugs and feed outlets to ensure compliancy to veterinary laws. -Submitted the four monthly reports for July to October 2015 to MAAIF -Maintained a goat demonstration unit at Nakabango District farm.	7,200,000
Production	Submitted the two reports to MAAIF, district council and MFPED, and made nine travels to MAAIF, NAGRC &DB & NAADs secretariat. Paid electricity & water bills, office stationary, internet, air time & cleaning services.	15,325,938
Entomology	-67 previously deployed traps were re-impregnated and redeployed. -Tsetse fly catch surveys were conducted in Butagaya&Budondo Sub County. -Three support supervision visits on apiary farmers were conducted in Buwenge, Busede and Buyengo Sub counties.	7,410,000
Commercial services	-Three data analysis sheets were made and daily collection of market intelligence report compiled for major market centers. -Three SACCOs (MARU, Kakira and Jinja teachers) were inspected, trained and supervised.	4,900,000
Crop	-Conducted six trainings in plant clinics operations in Buyengo and Busede Sub County at a sum of Ug shs 3million -Collected data on Agro-input dealers in Butembe and Kagoma at sum of Ug shs 2.9million	5,900,000
Fisheries	-Four monitoring, control & surveillance on L. Victoria & on land to ensure improved fisheries resource managed were conducted at sum of Ug shs 2million -Carried out two sensitization of fishers on the responsible fishing practices on L.	

	Victoria at a sum of Ug shs 1.6million -Repaired a district boat at Ug shs 2million and demarcated the monitoring fish breading area at Ug shs 0.5million	6,100,000
Total recurrent expenditure		**46,835,938 (88.2%)**
Sub sector	Development activities	
Crops	Carried out maintenance of the banana garden at Nakabango district farm at a sum of Ug shs 1.25million Procured 12Kgs of coffee seed, 100kgs of poly ports and accessories. Raising of coffee seedlings was ongoing at a sum of Ug shs 4million Established a demonstration on one acre piece of land with enterprise mix & farm integration for increased farm income in Busede Sub county at a sum of Ug shs 1million	6,250,000
Total Development expenditure		6,250,000 (11.5%)
Grand total Expenditure		**53,085,938**

Source: Field findings

The monitoring team visited Jinja district farm in Mafubira Sub-County to verify the performance of the development activities.

Nakabango district farm

The district farm is located in Nakabango village, Namulesa Parish, Mafubira Sub-County in Butembe County. Funds amounting to Ug shs 5,250,000 were allocated and fully expended on;

- Maintenance of a two acre banana garden at a sum of Ug shs 1,250,000
- Procured 12kgs of coffee seeds and 100Kgs of poly ports for raising the coffee seedlings at a sum of Ug shs 4,000,000.

By 20th January 2016, pruning and weeding of the two acre banana garden had been completed, potting of soil was still on going as the seedlings were still germinating in the seed bed. The key challenge on this farm is too much sunshine that affects the nursery bed due to lack of shading materials for the seedlings. The farm manager recommended the district to allocate funds for procuring of the shading materials.

L-R: A well maintained banana multiplication garden, potted soil in preparation for rising of coffee seedlings at Nakabango district farm, Mafubira Subcounty in Jinja district

Implementation challenges

i) Delayed implementation of the planned activities mainly development component due to
   a. Piecemeal and late release of funds. This has also led to the delayed distribution of inputs in November which is a dry season.
   b. Lack of transport to undertake the major activities of the district.

ii) There was no effective monitoring and supervision of the NAADs/OWC activities due to limited funds for this activity.

iii) Few planned activities under the PMG due to the limited funds.

iv) Most of the planting materials/inputs distributed under the OWC/NAADs are not planted/used due to lack of harmonization between the OWC/NAADs staff and the district production department.

Recommendations

i) The MFPED should release the development funds in two tranches; in the first and second quarter of the FY. In July and January of every FY to effectively implement the planned activities following the planting season.

ii) The MFPED and MAAIF should review the adequacy of the PMG funds for the production department.

iii) The MFPED, MAAIF and NAADS/OWC should ensure that there is a good working relationship between the LGs and OWC staffs in Jinja district.

Kamuli District

Implementation progress

The PMG approved budget for FY 2015/16 is Ug shs 144,334,100 of which Ug shs 72,167,050 of the total budget was released. By half year, the department had expended Ug shs 35,112,288 on the following items (Table 4.46).

Table 4.46: PMG activities implemented in Kamuli district by 31st December 2015

Sub sector	Semi-annual target	Progress	Expenditure (Ug shs)
PDO`s Office	28 supervision technical backstopping visits. 2 radio talk shows, quarterly planning & review meetings, and procure one computer	26 supervisory /technical backstopping visits were made in all the 13 LLGs Two radio talk shows were held at KBS local radio Paid electric bills, held staff meetings and procured one computer	13,406,641
Veterinary	Vaccinate 240 dogs and cats against rabies and 20,000 poultry against new castle disease. Completion of Namaira slaughter slab with drainage system	223 dogs and cats, and 21,511 birds were vaccinated against Rabies and new castle disease respectively in 13 Sub Counties. 2nd phase of the construction work completed, awaiting access road only.	5,403,234
Crop	18 inspection visits, certification and quality assurance of seeds, agro chemicals and pests & plants products conducted. Conduct 18 public awareness meetings on major pests & diseases	25 inspection & certification visits targeting agro-input dealers were conducted in seven sub Counties. 27 community sensitization meetings were held addressing control of major pests & diseases in nine sub counties	5,624,925
Fisheries	Two water patrols conducted on the river 20 compliance inspection visits conducted to fish farmers ponds	Two water patrols were conducted on River Nile in two Sub counties and a number of illegal fishing gears were confiscated. 22 compliance inspection visits were made in six sub counties	3,912,284
Entomology	Conduct entomological monitoring Procure & deploy 500 insecticide impregnated tsetse traps for controlling tsetse flies	18 Entomological monitoring surveys conducted in seven Sub counties and one Town council	2,365,948
Vermin Control	Two visits to hunt down crop destructive vermin& other dangerous wild animals	3 anti-vermin operations were made & 11 velvet monkeys & 19 mad rabid dog were put out of action	3,866,031
Agric. Start	Hold agricultural statistics awareness creation	11 sensitization meetings were held in six sub counties	533,225
Total expenditure by end of quarter two			**35,112,288**

Source: Field findings

The monitoring team monitored the construction of a slaughter slab in Namaira trading center to assess progress in program implementation

Namaira Trading center is located in Kitayungwa Sub County in Kamuli district. In FY 2014/15, the local government planned to construct a slaughter slab with an access road in the center. M/s Naminage Investment Limited was contracted at a sum of Ug shs 17,600,800 to construct the slaughter slab. By 30th June 2015, the first phase was completed and the contractor was paid Ug shs 10,511,617.

In FY 2015/16, the same contractor was contracted to complete the second phase of this project at a sum of Ug shs 12,522,691. This includes additional works of providing access road to the slaughter slab since the facility is located in a swamp area, at an additional sum of Ug shs 5,783,137. The scope of works in the second phase included: shuttering, plastering, flooring, painting and construction of a drainage system.

By 20th January 2016, the slaughter slab had been completed pending construction of the access road to the facility. The contractor was not yet been paid as at the time of monitoring.


L-R: The completed slaughter slab, and the excavated foundation trench in preparation for construction of an access road to the facility at Namaira Trading center, Kamuli District

The district had also procured 500 Tsetse traps that were in the production store, that were yet to be distributed in the seven sub counties of Namwendwa, Mbulamuti, Nabwigulu, Namasagali, Kisozi, Butansi and Kitayunjwa in Kamuli district.

The DVO showing some of the procured Tsetse traps that were yet to be distributed in the seven sub counties of Kamuli district

Implementation challenges

i) Delayed implementation of the planned activities due to:
   - Untimely transfer of funds to the production account. The quarter one funds reached the production account in August 2015 while quarter two reached the account on 28th December 2015. The district also accessed the IFMS system on 1st July 2015; hence they did not have enough knowledge in the use of this system.
   - Understaffing in the production department: the department had four agricultural officers, three animal husbandly officers, two fisheries officer, five agricultural officers and two veterinary officers who could not effectively implement all the production activities of the district.

- Lack of transport means; at times vehicles were hired to undertake the field activities which increased the cost of implementation.

Recommendations

i) The district should disburse funds to the production account as early as possible for timely implementation of the planned activities.
ii) The MAAIF, MoPS and MFPED should recruit more staffs in the production department to effectively implement the production planned activities.
iii) The MAAIF and MFPED should come up with a sector improvement plan and avail transport to the production department to effectively do their work.

Kiboga District

Implementation Progress

The approved budget for PMG in Kiboga district for FY 2015/16 is Ug shs 46,083,711 of which Ug shs 23,154,652 was released by half year. The district collected Ug shs 2,755,632 as NTR, had a balance carried forward from FY 2014/15 of Ug shs 3,204,446 and unconditional grant of Ug shs 680,000. The total available fund for spending was Ug shs 29,816,023 by 31st December 2015.

By 27th January 2016, the district had expended Ug shs 24,424,600 on recurrent activities (Table 4.47) and no expenditure had been made on development activities as the planting season was to start in March 2016. The funds that were available could not procure the obstetrical equipment differing this activity to the third quarter.

Table 4.47: PMG performance in Kiboga district by 27th January 2016

Sub Sector	Recurrent activities implemented	Amount spent (Ug shs)
Commercial Services	Inspected Tobbaco stores. Monitored and supervised cooperative societies and SACCOs and made consultative trips to Uganda Investment Authority	4,580,000
Crop and Disease control (Agriculture)	Carried out extension services in Kibiga and Muwanga Sub County. Carried out M&E and Surveillance of pests and plants in Kibinga, Kapeeka and Mwanga sub Counties.	5,278,500
Fisheries	Prepared 15 farmers to receive fish fries from OWC in the sub counties of Kiboga T.C, Bukomero, Muwanga, Lwamata and Kapeeka and provided advisory services in construction of fish ponds and knowledge of fish feeding.	550,000
Production Office	Serviced the production office vehicle and a motorcycle of Muwanga Sub county, monitored activities at Sub County level.	8,324,600

	Staff meeting to orient 16 new staffs in production and Lower local governments and paid electric bills and Mainer repairs stationery and photocopy.	
Veterinary	Disease Control and special emphasis on foot and Mouth Disease, Rabies and new casual in poultry. Veterinary scientific symposium and procured liquid nitrogen for semen and vaccine storage.	5,691,500
Total recurrent expenditure		***24,424,600***
Sub Sector	Development activities	
Crop	The production department planned to procure 1,200 mango seedlings at Ug shs 5,400,000 each at Ug shs 4500. By 27th January 2016, the order has been made, pending the March 2016 rains to procure and deliver the seedlings to the farmers.	-
Veterinary	Purchase of obstetrical equipment (assorted equipment) at Ug shs 5,000,000 was differed to the third quarter as the funds available could not procure these equipment.	-
Total expenditure		***24,424,600***
Balance carried forward to Q3 FY 2015/16		**5,391,423**

Source: Field findings

Implementation challenges

i) Inefficiency in the implementation of PMG activities due to inadequate and poorly facilitated staff especially in the LLGs.
ii) Increased incidence of pests and diseases for both plants and livestock due to ineffective enforcement of regulations by MAAIF.
iii) Ineffective monitoring of the production activities in the district due to absence of an effective means of transport. The district uses a former NAADS vehicle which is under dangerous mechanical condition thus frequently breaking down and costly to maintain.

Recommendations

i) The MAAIF should facilitate staff in the production department and LLG to effectively undertake all the planned activities in the district.
ii) The MAAIF should provide all the necessary vaccines for all notifyable diseases and pests in the district like Rabbies vaccines and the NARO secretariat should do more research to cube the new pests and diseases.
iii) The MAAIF together with MFPED should provide a vehicle and motorcycles for the department to effectively monitor its activities within the district.

Lira district

Implementation progress

The approved budget for PRDP/PMG Normal in Lira district is Ug shs 321,800,482 of which Ug shs 129,871,000 was PMG-Normal. By 30th December 2015, Ug shs 164,500,022 had been released (of which Ug shs 68,535,280 was for PMG-Normal) and 41.7% expended on the recurrent activities of the district.

As shown in the Table 4.48, 41.7% of the funds were spent on the recurrent activities and 58.3% were committed funds for procurement of the CAO`s vehicle.

Table 4.48: PMG/PRDP performance in Lira district by 31st December 2015

Sub Sector	Activities that were implemented	Amount spent (Ug shs)
Development activity implemented		
Production Management services	The funds a mounting to Ug shs 95,964,742 for development activity were committed for procurement of the CAOs vehicle	-
Subtotal		*(0%)*
Recurrent activities implemented		
Entomology	10 technical supervisory visits on tsetse vector control were conducted in in the sub counties of Aromo, Ogur, Aguli, Barr, Adekokwo, Lira, Agwng and Ngetta	68,535,280
Fisheries	28 phytosanitary technical backstopping was conducted at Anai-hatchery. 32 technical supervisory visits were conducted in nine rural sub Counties and four divisions	
Livestock/ veterinary	Conducted livestock pests and disease surveillance	
Crops	Inspected and certified the seed producers and Agro input dealers Supervised the multiplication gardens of upland rice in Agaali, Agwang and lira sub counties.	
Subtotal		*68,535,280(41.7%)*
Total expenditure		***68,535,280***

Source: Lira DLG; Field findings

Implementation Challenges

i) Delayed implementation of the planned activities were due to:
- Lack of enough knowledge in the operationalization of the IFMS system and network problem which delayed access to funds.

- Many staff are serving in acting position which demoralizes them to effectively do their work.
- A single spine system that was not fully implemented in the district. The district has nine rural sub-counties and four divisions. Only six extension staff were recruited and they have a variance of 13 extension staff.

ii) Some responsibilities of the MAAIF activities were not effectively implemented in local government, due to a weak linkage between the two institutions.

Recommendations

i) The MFPED should build capacity of lira district local government staff in the operationalization of the IFMS system.
ii) The DLG/Human resource should advertise and recruit suitable officers in the vacant positions of the district to effectively implement the production activities of lira district.
iii) The MAAIF, MoPS and the DLG should fully operationalize the single spine extension system and ensure that adequate staff are recruited.
iv) The MAAIF should ensure that there is a strong linkage/effective communication/ strong working relationships between the production department of Lira district and MAAIF in the implementation the agriculture sector activities of the district. For example epidemics should be handled by MAAIF with the help of lira DLG officers.

Luwero District

Implementation progress

The PMG approved budget for FY 2015/16 is 117,356,000 including NTR (Ug shs 2,000,000) of which 50% (Ug shs 57,678,000) was released. By half year, the production department had expended Ug shs 32,614,306 (56.5%) on the recurrent activities and initiated the procurements for the development activities of the production department (Table 4.49).

Table 4.49: PMG performance in Luwero district by 31st December 2015

Sub Sector	Activities implemented	Funds allocated
Production	Conducted quarterly review meetings in November 2015. Repaired departmental vehicles at Ug shs 2,100,000. Procured stationery and supervised production activities of the district.	15,039,306
Veterinary/ Livestock	Held one workshop and trained farmers and Instructors on poultry production. Collected AI inputs from NARGIC&DB and animals vaccines from MAAIF. Conducted various food inspections for public safety in the district.	2,272,000

	Vaccinated animals and poultry against various diseases.	
Fisheries	Produced fourth quarter FY 2014/15 report for MAAIF and trained 25 farmers in Bamunanika Sub County. Carried out advisory services to 12 farmers in Makulubita 4, Nyimbwa 1, Zirobwe 2, Katikamu 2 and Butuntumula 2 sub Counties and fully monitored cage nets	1,430,000
Crops	Conducted farmer trainings on Mango fruit flies reduction and plant clinics operations, disease and pest surveillance in five sub counties of Nyimbwa, Makulubita, Butuntumula, Kikyusa and Camera. Five plant clinics operations were carried out in Luwero, Lowe T/C, camera, Wobulenzi T/C & farmer markets. Carried out advisory services for quality Assurance for NAADs/OWC inputs. Monitored crops demonstrations on cassava and Bananas in Nyimbwa & Bamunanika sub counties	7,283,000
Vermin	16 anti-vermin operations and 10 supervisory visits were conducted in Luwero, Butunttumula, Nyimbwa and Kamira sub counties. 30 farmers were trained on alternative control of vermin.	2,185,000
Commercial services	Supervised activities of the following factories: Ndibulungi Mini-suger factory in Butuntumula, M/s Egypt Uganda food security Company in Nyimbwa Sub county and M/s Mayfair integrated poultry Unit in Zirobwe sub county. Carried out cooperative outreaches, training workshops for Ebenezer cooperatives society. Conducted Annual General Meeting (AGM) for two SACCOs: Luwero Katwe friends of environment and Radio Sapiansa fans club Kalule. Promoted tourism activities at Walusi shrine in Kikyusa, Camera with three sites.	2,219,000
Entomology	Promoted tsetse vector control and Commercial insect farm. Prepared and deployed 20 tsetse tarps in Zirobwe and Kamira sub counties. Trained 60 Farmers in apiculture and silk culture farming in Zirobwe and Kamura.	2,186,000
Total recurrent expenditure		32,614,306(56.5%)
Sub Sector	Development activities	
Fisheries	Initiated the procurement of fish cages, 2666 fish fingerlings (tilapia) at Ug shs 600 per Kg & 503Kgs of fish feeds (pellets) at Ug shs 3,000 per Kg.	-
Veterinary	Initiated the procurement process for construction of a slaughter slab in Katikamu Sub County at a sum of Ug shs 14,000,000. The district had Ug shs 800,000 allocated for this activity a waiting more funds in Q3 FY 2015/16.	-
Total development expenditure		- (0%)
Total expenditure		**32,614,306**

Source: field findings

Implementation challenges

i) Low project impact and non-achievement of the key indicators were due to inadequate funds allocated under PMG for Development activities
ii) Delayed implementation of development activities were due to the length procurement process and piecemeal release of development funds. The development activities will be implemented in the last two quarters of the FY.
iii) Low coverage for pests and disease control due to unavailability of vaccines and absence of a deep spray in the district.

Recommendations

i) The MFPED should allocate more funding on development activities under PMG, mainly for construction of deep spray race & slaughter slabs in the district.
ii) The MFPED should release all the development funds in the first two quarters of the financial year for timely implementation of development activities.
iii) The PPDA should simplify the procurement process for effective implementation of planned activities.

Masaka District

Implementation progress

The approved budget for PMG in Masaka district for FY 2015/16 is Ug shs 80,172,000 of which Ug shs 40,086,000 (50%) was released and absorbed by 31st December 2015. The district observed the spending guidelines with 45% of the resources spent on recurrent activities and 55% expended on development activities. The key expenditures incurred and activities that were implemented in Masaka district by half year FY 2015/16 are summarized in Table 4.50.

Table 4.50: PMG performance in Masaka district by 31st December 2015

Sub sector	Development activities implemented	Amount spent
Crops	Demonstrated the longe 10 hybrid maize in the different sub counties of Masaka and sweet potatoes silage technology to Buwunga sub county.	1,500,000
Livestock	Carried out demonstration on improved apiary technologies in Mukungwe, Katwe-Burego sub counties.	1,500,000
Fisheries	Conducted fish pond demonstration and design with Bugabira Farmers Group and fish cage demonstration in Lake Nabugabo, Bukakata sub county.	3,500,000
Agriculture	Procured 2800 banana sackers and distributed them in Buwunga, Kyannamukaaka, Mikomago and Kabonero Sub Counties. Purchase tissue cultured bananas and established banana multiplication gardens and undertook coffee demonstration technology.	7,000,000
Entomology	Procured demonstration materials (i.e. 10KTB beehives, 2 catcher boxes, 4 Apiary Management gear sets, 2 bee smokers, Airtight and buckets) & carried out demonstrations to farmers on hive baiting, installation & swarm catching techniques in Mukungwe and Kitwe Butego sub counties.	3,001,000

Subtotal for development		**25,047,225 (62.5%)**
Recurrent activities		
District Production	Three monitoring visits conducted in Kimanya/Kyabakuza, Butego, Nyendo, Kyannamukaaka, buwunga and Mukungwe. Prepared three TPC reports and attended the National joint Agriculture sector review workshop on 15th& 16th September 2015.	15,038,747
Vermin control	115 dogs and cats bite cases from all sub counties and surroundings districts were reported to veterinary department and advice given to manage such cases. Three human clinical cases of rabies reported with grave prognosis and advice given.	
Fisheries	Held 1 technical planning meeting, 2 technical backstopping for staff and inspected the landing site three times.	
Entomology	15 bee keepers were mobilized & trained on improved apiary farming technology in Buwunga sub county and 10 were surveyed to check on the status of bee farming (i.e. the type of hives, quality of honey & other beehive products produced). R-deployed, deployed and maintained 16 tsetse fly traps in Bukakkata Sub County.	
Subtotal recurrent expenditure		15,038,747 (37.5%)
Grand Total		**40,085,972**

Source: field findings

Implementation Challenges

i) Inadequate extension services due to low allocations made to the district production activities and absence of transport to undertake the field activities.
ii) The 55% development budget cannot effectively implement the six sub sector development activities of the district.

Recommendations

i) The MAAIF should increase the IPFs for Masaka district, since they do not have any other agricultural projects in the district, to effectively implement the planned activities.
ii) The MFPED and MAAIF should introduce a separate adequate budget for the development activities and take PMG to the recurrent activities of the district.

Ntungamo District

Planned activities

The district production department planned to undertake the following development and recurrent activities at a sum of Ug shs 119,899,000.

a) Construct: A four stances VIP latrine at Nyakiyanja fish landing site; a five stances VIP latrine at Kyabirala weekly banana market in Rugarama sub county; a five stance VIP latrine at Ruhara livestoke market in Ngoma sub-county each at a sum of Ug shs 19,000,000.
b) Fencing of Nyakyera livestock market at a sum of Ug shs 14,000,000.
c) Undertake a number of recurrent activities which include:
    - Supervision and monitoring of the production activities.
    - Technical back stopping in a number of sub counties
    - Community sensitization on a number of diseases.
    - Office operation, photocopying, electricity bills and stationary.
    - Data collection on livestock and veterinary related data.

Implementation progress

By half year, the district had received Ug shs 59,950,000 of which Ug shs 13,488,750 was spent on the following recurrent activities under the four sub-sectors in production department (Table 4.51).

Table 4.51: PMG activities implemented in Ntungamo district by 31st December 2015

Sub sector	Recurrent activity
Livestock	-Supervised and monitored livestock movement in the markets of Rubaare, Kagarama and Lwentobo sub counties. -Vaccinated 100 heads of cattle against lumpy skin disease in cattle and 300 dogs against rabies. -Inspected veterinary drug shops and livestock disease surveillance. -Collected data on livestock and coordinated the activities of MAAIF in the district.
Agriculture	-Sensitized communities on BBW in the sub counties of Itojo, Ntungamo, Ihunga, Bwogera, Nyaruhoko & Rwashamire town council. -Conducted production community meetings and monitoring.
Fisheries	-Supervised and conducted fish catch data at L.Nyabuhoko landing site. -Provided advisory services on fish farming to fish farmers in Ihunga, Kitwe, Bwogera and Nyabuhoko. -Submitted application forms for licensing of fish stakeholders' community of Nyaruhoko and Nyakiyanja.
Production	-Supervision and technical backstopping of staff in the sub counties of Ntungamo, Kitwe, Rukoni, Nyaruhoko and Rwashamire town council -Monitored and supervised the distribution of NAADs/OWC inputs like Tea in Ruhama. -Procured stationary, repaired the production vehicle and office maintenance.

Source: Field findings

Implementation challenges

By 13th January 2015, the department had not expended or implemented any development activity due to the following reasons:

i) Late initiation and lengthy procurement process resulting in delayed implementation of the PMG activities. All the development activities were still under the procurement process.
ii) Under staffing in the production department which slowed down the pace of implementation. The district does not have an entomologist, they have a substantial production coordinator and use some sub county staff to implement some activities.

Recommendations

i) The PPDA should simplify the procurement process for effective and timely implementation of the planned activities.
ii) The district should initiate the procurement process as early as possible for timely implementation of the planned activities.

Analysis

By 30th December 2015, the MFPED had released a total of Ug shs 7,124,838,000 (50%) of which Ug shs 5,084,464,000 was PMG Normal. The local governments visited received 100% of their half year FY 2015/16 budget, and have expended mainly on the recurrent activities of their departments. Only four districts of Kamuli, Bushenyi, Masaka and Jinja had implemented both the development and recurrent activities in their districts. Under development component funds were mainly expended on the sub sectors of production, entomology, crop and Livestock.

Achievement of set targets
The half year targets were achieved in the districts visited that implemented both the recurrent and development activities which include Masaka, Bushenyi, Kamuli and Jinja. Districts visited that implemented the recurrent and no development activity implement by half year include Ntungamo and Gulu, Luwero and Kiboga.

Conclusion
The performance of the PMG/PRDP is rated good (65%). Some districts implemented the entire development and recurrent activities while others did not implement development activities; hence resource absorption was below average on the development component in some of the districts visited and excellent on the entire recurrent component.

The slow implementation of the development activities were constrained by: i) the late initiation and lengthy procurement procedure, ii) Piecemeal release of funds that the department had to wait for the accumulation of enough funds in the last two quarters of the financial year, iii) Lack of enough knowledge in the operationalization of the IFMS system and iv) Network problem that delayed access of funds to the production departments of the reported districts.

Recommendations

1) The PPDA should simplify the procurement process for effective and timely implementation of the planned activities.
2) Funds for development activities should be released once and in the first two quarters of the FY.
3) The Local Governments should always transfer funds to the production sector accounts as soon as the district had received these funds.
4) The MFPED should build capacity of local government staffs in the operationalization of the IFMS system for effective and timely release and implementation of local government planned activities.

4.5 Uganda Coffee Development Authority (Vote 160)

Background

Coffee is among Uganda's strategic commodities as a major foreign earner and source of livelihood for about 1.5 million households. Coffee production, productivity and export levels remain low due to the aging of trees, high prevalence of Coffee Wilt Disease (CWD), poor agronomic practices at farm level and volatility of commodity prices[10]. To address these challenges, the GoU established the Uganda Coffee Development Authority (UCDA) in 1991 to promote and oversee the development of coffee industry through support to research, propagation of clean planting materials, extension, quality assurance, value addition and timely provision of market information to stakeholders.

Recent initiatives mainly focus on coffee replanting in CWD affected areas, replacement of the aged unproductive trees and supporting introduction of commercial coffee production in new areas of Northern, North Eastern Uganda and the districts of Kisoro and Kabale. Enhancement of coffee productivity at farm level through provision of inputs is also being done in order to ensure improvement in coffee farmers' household income.

During FY 2015/16, the UCDA interventions were being implemented through five regional offices namely: Central, Western, South Western, Eastern and Northern. The five regional offices had staff manning programmes in 29 sub-regions as further elaborated below.

Annual planned outputs for FY 2015/16

Nationally, the UCDA planned to deliver a total of 32 key outputs (Table 4.53) during FY 2015/16 in two key areas: a) Production, Research and Coordination b) Coffee development in Northern Uganda.

Challenge: At the regional/sub-regional level, the annual targets are attached to a coffee year (October – September) following the coffee cropping season, and not the financial year (July-

[10] MAAIF, 2014.

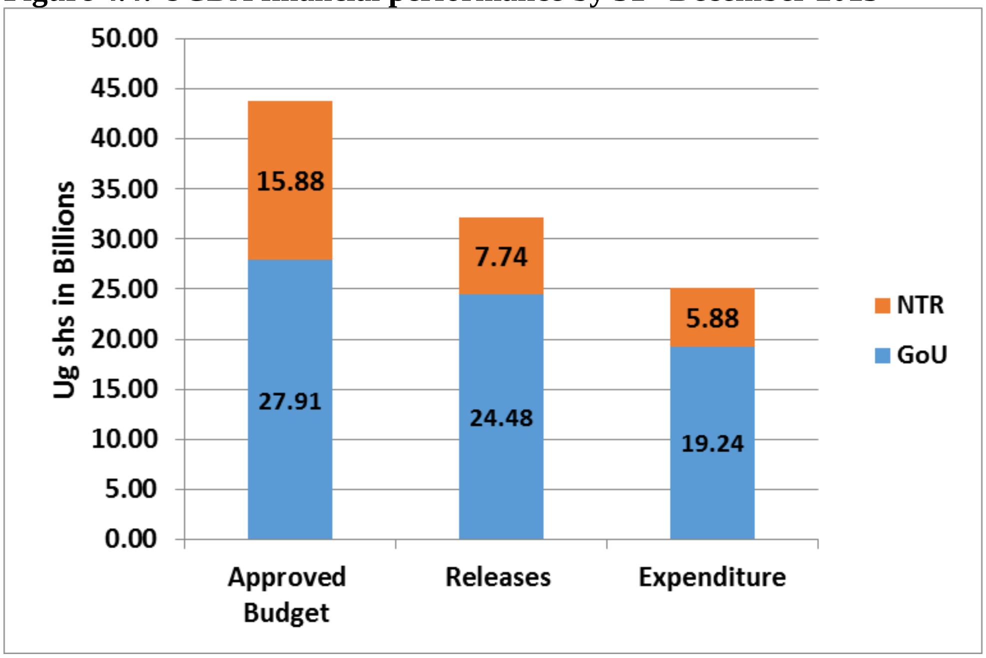
June). Therefore the progress that is reported for half year 2015/16 cannot be marched with the targets of the coffee year that overlap two financial years.

Findings

i) Financial Performance

The semi-annual financial performance of UCDA during FY 2015/16 is presented in Figure 4.4. By 31st December 2015, 73.57% of the approved annual budget was released and 77.96% of the releases spent. This was excellent release and expenditure performance (100% for half year).

Figure 4.4: UCDA financial performance by 31st December 2015



Source: UCDA Headquarters

All the GoU funds (100%) were spent on medical and agricultural supplies. Most NTR was spent on production, research and coordination and establishment costs (Table 4.52). The expenditures were in line with the UCDA mandate and the planned activities for FY 2015/16.

Table 4.52: UCDA NTR expenditures by 31st December 2015

Item	Amount spent (Ug shs)	%
Production, research and coordination	2,097,659,255	36
Quality assurance	971,926,045	17
Value addition and generic promotion	668,559,545	11
Information dissemination	358,132,386	6
Coffee Development in Northern Uganda	88,670,179	2

Establishment costs	1,698,538,324	29
Total	**5,883,485,734**	**100**

Source: UCDA Headquarters

ii) Physical performance

The overall semi-annual physical performance of UCDA during FY 2015/16 half year is presented in Table 4.53 against the set targets. The performance was good: out of the 30 planned outputs which were relevant to UCDA, 18 (60%) were fully or substantially achieved; 7 (23%) were partially achieved; and 5 (17%) were not achieved.

Table 4.53: UCDA physical performance by 31st December 2015

Annual planned output	Progress	Gap/Remark
Output 015301: Production, Research & Coordination		
96m coffee seedlings raised (76m Robusta and 20m Arabica)	65.8 m coffee seedlings raised	*100% achievement of half year output*
9.6m Agro-forestry tree shade seedlings raised	No progress	*0% achievement of output*. The activity was halted because the current shade trees available are suspected to be alternate hosts for other diseases.
7 MT Arabica and 2 MT Robusta seeds produced for distribution to Community Based Nurseries (CBILLION) and private nurseries	3.7MT of Arabica and 11.7 MT of Robusta seeds produced and distributed to Community Based Nurseries (CBILLION) and private nurseries.	*100% achievement of half year output*
20 CWD Mother Gardens supported	20 CWD mother gardens supported in Mityana, Mubende, Kiboga, Wakiso, Mpigi, Rakai, Hoima, Masindi, Kibale, Mbarara, Iganga, Kabarole, Ibanda, Bushenyi, Ntungamo, Rukungiri	*100% achievement of half year output*
100,000 CWD resistant plantlets distributed to at least 285 nursery operators	12,800 CWD plantlets distributed to 18 nursery operators	*26% achievement of half year output*
1m tissue culture seedlings procured, weaned and hardened and delivered to beneficiaries	Contract for 0.5 m tissue culture seedlings ongoing 552,670 in-vitro plantlets raised at FICA laboratory and ready for transfer to weaning chamber.	*Partial achievement of output*
7.477m seedlings distributed and planted by identified groups	Not relevant to UCDA	*The system for allocation of*

1.87m seedlings planted by commercial coffee farmers	Not relevant to UCDA	*seedlings was changed in line with the Standard Operating Procedures (OWC). Allocations were made directly to District Local Governments (DLGs)*
1 acre demonstration plots on rehabilitation established by 250 farmers	1 acre demo plots were established by 250 farmers and maintained in all coffee growing districts to demonstrate Good Agronomic Practices.	*100% achievement of half year output*
10 farmers per region supported to establish water harvesting facilities	Farmers were supported with water harvesting facilities in Mityana, Kasese, Kalungu, Arua, Gulu, Lira, Zombo, Mbarara, & Ntungamo.	*Partial achievement of half year output*
One acre demonstrations on Integrated Pest Management (IPM) established in 65 districts, one per district	I acre demo sites on IPM were set up in 34 districts	*100% achievement of half year output*
Equipment and chemicals procured for urgent interventions	Procured 4200 litres of chemicals, 12 sets of protective equipment and 30 motorized pumps	*100% achievement of half year output*
20 farmer groups trained in 17 districts	6 farmer groups were trained in Kasese (2), Kapchorwa (1), Bushenyi (1) and Zombo (2) on sustainable coffee production practices	*Partial achievement of output.*
250 processors and buyers trained	180 processors and buyers were trained on hygiene requirements, processing standards, regulations and coffee quality	*100% achievement of half year output*
624 training sessions carried out and at least 62,400 farmers trained on good agronomic practices (GAPS)	264 training sessions carried out involving 27,699 farmers	*On average 86.5% achievement of output*
31 coffee platforms facilitated to carry out coffee activities	35 coffee platforms were facilitated 32 coffee shows were held that led to strengthening linkages between input dealers, farmers, researchers and other stakeholders.	*100% achievement of output*
Pest and disease surveillance carried out	Pest and disease surveillance carried out in all coffee growing districts.	*100% achievement of half year output*
15 Radio stations airing UCDA programmes contracted	13 Radio stations were contracted Radio Paidha UBC West VOT CBS BFM	*100% achievement of half year output*

	Basoga Baino Fm Open Gate Fm Radio Rukungiri Radio Rupiny Kasese Guide Radio Bukedde Fm Buddu Broadcasting Services Radio west (Vision Group)	
Output 015306: Coffee Development in Northern Uganda		
4m coffee seedlings raised	Raised 1.762 m seedlings	*88% achievement of output* There was a change in weather patterns which created a shortage of seed in Northern Uganda in turn affecting seedlings raised for the region.
3m shade trees seedlings generated	0.06 m shade trees generated	*4% achievement of output* The activity was halted because the current shade trees available were suspected to be alternate hosts for the BCTB.
6,000 banana suckers generated and distributed	3,000 suckers generated	*100% achievement of output*
500,000 coffee seedlings and 40,000 tree shade seedlings procured and distributed	764,862 coffee seedlings distributed and planted in Northern Uganda.	*100% achievement of output*
3m seedlings planted through the CBILLIONs	290,890 seedlings raised and planted through CBILLIONs	*9.7% achievement of output* Most CBILLIONs broke down as a result of poor management by farmer groups; individuals have opted to establish private nurseries.
8 workshops/seminars on business management, nursery management conducted	Three workshops were held on business management, nursery management conducted in Gulu, Kaberamaido and Alebtong	*75% achievement of half year output*
48 Farmer Field School (FFS) sessions held	Eleven (11) FFS were held in Gulu, Amuru, Nwoya, Lira, Dokolo, Amolatar, Alebtong, Kaberamaido, Apac, Oyam and Kole districts	*46% achievement of half year output*
16 Farm Level Organizations (FLO) formed	Three FLOs were formed in Gulu, Kaberamaido and Alebtong	*37.5% achievement of output*

8 workshops on group management, governance held	Three workshops were held on group management, governance held in Gulu, Kaberamaido and Alebtong	*75% achievement of output*
20 Technology Development Sites (TDS) established, 1 per sub-county (coffee, bananas and cover crops)	10 TDS were established in Gulu, Amuru, Nwoya, Lira, Dokolo, Amolatar, Alebtong, Kaberamaido, Apac and Kole districts	*100% achievement of half year output*
200 tarpaulins and 30 coffee trays distributed	Distributed 200 tarpaulins and 30 coffee trays: Acholi sub region (Amuru, Nwoya, Pader, Kitgum and Lamwo) received 68 tarpaulins and 10 trays; Lango Sub region (Lira, Dokolo, Amolatar, Alebtong, Kaberamaido, Oyam, Apac and Kole) received 132 tarpaulins and 20 coffee trays.	*100% achievement of half year*
11 workshops conducted on quality improvement and marketing (60 farmers and traders)	Two workshops were held in Lira and Gulu districts	*40% achievement of output*
Two Hulleries established	Initiated the process for establishment of a Hullery in Lira sub region	*Partial achievement of output*
250 MT of Kiboko sold by farmers	37.626 MT of kiboko marketed.	*15% achievement of output* *December is the start of the marketing season. .*

Source: Field findings; Discussions with UCDA project implementers

The progress in programme implementation was assessed in four out of the five UCDA regions namely: Central, Eastern, Northern and South Western. The findings are presented below.

CENTRAL REGION

The Central region is comprised of six sub-regions namely: Mukono, Luwero, Mpigi, Butambala, Masaka and Rakai. Luwero sub-region was monitored to assess UCDA performance.

Luwero sub-region

Introduction: The sub-region is comprised of three districts namely Luwero, Nakaseke and Nakasongola.

Financial performance

By 31st December 2015, Luwero sub-region had received and fully spent Ug shs 12,040,000 on fuel, car hire, office imprest, air time and night allowances.

Physical performance

Coffee seedlings and seeds distribution

By 31st December 2015, the UCDA distributed a total of 1,197,770 seedlings to 7,976 beneficiaries in the Luwero sub-region as detailed in Table 4.54. In addition 150 kgs of elite seeds were distributed to nursery operators. Information was not available on the number of beneficiaries for the elite seeds.

Table 4.54: UCDA seedlings distributed in Luwero sub-region by 31st December 2015

District	Number of Robusta Seedlings	Number of Beneficiaries
Luweero District	264,033	2,164
Nakasongola District	104,400	2,286
Nakaseke District	829,337	3,526
Total	1,197,770	7,976

Source: Field findings

Inputs distribution

By 31st December 2015, Luwero sub-region had received 10 bags of NPK fertilizer, 10 spray pumps and 20 litres of herbicide as demonstration kits from UCDA. The inputs were distributed to 10 farmers; five farmers from each of the benefiting sub-counties Kalagala and Luwero. The beneficiaries established 0.5 acre demonstration plots, at least one per sub-county. The demonstration sites were visited by other farmers in the region who learnt the benefits of coffee rehabilitation and the good agronomic practices.

Farmer training and farm visits

By 31st December 2015, a total of 28 farm visits covering 96 farmers were undertaken by the UCDA Luwero sub-region office. The visits involved sensitizing farmers about the good agronomic practices (GAPS) such as the right application of fertilizers, spacing and digging holes and checking on methods of handling harvested coffee. Demonstrations were set up at farm level on water conservation. Five training seminars involving 320 participants were held on various aspects of coffee production, processing and quality management.

In addition, a total of 21 extension visits were undertaken targeting coffee nurseries to check on the maturity and readiness of the seedlings. This included nurseries that were producing coffee Wilt Disease Resistant (CWD-R) plantlets.

Establishment and maintenance of CWD-R varieties nurseries

By 31st December 2015, two nurseries were expanded in Luwero district including one in Kikyusa sub-county and another in Makulubita sub-county. A total of 20 nurseries were maintained in Luwero sub-region as shown in Table 4.55.

Table 4.55: UCDA CWD-R Nurseries in Luwero sub-region by 31st December 2015

District	Number of Nurseries	Number of clones (mother bushes)
Luwero	11	20,892
Nakaseke	7	11,090
Nakasongola	2	830
Total	20	32,812

Source: Field findings

Gender perspective

By 31st December 2015, a total of 20 nursery operators were involved in the establishment of CWD-R varieties mother gardens. Of these operators, 16 were male, three were female and one was institutional based. The nursery business was noted to be capital intensive requiring polypots, fertilizers, pesticides and land which most women could not easily access due to lack of income generating sources. Being labour intensive, the nurseries were predominantly established and managed by men.

Challenges

i) Low coffee production and adoption of improved practices due to inadequate extension services and few demonstration sites.
ii) Poor quality of coffee due to inadequate quality assurance and follow up by UCDA.
iii) Limited outreach to coffee farmers by UCDA staff due to transport constraints (one motor cycle for offering services to the sub-region.
iv) Wastage of seedlings in nurseries resulting from directive of OWC officers not to procure UCDA seedlings for Luwero and Nakasongola district. The reason given was that the weather was not favourable.

Recommendations

i) The UCDA should collaborate with the DLG to strengthen extension service delivery to coffee stakeholders.
ii) The UCDA should strengthen quality assurance mechanisms and capacity in the sector.

iii) The UCDA should consider providing a vehicle to the sub-region.
iv) The UCDA and LGs should have joint meetings to harmonise the seedlings procurement and distribution plan.

Case study beneficiaries

Three beneficiaries in Luwero sub-region who were reported to have benefitted from UCDA during FY 2015/16 were monitored to assess programme performance.

Mr. Kajja Stephen
The farmer resides in Nsozi Biri village, Kigombya parish, Luwero sub county, Luwero district. He has a 14 acre coffee shamba. By 31st December 2015, he had received a bag of NPK fertilizer, 3 litres of herbicides and one knapsack sprayer. The inputs were applied to one acre of coffee shamba that was for demonstration purposes. The farmer expressed satisfaction with the intermediate outcome of applying the chemicals, especially the fertilizers. Prior to application, the coffee had yellow leaves; after using the inputs, the leaves had turned green and the flowering was more vigorous.

The farmer expressed dissatisfaction with the herbicide 2,4-D Amine that was too smelly causing nausea and not broad spectrum; it worked on selective grasses and hence was not effective.

Ms. Betty Ndugga
The farmer/nursery operator resides in Luwuube village, Bukeka parish, Katikamu sub county, Luwero district. By 31st December 2015, her nursery and farm had been visited by UCDA field staff more than five times and she had received extension advice for managing the coffee nursery and CWD-R varieties mother garden. The farmer expressed satisfaction with the content and timeliness of the extension service that led to an improvement in agronomic practices and production.

Ms. Ndugga UCDA supported CWD-R mother garden in Luwuube village, Luwero district

Ms. Ndugga sold 120,000 coffee seedings to UCDA during September to November 2015 of which 64,000 had been paid for and the rest were pending payments. The CWD-R varieties mother garden was performing well.

Challenge: i) Wastage of seedlings and economic losses at the nursery resulting from instructions by OWC officers not to procure seedlings due to weather conditions. ii) Lack of market for surplus seedlings that are not procured by UCDA.

Recommendation: i) The UCDA should establish demand for seedlings and guide the nursery operators on the quantity of seedlings that should be produced in every season.

Mr. Semakula Richard

The nursery operator resides in Kikoma village, Kikoma parish, Katikamu sub-county, Luwero district. By 31st December 2015, he had received 50kgs of elite seed and extension services from UCDA for managing the coffee nursery and CWD-R varieties mother gardens. The seeds were planted and were at germination stage while the mother gardens were well maintained. The operator sold 150,000 seedlings to UCDA but they had not yet been paid for.


L-R: UCDA supported CWD-R mother garden and coffee seedlings in nursery bed in Kikoma village Luwero district

Challenges: i) Low seed germination due to late delivery of seeds and planting ii) Wastage of seedlings delivered by nursery operator at farm level due to lack of follow up by UCDA and LGs/OWC officers iii) Poor nursery maintenance due to delayed payments by UCDA for procured seedlings iv) Lack of buyers for CWD-R varieties.

Recommendations: i) The UCDA should ensure timely delivery of seeds to the nursery operators before the onset of rains ii) The UCDA should strengthen collaboration with LG extension workers and OWC officers to improve monitoring and follow up of the seedlings at farm level iii) The UCDA should process payments for procured seeds not later than three months after delivery by the nursery operator.

EASTERN REGION

The Eastern region is comprised of six sub-regions namely: Sebei, Sironko, Mbale, Budaka, Iganga and Kamuli. Kamuli sub-region was monitored to assess UCDA performance.

Kamuli sub-region

Introduction: The sub-region is comprised of four districts namely Kamuli, Jinja, Kaliro and Buyende.

Financial performance

By 31st December 2015, the Kamuli sub-region had received and fully spent Ug shs 12,040,000 on car hire, fuel, airtime, out of station allowances and farmer training.

Physical performance

Seeds and seedlings distributed

By 31st December 2015, a total of 740kgs of coffee seeds and 1,109,030 seedlings were distributed by UCDA in the Kamuli sub-region (Table 4.56). More than a half of the seedlings and seeds were distributed in Jinja and Kaliro districts respectively; these districts had the largest number of coffee farmers and certified nursery operators.

Table 4.56: UCDA seeds and seedlings distributed in Kamuli sub-region by 31st December 2015

District	Seeds		Seedlings		
	Quantity (Kgs)	Beneficiaries	Quantity	Beneficiaries	Area planted (acres)
Kaliro	400	4	85,030	255	188
Jinja	140	2	717,535	2,132	1,594
Kamuli	200	3	160,115	1,248	355
Buyende	0	0	146,350	271	325
Total	740	9	1,109,030	3,906	2,462

Source: Field findings; Jinja UCDA office

Farm visits and farmer training

By 31st December 2015, a total of 16 farm visits and 63 farmer trainings were conducted by UCDA in Kamuli sub-region (Table 4.57). Trainings focused on the good agronomic practices (GAPS), value addition and processing and quality management.

Table 4.57: Farm visits and farmer training in Kamuli sub-region by 31st December 2015

District	Farm visits (No.)	Farmer trainings	
		No.	No. beneficiaries
Buyende	2	7	282
Jinja	6	25	716
Kamuli	4	22	571
Kaliro	4	9	539
Total	16	63	2,108

Source: Field findings

Coffee Wilt Disease Resistant mother gardens

By 31st December 2015, UCDA provided extension services to one private nursery operator, Mrs. Rose Muwangala in Mafubira sub-county, Jinja district for maintaining a mother garden for CWD-R varieties. The UCDA had purchased 5,000 cuttings from this nursery that were not yet paid for.

Gender perspective

Out of nine certified coffee nursery operators in Kamuli sub-region, two were female and five were males. Thus, most of the seeds that were distributed and extension services offered by UCDA were accessed by male nursery operators. Three key factors explained the gender inequality in access to and use of UCDA services:

- Coffee nursery management was capital intensive requiring funds for constructing a shed, hiring labourers and procuring polypots, manures and pesticides. Women generally lacked income generating sources to finance the capital investments unlike their male counterparts.
- The relatively higher illiteracy level among female farmers compared to their male counterparts negatively affected use of UCDA services. *"The two female nursery operators in Kamuli sub-region were able to set up the nurseries because they had income security and they are educated. The female nursery operator in Jinja district is an Administrator in Kyambogo University while the second female nursery operator in Kaliro district is a lawyer working with a non-governmental organisation (NGO) FIDA. They can easily fill all the paper work in banks and access agricultural loans"*.
- Most land that could be used as collateral to secure agricultural loans was owned by men; the women lacked collateral to borrow capital in financial institutions.

NORTHERN REGION

The Northern region is comprised of six sub-regions namely: Arua, Zombo, Gulu, Nwoya, Lira and Apac. The monitoring team visited Lira, Apac, Nwoya and Gulu sub-regions. At the start of the financial year, Nwoya and Gulu sub-regions were grouped together as Acholi sub-region while the Apac and Lira sub-regions were grouped as Lango sub-region.

Acholi sub-region

Introduction

The Acholi sub-region is comprised of the seven coffee growing districts Amuru, Gulu, Agago, Nwoya, Pader, Kitgum and Lamwo. The sub-region has two coffee seasons: Season A (March to June) and Season B (July to October).

Implementation progress

Input distribution

By 31st December 2015, the Acholi sub-region office had received inputs from UCDA headquarters and distributed them to farmers and nursery operators in the districts of operation as shown in Table 4.58. The quantity of inputs provided depended on the extent of coffee growing in the various locations and the demand by farmers for inputs.

Table 4.58: UCDA inputs distributed in Acholi sub-region by district by 31st December 2015

Input	Total inputs received	Total inputs distributed	Quantity received					
			Adjumani	Amuru	Gulu	Kitgum	Nwoya	Pader
Drying beds	10	8	0	1	7	0	0	0
Tarpaulins	68	39	0	7	17	0	13	2
Fertilizer (bags)	10	10	0	2	7	0	0	1
Spray pumps	10	10	0	2	7	0	0	1
Herbicides (litres)	30	30	0	6	27	0	0	3
Polypots (kgs)	2,000	1,204	40.1	495.1	562.3	0	86	20.5
Seeds (kgs)	170	241**	0	26	140	35	20	20
Riding gear (sets)	1	1	0	0	1	0	0	0

*****Includes 71kgs of seeds carried forward from FY 2014/15***
Source: Field findings

Gender and input distribution

The distribution of inputs from UCDA by gender in the Acholi sub-region during July to December 2016 is shown in Table 4.59. The largest proportion of the beneficiaries were males (83%).

Table 4.59: Beneficiaries of UCDA inputs in Acholi sub-region by gender by 31st December 2015

Input	Total inputs distributed	Number of beneficiaries		
		Male	Female	Total
Drying beds	8	6	2	8
Tarpaulins	39	21	4	25
Fertilizer (bags)	10	7	3	10
Spray pumps	10	7	3	10
Herbicides (litres)	30	9	3	12
Polypots (kgs)	1,204	26	2	28

Seeds (kgs)	241	13	2	15
Riding gear (sets)	1	1	0	1
Total/%		90 (83%)	19 (17%)	109 (100%)

Source: Field findings

The gender inequality in access to inputs in the Acholi sub-region was attributed to four key constraints:

- Women's limited access to land where they could grow perennial crops such as coffee. Almost all the land was owned/controlled by men who allowed their spouses to grow short term crops that would be harvested within two to three months.
- Long distances to input collection centres limiting the participation of women, persons with disabilities (PWDs) and poor people in the programme. They lacked transport means such as bicycles or funds for collecting the inputs.
- Women's preference of short term crops such as maize and beans that would ensure continuous household food security and earnings from sales.
- The cultural perception that *"Coffee is a man's crop as it generates cash and women should only concern themselves with growing food crops"* said the Regional Coffee Extension Officer Acholi sub-region.

Case study beneficiaries

Two nursery operators and two farmers in Gulu district who had benefitted from UCDA inputs during half year FY 2015/16 were visited to verify receipt of inputs and progress in programme implementation. The findings are presented below.

- **Nursery operator - Ms. Achan Beatrice**

The coffee nursery owned by Ms. Achan started in 2011 and was located in Layibi village, Tegwana parish, Pece Division, Gulu Municipality. By 31st December 2015, she had received 40.8kgs of potting materials and 10kgs of robusta seeds from UCDA. The seeds were noted to be of good quality with a high germination rate. Out of these seeds, she had 15,500 seedlings that were ready for sale.

Box 4.1: Gender perspective

Access to an income source by female farmers was noted as critical for ensuring their active engagement in the economic sector. In 2012, Ms. Achan acquired five acres of land using proceeds from sale of 9,000 coffee seedlings from the nursery; two acres were planted with bananas and 3 acres with coffee. The plantations became productive in 2015.

The nursery was not operational during 2013 and 2014 as Ms Achan was involved in reproductive activities that took up all her time and she lacked an income source to hire labourers. Her husband could only provide funds for child care and home welfare. The nursery reopened in July 2015 when Ms. Achan got some income from the banana and coffee plantations that was used to pay hired labourers.

Source: Field findings

- **Nursery Operator - Mr. Onen Pope**

The coffee nursery operator operated from Opaka village, Labwoch parish, Koro sub-county, Gulu district. By 31st December 2015, he had received 20kgs of seed, 60kgs of potting materials, 1,000 litre water harvesting tank, and extension services from UCDA. All the materials and inputs were reported to be of good quality by the farmer. The seeds were planted and were still in the germination bed. The farmer also participated in two training workshops on coffee production that were organized by UCDA.

The key challenges were:

i) Low seedling production and poor nursery maintenance due to delayed payment of arrears by UCDA for the consignments that were procured in previous seasons. *"In 2014 and 2015, I supplied a total of 45,000 seedlings to farmers' equivalent to Ug shs 13.5 million. To date, the UCDA has paid Ug shs 4,483,000 and I have been demanding the remaining balance of Ug shs 9,017,000 for over a year. Many nursery operators in this area face a similar challenge of outstanding debts with UCDA and have abandoned this business. We are unable to procure key inputs like soils and pay labourers in time resulting in scaling down of the business"* said Mr. Onen Pope, Opaka village Gulu district.
ii) Low seed germination rate due to late delivery of inputs by UCDA resulting in late planting. The seeds were delivered in December 2015 when the planting season was ending and drought had set in.
iii) Low scale of seedling production due to lack of assurance of the market as UCDA does not sign agreements with the nursery operators.
iv) Wilting of coffee plants due to inadequacy of shade trees; the albizia trees that were supplied by UCDA were no longer suitable as they led increased spread of coffee pests.

Recommendations

i) The UCDA should pay nursery operators no later than two months after procurement and delivery of seedlings to farmers.
ii) The UCDA should deliver inputs to farmers/nursery operators at the start of the planting season. The seeds should be delivered in October for the second rains.
iii) The UCDA should consider signing a memorandum of understanding (MoU) with participating nursery operators guarantee the quantity of seedlings to be supplied annually.
iv) The UCDA should provide alternate varieties of shade trees to the farmers.

- **Farmer Mr. Otto Bosco**

The farmer was residing in Guna village, Abwoch parish, Ongako subcounty, Gulu district. He was also a nursery operator. By 31st December 2015, he had received two tarpaulins, one bag of NPK fertilizer, one spray pump, three litres of herbicides and extension advice from UCDA. He had not used the inputs as he was still applying the ones received in FY 2014/15 including one bag of NPK fertilizer, 1,000 kgs of seed and 40.8kgs of potting materials.

- **Farmer Mr. Onyaro Koyo William**

The commercial farm that deals in mixed farming of coffee and horticultural crops is located in Layib Cubuanb village, Tegwana parish, Pece Division, Gulu Municipality. By 31st December 2015, the farmer had received one tarpaulin and one drying tray. They were all noted to be of good quality. The tarpaulin was already under use but the drying tray had not been used as it was brought without stands. The farmer had ordered for the stands to be constructed. The farmer reported that the quality of coffee beans was better when dried on the tarpaulin as there were no foreign materials like stones.

Challenges

i) Poor farmer selection and distribution of inputs due to capacity and logistical constraints faced by the Operation Wealth Creation (OWC) officers in mobilizing the beneficiaries.
ii) Loss of coffee plants at establishment stage due to the prolonged dry season.
iii) Low farm production due to inadequate UCDA staffing and extension services in the sub-region.

Recommendations

i) The MAAIF and District Local Government (DLG) should train OWC officers in farmer selection and mobilization processes and coffee agronomic practices.
ii) The UCDA should provide more shade trees and banana suckers to farmers to curb the effect of drought.
iii) The UCDA should recruit two additional staff in the Acholi sub-region.

SOUTH WESTERN REGION

The UCDA South Western Region is comprised of 14 districts that are grouped into five sub-regions namely: Bushenyi, Ibanda, Mbarara, Ntungamo and Rukungiri. The 14 districts are: Kanungu, Rukungiri, Ibanda, Kiruhura, Buhweju, Bushenyi, Mitooma, Rubirizi, Sheema, Mbarara, Isingiro, Ntungamo, Kabale and Kisoro.

Overall physical performance of the South Western Region

Inputs and equipment distribution

By 31st December 2015, the following items were received by the South Western Regional office and distributed to the sub-regional offices. Information was not available on the quantity given to the sub-regions of some of the inpts and equipment.

- 20 motorised sprayer kits each composed of a hoot hat, mask respirator, chemical gloves and safety goggles
- 2,006 kgs of robusta elite seed (Each district, apart from Kisoro and Kabale districts received 125kgs; in addition, Ntungamo district received 506kgs for nursery operators).
- 50 bags of NPK fertilizers
- 50 spray pumps
- 150 litres of herbicides
- 1 chain saw distributed to Bushenyi sub region
- 5 water tanks distributed in the sub regions in Bushenyi (3), Rukungiri (1) and Ntungamo (1)
- 2 laptops (one each was distributed to Ibanda and Rukungiri sub regions)

Coffee seedlings distribution

The annual target was to procure and distribute 21 million coffee seedlings in the South Western region during FY 2015/16. By 31st December 2015, a total of 13,113,856 (62.4% of annual target or 100% of semi-annual target) coffee seedlings were distributed to 56,461 farmers in the South Western region (Table 4.60). This was excellent half year performance.

Table 4.60: UCDA seedlings distributed in the South Western region by 31st December 2015

District	No. Seedlings distributed	No. of beneficiary farmers
Kanungu	1,955,025	8,515
Rukungiri	1,357,423	7,244
Ibanda	1,014,134	5,482
Kiruhura	485,527	2,000
Buhweju	539,087	3,306
Bushenyi	1,167,450	1,370
Mitooma	1,078,650	4,198
Rubirizi	1,183,000	4,700
Sheema	1,010,000	3,800
Mbarara	844,906	4,479
Isingiro	888,654	3,417
Ntungamo	1,430,000	7,150
Kabale	160,000	800
Kisoro	0	0
Total	13,113,856	56,461

Source: Field findings; South Western Regional Office

Coffee seeds distribution

The annual target was to distribute 10 MT of seed from private suppliers and research based seed gardens. By 31st December 2015, a total of 5 MT (50% of the annual target/100% of semi-annual target) was procured and distributed to the nursery operators. This was excellent performance.

Registration and licensing

The annual target was to register and license 112 primary processing factories and 125 buyers' stores. A total of 165 (68% of annual target) coffee processing factories factories and 283 (44% of annual target) coffee buying stores. This was good performance.

Challenges in the South Western Region

i) Lower coffee production due to limited farmer training and extension services, associated with inadequate UCDA and LG field staff.
ii) Wastage/loss of seedlings at farm level due to lack of farmer supervision and follow up by districts that do not allocate funds for this assigned role as per the Standing Operating Procedures (SOPs) for Operation Wealth Creation (OWC).

Recommendations

i) The UCDA should review the staffing capacity in the sub-regions and consider recruiting one coffee extension officer per district.
ii) The UCDA should strengthen institutional links with the District Production Office for the latter to provide extension services to the coffee sector.
iii) The Districts should prioritize and allocate funding for supervision and monitoring of the coffee programme at the local government level.

Three sub-regions (Bushenyi, Ntungamo and Rukungiri) out of the five in the South Western region were visited to assess UCDA performance.

Bushenyi sub-region

Introduction

During July to September 2015, the sub-region was comprised of seven districts namely: Bushenyi, Sheema, Mitooma, Rubirizi, Buhweju, Kiruhura and Ibanda. Starting October 2015, the sub-region was reconstituted to include four districts namely: Bushenyi, Mitooma, Rubirizi and Sheema districts.

Financial performance

By 31st December 2015, the UCDA Bushenyi sub-region office had received Ug shs 14,040,000 that was fully spent on fuel, car hire, office imprest, air time and night allowances.

Physical performance

Input distribution

The receipts and distribution lists for inputs that were handled by Bushenyi sub-region by 31st December 2015 were incomplete due to an underdeveloped management information system (MIS). Information on the quantity and type of inputs received by the sub-region office was scanty. Data was available on the inputs distributed to four out of the seven districts in the sub-region (Table 4.61).

Table 4.61: UCDA inputs distributed in Bushenyi sub-region by district by 31st December 2015

Input	Total inputs distributed	Quantity received			
		Bushenyi	Mitooma	Rubirizi	Sheema
Fertilizer (bags)	26	8	6	6	6
Spray pumps	14	4	4	3	3
Herbicides (litres)	12	5	3	1	3
Fungicides (kgs)	11	2	2	6	1
Pesticides (litres)	10	2	0	8	0

Source: Field findings

Seeds and seedlings distribution

By 31st December 2015, a total of 4,310,450 coffee seedlings were distributed to farmers while 1.2m seedlings were in nurseries being raised for the following season (Table 4.62). Among the beneficiaries were special interest groups such as for the women, youth, elderly and the physically handicapped.

Table 4.62: UCDA seedlings and seeds distributed in Bushenyi sub-region by 31st December 2015

District	Seeds	Seedlings procured and distributed			Seedlings being raised
	Quantity Kgs	No	No. beneficiaries	Area planted (acres)	
Bushenyi	-	1,167,450	8,000	4,397	255,000
Ibanda	-	-	-	-	-
Kiruhura	-	-	-	-	-
Sheema	800	1,010,000	3,930	2,244	375,000

Mitooma	-	950,000	3,000	2,111	190,000
Buhweju	-	-	-	-	-
Rubirizi	-	1,183,000	4,490	2,553	380,000
Total	800	4,310,450	19,420	11,305	1,200,000

Source: Field findings; Bushenyi sub-region office

Farm visits and farmer trainings

By 31st December 2015, a total of six farm visits and 12 training workshops were held in Bushenyi sub-region (Table 4.63). Sheema, Rubirizi and Mitooma had a larger number of beneficiaries of trainings when compared to other districts. The training focused on pest and disease control, coffee agronomy, post harvesting, quality control and business management.

Given that the REOs are facilitated to make at least two farm visits per district, the number of farm visits conducted in Bushenyi sub-region were lower than expected. Outreach to six farmers was low and unlikely to be impactful.

Table 4.63: Farm visits and farmer training in Bushenyi sub-region by 31st December 2015

District	Farm visits		Farmer trainings	
	No.	No. beneficiaries	No.	No. beneficiaries
Bushenyi	1	3	2	77
Ibanda	0	0	1	40
Kiruhura	0	0	1	39
Sheema	2	5	3	174
Mitooma	0	0	3	112
Buhweju	0	0	0	0
Rubirizi	3	3	3	117
Total	6	11	12	462

Source: Field findings; Bushenyi sub-region office

Certified coffee nurseries, factories and wet mills

By 31st December 2015, a total of 15 nurseries, 18 factories and three wet mills were certified/licensed to operate in the Bushenyi sub-region (Table 4.64). Whereas several buying stores were visited and assessed by UCDA, none was licensed as they did not meet the minimum requirements for operation.

Table 4.64: Coffee facilities certified/licensed by UCDA in Bushenyi sub-region by 31st December 2015

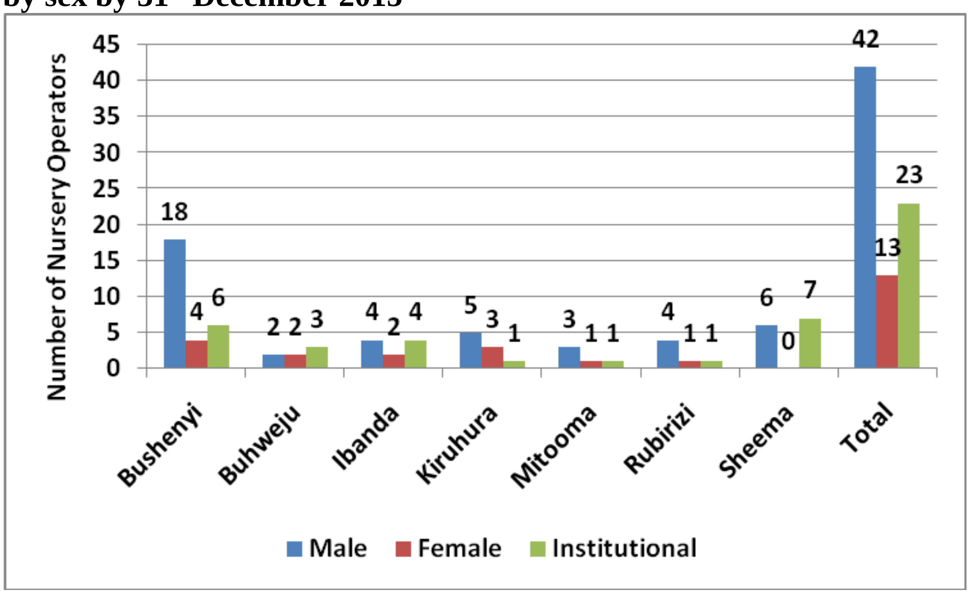
District	Coffee Nurseries	Factories	Wet mills
Bushenyi	5	0	1
Ibanda	4	0	1
Kiruhura	0	0	0
Sheema	1	0	1
Mitooma	2	1	0
Buhweju	0	0	0
Rubirizi	3	17	0
Total	15	18	3

Source: Field findings; Bushenyi sub-region office

Gender perspective

In implementing the UCDA programme, both genders are invited to participate actively in coffee production, processing and marketing. However, men dominated in setting up coffee nurseries as a source of income and accessing trainings and inputs. For example, during the half year FY 2015/16, the majority of coffee nursery operators in Bushenyi sub region were male (42 or 54%) and institutional based (23 or 29%) – refer to Figure 4.5.

Figure 4.5: Number of nursery operators in Bushenyi sub-region by district by sex by 31st December 2015



Source: Field findings

Most training sessions were attended by men (80%) with the rest being women, youth and persons with disabilities (20%). A similar trend was noted in accessing inputs such as seedlings, seeds and fertilizers.

The key constraints to women's active involvement in UCDA programmes included the following:

- Lack of capital, income generating sources and financial literacy for establishing the nursery beds
- Limited access to information about the timing and venues of training sessions
- Lack of access to land for establishing perennial/long term crops and using the inputs distributed by UCDA; except for educated economically empowered women who can purchase their own land. Most coffee shambas are owned by men and they are the ones who collect the UCDA inputs for use.
- Limited incentive to grow coffee commercially as most decisions about marketing, sales and use of proceeds are made by men. *"In many households within Bushenyi sub-region, women are not supposed to open bank accounts and sale farm produce. Culturally, women stay at home cooking, digging and picking/drying coffee. The men sale the coffee and all funds are banked on their accounts. The men may or may not consult their spouse about how the money should be spent"* REO Bushenyi sub region, Bushenyi district.
- Myth that when women access financial assets, this may lead to domestic violence and breakages of marriage as they exercise their independence.

It is recommended that:

i) The UCDA should consider interventions of affirmative action to women, youth and PWDS to support them to set up and manage coffee nurseries, plantations and demonstration sites.
ii) The UCDA should collaborate with the Ministry of Gender, Labour and Social Development (MGSLD) to promote adult and financial literacy especially among female farmers and the youth.

Challenges

i) High seedling mortality and low production due to late distribution of planting materials. This was a result of the absence of key officers (OWC, CAO, and Production Department) to agree on the procurement and distribution plan.
ii) Increasing arrears for procured seedlings due to delayed processing of payments arising from: a) Absence of key signatories b) Too many signatories c) inefficient processes of verifying beneficiaries and documenting input deliveries d) late submission of requisition files to UCDA offices e) inadequate capacity at LG level to handle the whole process.
iii) Lack of well structured processes at UCDA Headquarters for handling payments of nursery operators as recent files are paid off before the old ones; there were cases of missing files for payments.

Recommendations

i) The MAAIF and DLGs should strengthen supervision to ensure that all the key stakeholders for handling the coffee interventions are available and execute their duties in a timely manner.
ii) The UCDA, DLG and MAAIF should review and improve efficiency and capacity in procuring seedlings, verification of beneficiaries, signing off deliveries and processing of payments.

Case study beneficiaries

Four farmers/nursery operators in Bushenyi district that were reported by the DLG as having benefitted from UCDA during FY 2015/16 half year were visited to assess progress in programme implementation.

Mr. Robert Rwabubare

The coffee nursery is located in Ryemigobora village Mazinga Ward Nyakabirizi Division Bushenyi district. By 31st December 2015, Mr. Rwabubare had received 70kgs of Arabica seeds, two litres of pesticide, one roll of polythene sheet, two kgs of fungicides and one spray pump from UCDA. The beneficiary expressed satisfaction with regard to the quality of inputs. He was raising 150,000 seedlings using the inputs that he received.

UCDA supported coffee nursery at Ryemigobora village, Bushenyi district

Challenges: i) Financial losses due to the low unit price of seedlings (Ug shs 500) compared to the cost of production 2) Delayed payment by UCDA for seedlings that were delivered c) Drying of seedlings due to drought.

Mrs. Mwesigye Nazariyo

Rehabilitated coffee shamba in Kitooma village, Bushenyi district

The farmer resides in Kitooma village Kizinda parish Nyabubare subcounty Bushenyi district. By 31st December 2015, she received one spray pump, two litres of herbicides, 2kgs fungicides and 100kgs of NPK fertilizer. The inputs were used to rehabilitate a two acre coffee shamba. The farmer expressed satisfaction with the quality of inputs and the increased vigour and flowering of the crop.

Mrs. Perepetua Rutigita
The elderly farmer was involved in coffee farming in Nyakashebeya village, Nyabubare parish, Nyabubare sub-county, Bushenyi district. By 31st December 2015, she had received 2 bags of NPK fertilizer, one spray pump, one litre of herbicide and one kg of fungicide. The chemicals helped in reducing the prevalence of flower abortion and diseases such as leaf rust.

Gender perspective: The output in Mrs. Perepetua's coffee shamba was declining due to weeds, drought and poor agronomic practices. Being a female at 72 years, Mrs. Perepetua lacked energy to dig and supervise the shamba especially as she was suffering from a terminal disease (diabetes). Her husband who used to assist her in managing the coffee shamba had passed on in the previous year. All her children were away on studies or at work. She lacked other income generating activities to buy mulch and additional pesticides to minimize the effects of drought and pests and diseases. The UCDA should implement affirmative action to support the elderly woman with additional inputs and funds to finance operational expenses in the coffee shamba.

Mr. Moses Tumushabe
The farmer/nursery operator resides in Nyakashebeya village Nyabubare parish Nyabubare sub county Bushenyi district. By 31st December 2015, he received 70kgs of coffee seeds, one spray pump, 2 litres of pesticides and 100kgs of fertilizer from UCDA. A total of 120,000 seedlings were being raised from the seeds; the chemicals were used to rehabilitate one acre of coffee shamba.

Challenge: i) Low production due to the high prevalence of the black coffee twig borer pest ii) Surplus unsold seedlings due to lack of a production plan and memorandum of understanding (MoU) from UCDA.

Recommendation: The UCDA should have an MoU with farmers that indicates the volumes of seedlings to be produced every season and guaranteeing the market.

UCDA supported nursery in Nyakashebeya village, Bushenyi district

Ntungamo sub-region

Introduction

During July to September 2015, the Ntungamo sub-region was comprised of Ntungamo, Isingiro and Mbarara districts. The UCDA re-demarcated the sub-region in October 2015 to comprise of Ntungamo, Kabale and Kisoro districts.

Financial performance
By 31st December 2015, the UCDA released a total of Ug shs 24,175,000 to Ntungamo sub-region which was fully spent on training LG and OWC officials (Ug shs 11,035,000) and facilitation allowances including fuel, car hire, office imprest, airtime, night allowances (Ug shs 13,140,000).

Physical performance
Input distribution
By 31st December 2015, the Ntungamo sub-region had received 420kgs of elite robusta seed, 1,590,000 seedlings, one water harvesting tank, 15 knapsack sprayers, 15 bags of NPK fertilizer, 15 litres of herbicides and 15 kgs of fungicides from UCDA. All the inputs, apart from the fungicides, were distributed to farmers and nursery operators as shown in Table 4.65. The water tank was given to a farmer in Ntungamo district. The fungicides were re-allocated to farmers in Bushenyi sub-region.

Table 4.65: UCDA inputs distributed in Ntungamo sub-region by 31st December 2015

District	Seeds		Seedlings		Other inputs			
	Qty Kgs	No. beneficiaries	No	No. beneficiaries	Knap sack	Fertilizer (bags)	Herbicide (litres)	No. of beneficiaries
Ntungamo	90	3	1,450,000	874	6	8	6	6
Isingiro	130	3	0	-	4	3	4	4
Mbarara	200	5	0	-	5	4	5	5
Kabale	0	-	140,000	201	0	0	0	-
Kisoro	0	-	0	-	0	0	0	-
Total	420	11	1,590,000	1,075	15	15	15	15

Source: Field findings

Most inputs were distributed in Ntungamo district that was reported to have more farmers involved in coffee growing. By 31st December 2015, there were no mature coffee seedlings in nurseries in Kisoro district that could be procured.

Farm visits and farmer training

By 31st December 2015, a total of 38 farm visits and 25 training sessions were undertaken in Ntungamo sub-region mainly benefitting farmers in Ntungamo district (Table 4.66). The inequality in delivery of extension services and farmer training especially in Kabale, Kisoro and Isingiro district was explained by the inadequate UCDA field staff and facilitation to cover the long distances to reach farmers in those areas. The training focused on the recommended agronomic practices and quality assurance.

Table 4.66: Farm visits and farmer training in Ntungamo sub-region by 31st December 2015

District	Farm visits		Farmer trainings	
	No.	No. beneficiaries	No.	No. beneficiaries
Ntungamo	33	115	20	1,088

Isingiro	2	4	2	37
Mbarara	0	-	3	48
Kabale	2	4	0	-
Kisoro	1	6	0	-
Total	38	129	25	1,173

Source: Field findings

Coffee seedlings raised

By 31st December 2015, a total of 4,837,000 seedlings were being raised in nurseries in the districts of Mbarara (2,207,000), Ntungamo (840,000) and Isingiro (1,790,000).

Challenges

i) Inadequate extension services extended to farmers due to understaffing and low facilitation by UCDA *"I am one officer responsible for offering extension services to over 20,000 coffee farmers in three districts. During the half year, I was able to provide extension advice to about 6% of these farmers. I was provided with only two night allowances per month to visit farmers in the remote districts that are outside Ntungamo"* explained the Regional Extension Officer (REO) Ntungamo sub-region.

ii) Delayed payments and less transparent system of paying private nursery operators for the seedlings that were procured by UCDA. *"Payments delay for more than six months from the date of delivery of seedlings. Nursery operators who supplied in September 2015 were paid before those who had supplied seedlings in April 2015"*. REO, Ntungamo sub-region.

Recommendations

i) The UCDA should recruit an additional extension officer in the sub-region
ii) The UCDA should review/increase the facilitation allowances for field staff to enable them expand outreach of extension services.
iii) The UCDA should pay nursery operators within three months of delivery of seedlings as per the agreements.

Case study beneficiaries

Three farmers in Ntungamo district who were listed as having benefitted from UCDA services during FY 2015/16 were visited to assess programme performance.

- **The private nursery operator Mr. Mugabi Sam**

The nursery is located in Kafunjo village Kikoni Ward parish Eastern Division Ntungamo Municipality. By 31st December 2015, the operator had received advisory services from UCDA on the quality of seeds and seedlings and nursery management. The beneficiary expressed satisfaction with the content of the advice which led to better nursery management practices and reduced mortality of seedlings.

Mr. Mugabi's good performing coffee nursery in Kafunjo village

Challenge: Reduced scale of production due to delayed payment by UCDA of arrears for seedlings that were delivered since March 2015 amounting to Ug shs 9.3 million.

Recommendation: The UCDA should effect payments for seedlings within three months of delivery to farmers by the nursery operators.

- **Farmer Mr. Barisigara Sowedi**

The farmer is located in Lwensinga village Lukanga parish Nyabiwoko sub county and has a 13 acre coffee plantation. He was a model farmer who accessed UCDA inputs for demonstration purposes to other farmers. By 31st December 2015, the farmer received two bags of fertilizer, a spray pump, one litre of herbicide and a 1,000 litre water harvesting tank from UCDA. The inputs were used in a two acre coffee technology development site (TDS). The farmer appreciated the intermediate results of improved plant growth vigour, flowering and berry formation arising from the application of the chemicals and water during the dry season.

L: Water tank provided by UCDA at Mr. Barisigara's farm in Lwensinga village

- **Farmers/Nursery operators - Mr Iga Abaas and Ms. Namakula Zeena**

The farmers were residing in Kabarungi village Lukanga parish Nyabihoko sub county. By 31st December 2015, they had received one spray pump, two bags of NPK fertilizer, one litre of herbicide and 20kgs of elite robusta seeds from UCDA. The inputs were used in a TDS and the coffee nursery. The farmers expressed satisfaction with the performance of the coffee both in the field and nursery; the crop had high vigour.

UCDA elite robusta seedlings in Kabarungi village, Ntungamo district

Rukungiri sub-region

Introduction: The sub-region is comprised of Rukungiri and Kanungu districts.

Financial performance

By 31st December 2015, the Rukungiri sub-region received Ug shs 11,240,000 from UCDA which was fully spent on fuel, allowances, car hire, office imprest, airtime, extension, farmer mobilization and training and coffee platforms/shows.

Physical performance

Input distribution

Whereas farmers acknowledged receipt of inputs from UCDA, there was no documented evidence of the type and quantity of inputs received and how they were distributed at the sub-region office. Information was only available on the seedlings that were procured and distributed (Table 4.67). This shortcoming was attributable to inadequate staff capacity and poor data capture, analysis and storage systems at the sub-region office.

Table 4.67: UCDA coffee seedlings procured and distributed in Rukungiri sub-region by 31st December 2015

District	No. of seedlings distributed	No. of beneficiaries
Rukungiri	1,436,199	9,922
Kanungu	2,358,388	10,512
Total	**3,794,587**	**20,434**

Source: Field findings; Rukungiri sub-region office

Coffee seedlings raised

By 31st December 2015, a total of 4,547,000 seedlings (Arabica 980,000 and Robusta 3,567,000) were being raised in Kanungu district.

Farm visits and farmer trainings

By 31st December 2015, 23 farm visits to 23 farmers were conducted in Rukungiri district; and six farm visits to six farmers were made in Kanungu district. Three training seminars were held in Rukungiri district with 56 participants; and three seminars involving 79 participants were held in Kanungu district.

Licensing of coffee factories and stores

By 31st December 2015, a total of 19 factories (14 in Rukungiri and 5 in Kanungu) and 45 stores (28 in Rukungiri and 17 in Kanungu) were licensed to operate.

Coffee shows

By 31st December 2015, two coffee shows were held in the sub-region, one in each district.

- The Coffee Show in Kanungu district was held on 6th August 2015 at the Kihihi Town Council Mayor's Gardens. A total of 762 participants were trained in coffee nursery management, garden establishment, pest and disease control, good agronomic practices, quality control and value addition. The participants included individual farmers, coffee farmer organizations, processors, agro-input dealers, women and youth associations and district political and technical leaders.

- The Coffee Show in Rukungiri district was held on 17th July 2015 at Buhunga Katurika Play Ground. More than 800 coffee sector stakeholders were trained in recommended agronomic practices, value addition, quality control, marketing and governance. Farmers accessed inputs from input dealers.

Challenges

i) Delayed payments for procured seedlings by UCDA due to:
   a) failure of nursery operators fulfilling the requirements for payment such as having a TIN number and email address
   b) late submission of requisition files due to absence of signatories and delayed acknowledgement of supplies by the sub-county chief

ii) Inaccessibility to Mpungu, Rutenga and Kinaba sub-counties to deliver inputs due to the ongoing road construction.

iii) Low outreach of extension services to farmers and follow up of UCDA programme due to inadequate staff and facilitation. *"More than 30,000 farmers in Rukungiri and Kanungu accessed UCDA seedlings and other inputs by 31st December 2015. I work alone in the sub-region and have limited allowances for visiting farmers. I was only able to offer extension advice to less than 30 farmers, mostly targeting the large scale farmers who took more than 1,000 seedlings each"* REO, Rukungiri sub-region.

Recommendations

i) The UCDA and LGs should review and improve efficiency of the payment system for procured seedlings.

ii) The UCDA should build capacity of LG technical and political staff to enable them expedite their roles and responsibilities effectively.

iii) The UCDA should strengthen collaboration with the LGs to offer additional extension services to the coffee farmers and monitor the programme.

Case study beneficiaries

Two farmers who were listed as having benefitted from UCDA services during FY 2015/16 were visited to assess progress in programme implementation.

- **Reverend Godfrey Tugume** of Marumba village Kanyinya parish Southern Division Rukungiri Municipality received 500 robusta coffee seedlings from UCDA in October 2015. The crop was performing well.

- **Mr. Kasibayo Xavier** of Itara village Mayaga parish Mayaga subcounty Mitooma district received 600 robusta coffee seedlings from UCDA. He expressed satisfaction with the quality of seedlings that were growing well. The farmer also participated in two trainings by UCDA on preparing holes and planting.

Analysis

Link between financial and physical performance

There was a good link between the financial and physical performance of UCDA during the half year. By 31st December 2015, 73.57% of the approved budget was released of which 77.96% was spent. This was consumerate with the physical performance whereby 83% of the planned outputs were fully or partially achieved. The funds were well spent as they were in line with the planned outputs.

Achievement of targets

The UCDA performance was very good as 60% of the planned outputs were fully achieved and 23% were partially achieved. There was evidence that all the inputs that were distributed were received, farmer trainings were conducted, coffee nurseries and mother gardens were maintained and farm visits were held. The farmers expressed satisfaction with the inputs that were distributed.

Implementation challenges

i) Wastage of seedlings in nurseries and at farm level due to inadequate monitoring and supervision by UCDA and OWC officers

ii) High seedling mortality and low seed germination rate due to late delivery of inputs by UCDA resulting in late planting.

iii) Increasing arrears for procured seedlings due to delayed processing of payments arising from: a) Absence of key signatories b) Too many signatories c) inefficient processes of verifying beneficiaries and documenting input deliveries d) late submission of requisition files to UCDA offices e) inadequate capacity at LG level to handle the whole process.

iv) Low coffee production and adoption of improved practices due:

   a. inadequate extension services and few demonstration sites.

   b. Transport constraints for the extension workers

   c. lack of assurance of the market as UCDA does not sign agreements with the nursery operators

v) Poor quality of coffee due to inadequate quality assurance and follow up by UCDA.

vi) Gender inequality in access to inputs; women faced constraints relating to limited access to land, capital, long distances to collect the inputs and illiteracy.

Conclusion

The performance of UCDA was excellent at 80%. The resource absorption was at 77.96% while physical performance was at 83%.

Recommendations

i) The UCDA should collaborate with the DLG to strengthen extension service delivery and quality assurance in the coffee industry.

ii) The MAAIF and DLGs should strengthen supervision to ensure that all the key stakeholders for handling the coffee interventions are available and execute their duties in a timely manner.

iii) The UCDA should pay nursery operators no later than two months after procurement and delivery of seedlings to farmers.

iv) The UCDA should deliver inputs to farmers/nursery operators at the start of the planting season. The seeds should be delivered in October for the second rains.

v) The UCDA should engender the interventions and ensure equal access to the inputs and services.

vi) The UCDA, DLG and MAAIF should review and improve efficiency and capacity in procuring seedlings, verification of beneficiaries, signing off deliveries and processing of payments.

CHAPTER 5: EDUCATION

5.1 Introduction

The Education and Sports sector is one of the country's key social service delivery sectors. In line with the National Development Plan (NDPII) goals, the education sector aims at equitable, accessible, affordable and quality delivery of and training to Ugandans.

The sector comprises of 11 Votes i.e. Ministry of Education, Science Technology and Sports (Vote 013), Education Service Commission (Vote 132), Makerere University (Vote 136), Mbarara University (Vote 137), Makerere University Business School (Vote 138), Kyambogo University (Vote 139), Uganda Management Institute (Vote 140), Gulu University (Vote 149), Busitema University (Vote 111), Muni University (Vote 127) and UNEB (Vote).

In addition, the Sector has five Local Government grants i.e. the District Primary Education including the School Facility Grant (SFG), the District Secondary School grant, the District Tertiary institutions grant, the District Health Training schools grant and Kampala Capital City Authority Education grant.

5.1.1 Sector Objectives and Priorities

The sector's strategic Objectives are: i) to ensure universal and equitable access to quality basic education for all children in Uganda, ii) to improve the quality of education at all levels in the country, iii) to ensure equal access by gender, district and special needs at all levels of education, and iv) to build capacity of districts by helping education managers acquire and improve on their knowledge, skills and attitudes to be able to plan, monitor, account and perform managerial functions.

In FY 2015/16, the sector together with the education development partners will continue to focus resources on improving quality, relevance and access to education based on the sector outcome priorities.

5.1.2 Financial Performance

The sector's approved budget for FY 2015/16 for the central votes is Ug shs 991.35billion of which 43.6% (Ug shs 432.464 billion) was released and 94.4% absorbed by 31st December 2016. The sector's semi annual performance (July to December 2015) is summarized in table 5. The release and expenditure performance was good.

Table 5.1: Education Sector Financial Performance July – December 2015 (Ug shs in Billions)

Institution	Approved Budget	Releases	Expenditure	% Budget Released	% Release Spent
Ministry of Education and Sports	425.05	154.868	139.764	36.4	90.2
Busitema University	24.81	12.29	10.94	49.5	89
Muni University	10.96	4.13	4.13	37.7	100

Uganda National Examinations Board	71.09	42.47	38.30	59.7	90.2
Education Service Commission	6.49	2.916	2.416	44.9	82.8
Makerere University	226.38	110.31	110.31	48.7	100
Mbarara University	33.33	14.55	13.38	43.6	92.0
Makerere University Business school	57.92	22.73	22.59	39.2	99.4
Kyambogo University	81.16	43.61	42.04	53.7	96.4
Uganda Management Institute	23.71	11.21	11.16	47.3	99.6
Gulu University	30.45	13.38	13.38	43.9	100
Total	**991.35**	**432.464**	**408.41**	**43.6**	**94.4**

Source: IFMS

Muni, Makerere and Gulu universities absorbed 100%, followed by UMI at 99.6%, MUBS at 94.4%, Kyambogo University at 96.4%. The Education Service commission absorbed the least at 82.8%.

5.1.3 Scope

The report presents semi-annual financial and physical performance of selected education sector programmes and projects for FY 2015/16. The monitoring covered three out of 11 central votes in the sector (Table 5.2).

Table 5.2: Education Sector Programmes/Projects Monitored

Vote	Project/Programme	Sampled Districts/Institutions
013:Ministry of Education Science, Technology and Sports	02:Basic Education	MoESTS
	1296:Uganda Teacher and School Effectiveness	MoESTS
	0897:Development of Secondary Education	MoESTS, Kyenjojo,
	1233:Improving the training of BTVET Technical Instructors, Health Tutors and secondary teachers in Uganda	MoESTS, Kaliro
	1340:Development of PTCs phase 11	MoESTS, Gulu, Kalungu,Kaliro, Mityana, Rakai
	Presidential Pledges	MoESTS, Bugiri, Kyegegwa, Kyenjonjo, Luwero, Mayuge, Nakaseke
	Support to Higher Education, Science and Technology (1273)	MoESTS, MUBS

Vote	Project/Programme	Sampled Districts/Institutions
	Higher Education Students Financing Board	MoESTS
149:Gulu University	01: Administration	Gulu
	0906:Gulu University	Gulu, Nwoya
138:Makerere University Business School	01: Administration	MUBS
	0896 Support to MUBS Infrastructure Development	MUBS

Source: Author's compilation

5.2 Ministry of Education, Science, Technology and Sports (Vote 013)

The mandate of the Ministry of Education, Science, Technology and Sports (MoESTS) is to provide quality Education and sports services in the country, which are constitutional obligations for the Ugandan State and Government. The ministry comprises of eight vote functions namely: (i) Pre-primary and primary education, (ii) secondary education, (iii) higher education, (iv) skills development, (v) quality and standards, (vi) physical education and sports, (vii) special needs education, (viii) policy planning and support services. Five out of eight vote functions were monitored.

Pre-Primary and Primary Education (Vote Function: 0701)
The vote function provides for; technical guidance, development of pre-primary and primary education policies, delivery of the education and sports services in pre-primary and primary education and implementation of policies and programmes to ensure quality and standards. The vote function has one recurrent programme (Basic Education) and three development projects namely: 0943-Emergency Construction and Rehabilitation of Primary Schools, 1232-Karamoja Primary Education Project and 1296-Uganda Teacher and School Effectiveness Project.

The approved budget for the vote function is Ug shs 117.64 of which Ug shs 45.80billion (38.9%) was released and Ug shs 43.08 billion (95.6%) spent by 31st December 2015. The Basic Education Programme and 1296-Uganda Teacher and School Effectiveness Project were sampled to assess the level of implementation by 31st December 2015.

5.2.1 Basic Education (Programme 02)

Background
The objectives of the programme are to: (i) formulate appropriate policies and guidelines, and provide technical advice in relation to primary subsector, (ii) strengthen the capacities of Districts and Education Managers to improve equitable access to primary education to all school age going children, (iii) provide support supervision to Education Managers to ensure provision of quality primary education as well as increase learning achievement in Literacy and

Numeracy and (iv) assist districts to improve the completion rate in primary education. Table 5.3 summarizes the planned activities for instructional materials under the programme.

Table 5.3: Planned Activities for Instructional Materials Q1 and Q2 FY 2015/16

Output	Q1&Q2
Instructional Materials for Primary Schools (070102)	• 9,750 wall charts, 82,500 English text books, 9,750 song books procured and distributed for primary 5 to 7. • Assorted instructional materials for Primary 1 and Primary 2 plus SNE procured and distributed. • Delivery, storage and usage of instructional materials in schools monitored. • Awareness of stake holders on Instruction materials in schools.

Source: MoESTS Quarterly Work plan FY 2015/16

Findings

i) Financial Performance

The approved budget for FY 2015/16 is Ug shs 16.84 billion of Ug shs 13.80 billion (82%) was released and Ug shs 12.88 billion (93.3%) expended by 31st December 2015. Release and expenditure performance was excellent at half year.

ii) Physical Performance

Activities under instructional materials were monitored to assess the level of implementation by 31st December 2015 and below are the findings:

a) Procurement of P.5-P.7 Instructional materials for local languages and English Course Books plus teachers' guides

The MoESTS contracted different publishers to supply different reading materials as shown below:

M/s Fountain Publishers Limited

The contract for supply of textbooks for primary 5,6 and 7 set of local languages readers (1,2,3) books and primary 5,6 and 7 local languages pupils books and teachers' guides in the local languages of Aringa, Pokot, Alur, Lugbarati, Lebthur, Rufumbira, Runyoro-Rutoro, Dhopadhola, Leb Lango, Lugungu, Kumam, Ruruli , Lunyole and Kakwa was awarded to M/s Fountain Publishers. The contract sum was US$1,162,051.52 and contract was signed on 6th August 2015.

According to the agreement, delivery was expected within 120 days from the date of contract signing. By 31st December 2015, the contract had been fully discharged (100%) and deliveries made. A total of 104,136 primary 5, 6 and 7 set of local language readers (1,2,3) books, 125,996 primary 5,6 and 7 local language pupils' books and 4,680 Primary 5,6 and 7 local language teachers' guides for Aringa, Pokot, Alur, Lugbarati, Lebthur, Rufumbira, Runyoro – Rutoro, Dhopadhola, Leb Lango, Lugungu, Kumam, Ruruli, Lunyole, Lugwere, Ateso and Kakwa were procured from Fountain Publishers. Table 5.4 and Table 5.5 details the number of textbooks per local language.

Table 5.4: Primary 5, 6 and 7 set of local language Readers (1, 2, 3) Books (Lot 1)

No	Description	Quantity	Unit of Measure
1	P5 Local Language set of readers (1,2,3) bks P5 Aringa	8760	Copies
2	P6 Local Language set of readers (1,2,3) bks P6 Aringa	1,375	Copies
3	P5 Local language set of readers (1,2,3) bks P5 Pokot	118	Copies
4	P5 Local language set of readers (1,2,3) bks P5 Alur	5088	Copies
5	P7 Local language set of readers (1,2,3) bks P7 Alur	1572	Copies
6	P5 Local language set of readers (1,2,3) bks P5 Lugbarati	9,156	Copies
7	P6 Local language set of readers (1,2,3) bks P6 Lugbarati	6,896	Copies
8	P7 Local language set of readers (1,2,3) bks P7 Lugbarati	3,310	Copies
9	P7 Local language set of readers (1,2,3) bks P7 Leb thur	393	Copies
10	P5 Local language set of readers (1,2,3) bks P5 Rufumbira	1,448	Copies
11	P6 Local language set of readers (1,2,3) bks P6 Rufumbira	1,126	Copies
12	P7 Local language set of readers (1,2,3) bks P7 Rufumbira	760	Copies
13	P6 Local language set of readers (1,2,3) bks P6 Runyoro Rutoro	12,255	Copies
14	P5 Local language set of readers (1,2,3) bks P5 Dhopadola	2,736	Copies
15	P7 Local language set of readers (1,2,3) bks P7 Dhopadola	1,235	Copies
16	P5 Local language set of readers (1,2,3) bks P5 Leb Lango	22,224	Copies
17	P6 Local language set of readers (1,2,3) bks P6 Leb Lango	19,287	Copies
18	P5 Local language set of readers (1,2,3) bks P5 Lugungu	368	Copies
19	P6 Local language set of readers (1,2,3) bks P6 Lugungu	271	Copies
20	P5 Local language set of readers (1,2,3) bks P5 Kumam	1,966	Copies
21	P6 Local language set of readers (1,2,3) bks P6 Kumam	1,511	Copies
22	P7 Local language set of readers (1,2,3) bks P7 Kumam	703	Copies
23	P6 Local language set of readers (1,2,3) bks P6 Ruruli	200	Copies
24	P7 Local language set of readers (1,2,3) bks P7 Ruruli	144	Copies
25	P7 Local language set of readers (1,2,3) bks P7 Lunyole	992	Copies
26	P7 Local language set of readers (1,2,3) bks P7 Kakwa	209	Copies

Source: MoESTS Records

Table 5.5: Primary 5, 6 and 7 Local Language Pupils Books and Teachers' Guides (Lot 2)

No	Description	Quantity	Unit of Measure
1	P5 Local Language pupils books P.5 Aringa	8760	Copies
2	P5 Local Language Teachers guide books P5 Aringa	184	Copies
3	P5 Local Language pupils books P5 Alur	5,088	Copies
4	P6 Local language pupils books P6 Alur	3,379	Copies
5	P7 Local language pupils books Alur	1,575	Copies
6	P5 Local language Teachers guide books P.5 Alur	292	Copies
7	P6 Local language Teachers guide books P6 Alur	292	Copies
8	P7 Local language Teachers guide books P7Alur	292	Copies
9	P7 Local language pupils books P7 Ateso	20,689	Copies
10	P7 Local language Teachers guide books P7 Ateso	8,528	Copies
11	P5 Local language pupils books P5 Dhopadhola	2,736	Copies
12	P6 Local language pupils books P6 Dhopadhola	2,885	Copies
13	P7 Local language pupils books P7 Dhopadhola	1,235	Copies
14	P5 Local language Teachers guide books P.5 Dhopadhola	103	Copies
15	P6 Local language Teachers guide books P6 Dhopadhola	103	Copies
16	P7 Local language Teachers guide books P7 Dhopadhola	103	Copies
17	P.5 Local language pupils books P5 Kakwa	628	Copies
18	P6 Local language pupils books P6 Kakwa	78	Copies
19	P7 Local language pupils books P7 Kakwa	209	Copies
20	P5 Local language Teachers guide books P5 Kakwa	36	Copies
21	P6 Local language Teachers guide books P6 Kakwa	36	Copies
22	P7 Local language Teachers guide books P7 Kakwa	36	Copies
23	P5 Local language pupils books P5 Leb thur	758	Copies
24	P6 Local language pupils books P6 Leb thur	532	Copies
25	P5 Local language Teachers guide books P5 Leb thur	32	Copies
26	P6 Local language Teachers guide books P6 Leb thur	32	Copies

No	Description	Quantity	Unit of Measure
27	P6 Local language pupils books P6 Leb Lango	19,287	Copies
28	P6 Local language Teachers guide books P6 Leb Lango	639	Copies
29	P6 Local language pupils books P6 Lugungu	271	Copies
30	P6 Local language Teachers guide books P6 Lugungu	13	Copies
31	P5 Local language pupils books P5 Lugwere	4,367	Copies
32	P5 Local language Teachers guide books P5 Lugwere	144	Copies
33	P5 Local language pupils books P5 Pokot	118	Copies
34	P6 Local language pupils books P6 Pokot	79	Copies
35	P5 Local language Teachers guide books P5 Pokot	14	Copies
36	P6 Local language Teachers guide books P6 Pokot	14	Copies
37	P5 Local language pupils books P5 Runyoro/Rutoro	14,755	Copies
38	P6 Local language pupils books P6 Runyoro/Rutoro	12,255	Copies
39	P5 Local language Teachers guide books P5 Runyoro/Rutoro	830	Copies
40	P6 Local language Teachers guide books P6 Runyoro/Rutoro	830	Copies
41	P7 Local language pupils books P7 Lusoga	13,667	Copies
42	P7 Local language Teachers guide books P7 Lusoga	1,147	Copies
43	P5 Local language pupils books P5 Rufumbira	1,448	Copies
44	P6 Local language pupils books P6 Rufumbira	1,126	Copies
45	P7 Local language pupils books P7 Rufumbira	760	Copies
46	P5 Local language Teachers guide books(1,2,3) P5 Rufumbira	97	Copies
47	P6 Local language Teachers guide books(1,2,3) P6 Rufumbira	97	Copies
48	P7 Local language Teachers guide books(1,2,3) P7 Rufumbira	97	Copies

Source: MoESTS Records

M/s Fountain Publishers Limited

M/s Fountain Publishers Limited was paid the final 20% (Ug shs 1,637,471,135) of the contract sum (Ug 8,187,355,677) for supply and delivery of textbooks for primary 5,6 and 7 i.e. set of local language readers (1,2,3) books (Lot 1) and primary 5,6 and 7 local language pupils books and teachers guides for Luo, Acholi, Runyankore- Rukiga, Luganda, Lusamia, Lugwere, Lunyole, Runyoro-Rutoro, Alur, Lumasaba, Ateso, Lululi, Lusoga, Leb thur, Ngakarimojong, Kakwa and Lubwisi.

As part of the semi-annual activities, the MoESTS conducted a comprehensive verification exercise to verify deliveries by Fountain and MK Publishers as directed by the Ministry of

Finance, Planning and Economic Development. A total of 303,497 Primary 5, 6 and 7 Local Languages Readers (1,2,3) books, 373,322 primary 5,6 and 7 Local Language Pupils Books and 24,902 Teachers 'Guides for Luo Acholi, Runyankore-Rukiga, Luganda, Lusamia, Lugwere, Lunyole, Runyoro-Rutoro, Alur, Lumasaba, Ateso, Lululi, Lusoga, Leb thur, Ngakarimojong, Kakwa, and Lubwisi, were procured from Fountain Publishers Ltd.

M/s MK Publishers Limited

The MoESTS contracted M/s MK Publishers Limited to supply and deliver textbooks for P5, P6 and 7 set of local language Readers (1,2,3) books, primary 5,6 and 7 local language pupils books and teachers guides for Lukhonzo. The contract sum was Ug shs 393,884,840 and the agreement for supply was made on 5th February 2014.

In FY 2014/15, 30% of the contract sum was paid. The balance of 70% was settled by 31st December 2015 as deliveries were made. A total of 39,873 Primary 5, 6 and 7 reading books in Lukhonzo, 16,891 primary 5,6 and 7 Lukhonzo pupils' textbooks and 870 teachers 'guides from MK Publishers Limited were procured.

ii) The MoESTS contracted M/s MK Publishers Limited at sum of US$ 430,446.68 an equivalent to Ug shs 1,580,169,762 to supply and deliver primary 5,6 and 7 set of local language readers (1,2,3) books, primary 5,6 and 7 local language pupils books and teachers' guide for Luo, Acholi, Runyakore, Rukiga, Luganda, Lusoga, Runyoro,Rutoro and Madi. The contract was signed on 6th August 2015 and by 31st December 2015, the contractor had been paid 20% advance of Ug shs 304,670,498 and the 80% would be paid upon presentation of the shipping documents and verification of the deliveries in schools.

A total of 96,860 Primary 5,6 and 7 local language sets of readers (1,2,3) books for Luo Acholi, Runyankore-Rukiga, Madi, Luganda and Lusoga, 19,742 local language pupils' books for Madi, Runyoro-Rutoro and Luo- Acholi and 1,268 local language teachers' guides for Madi, Runyoro- Rutoro and Luo- Acholi were procured from M/s MK Publishes Ltd. No deliveries had been made to the schools by December 2015.

M/s Longhorn Publishers

M/s Longhorn Publishers was paid Ug shs 556,078,743 (50%) of the final 20% for procurement of CAPE 1, MDD P5, CAPE 3 ART/TECH.P5, Kiswahili Dictionary P6, Kiswahili Dictionary P7, Kiswahili pupils Book, CAPE 3 ART/Tech P5 Teachers' Guide, CAPE 3 ART/Tech P6 teachers' guide.

M/s St. Bernard Publishers Limited

The contract for supply of English Course Books and Teachers' guides for P.5 and P7 was awarded to M/s St. Bernard Publishers Limited at a sum of US$ 831,875.26. The contract was signed on 6th August 2015 and by 31st December 2015, the MoESTS had paid 70% (Ug shs 2,083,180,404.16) of the contract sum. The MoESTS procured 337,414 Primary 5 and Primary 7 English Course books and 92,800 Primary 5 and Primary 7 English Teachers 'Guides Books from St. Bernard Publishers Ltd.

The remaining 30% payment for 337,414 primary 5 and primary 7 English Course books and 92,800 primary 5 and primary 7 English Teachers ‘Guides books from St. Bernard Publishers Ltd would be made after verification of the Instructional Materials to schools by Internal Audit, User department and IMU. Table 5.6 indicates quantities procured.

Table 5.6: Textbooks for Primary 5 and 7 English Course Books and Teachers’ guides

No	Description	Quantity	Unit of Measure
1	Primary 5 Pupils English Course Books	231,102	Copies
2	Primary 7 Pupils English Course Books	106,312	Copies
3	Primary 5 English Teachers’ Guides Books	48,400	Copies
4	Primary 7 English Teachers’ Guides Books	44,400	Copies

Source: MoESTS Records 2016

b) Procurement of Instructional Materials for SNE

The MoESTS contracted M/s ESUL to supply Braille materials for SNE department at a sum of Ug shs 199,600,000. The MoESTS planned to supply pieces of Embossers to St. Francis P/S School for the Blind Madera, Salaam School for the blind, Arua Demonstration School (Unit), St. Hellen’s P/S (Unit) and Gulu Primary School (Unit)

By 31st December 2015, the contractor had delivered the materials to the MoESTS stores awaiting payment. It was reported that funds were encumbered on the system and payment awaited delivery of the Embossers to schools, installation and teaching of teachers on how to use them as per contract.

c) Procurement of Instructional Materials for P.1 and P.2

Suppliers were pre-qualified however due to limited resources, signing of contracts for supply and delivery of P1 and P2 instructional materials was postponed to FY 2016/17.

d) Procurement of Teacher Education Modules

The contract for procurement of Kiswahili textbooks for Primary Teachers’ Colleges i.e Pupils Books 5, 6 and 7 Teachers’ guides and Kiswahili reading books was awarded to M/s East African Educational Publishers Limited and M/s Pelican Publishers Limited. The contract sum for M/s East African Educational Publishers Limited was Ug shs 286,363,926 and M/s Pelican Publishers Limited was Ug shs 149,040,000. The contracts were signed on 11th December 2015, and by 31st December 2015, delivery was ongoing.

Analysis

Link between financial and physical performance

Physical performance was commensurate to financial performance. Over 80% of the approved funds were released and funds were spent on payments for contracted publishers to supply instructional materials.

Achievement of set targets

Set targets were achieved to about 80%. Instructional materials were procured for the local languages and English Course Books plus teachers' guides, however due to inadequate funds some planned activities were postponed. Much as suppliers had been pre-qualified for the supply and delivery of P1 and P2 instructional materials, contract signing was postponed to FY 2016/17.

Conclusion

The programme has continued to provide an enabling environment for learners through provision of instructional materials. The performance during the first half of FY 2015/16 was rated good at 60%. Instructional materials for P.5-P.7 were procured for the local languages and English Course Books plus teachers' guides.

5.2.2 Uganda Teacher and School Effectiveness Project (1296)

Background

The Universal Primary Education (UPE) policy improved access to primary education for children of poor families and has led to gender parity in primary enrolment. However, the progress against achievement of the MDG goal of universal primary education is slow due to low completion rates. A significant percentage of those who enter primary school do not reach the final primary grade. It is this background of low completion rates and low learning outcomes at all levels of education service delivery that, the Government of Uganda through the MoESTS together with its Education Development Partner Group endorsed a Program Implementation Grant Application with a project title "**Uganda Teacher and School Effectiveness Project (UTSEP).**" The project has a budget of US$100million from the Global Partnership for Education (GPE) Fund.

The overall project objective is to support the Government in improving teacher and school effectiveness in the public primary education system. The project is centered on improving education service delivery at teacher, school and system level to realize meaningful gains in pupil achievement in primary grades. The project started on 1st July 2014 and is expected to end on 30th June 2019.

Project Basic Data

Approval of Grant Application:	19th November 2013
Signing of Grant Agreement:	19th August 2014
Effectiveness Date:	24th March 2015
Closure Date:	30th June 2018
Project Duration:	39 months (from effectiveness)
Lapsed Time:	9 months (20%)
Grant Amount:	US$ 100,000,000
Amount Disbursed:	US$ 8,503,767 (8.5%)

Project Components

i. **Component 1 - Effective Teachers ($31.4m):** Improving teacher quality and performance with specific reference to instructional practices for early grade reading use of instructional materials in teaching, and presence in school.

ii. **Component 2 - Effective Schools ($45.8m):** Improving the school environment in the form of enhanced school management, accountability, and learning conditions including school facilities (classrooms, offices, water and sanitation facilities, teacher housing).

iii. **Component 3 - Implementation Support and Capacity Building ($14.9m):** Financing advisory, technical, monitoring and evaluation, implementation, and capacity-building support on the level of the education system.

Table 5.7: Planned Activities for Q1 and Q2 FY 2015/16

Outputs	Q1&Q2
Policies, laws, guidelines, plans and strategies (070101)	• Contract staff salaries paid for 12 staff. • Training conducted for Head teachers and P1-P3 teachers. • Early grade reading assessment conducted. • Rollout of CCCP (Improving Competencies of Early Childhood • Education (ECE) providers for improved readiness to Primary Education among learners • Development of early Childhood Education • Instructors Proficiency program. • Roll out of the C-TEP.
Instructional Materials for Primary Schools (070102)	• Provision of instructional materials and equipment to Coordinating Centre Schools (CCS) and PTCs • (ICT equipment)
Monitoring and Supervision of Primary Schools (070103)	• Enhancing teacher supervision. • Enhancing School leadership, • Management and Accountability. Support Supervision by Coordinating Centre Tutors (CCTs) and DPO's
Purchase of Motor Vehicles and Other Transport Equipment (070175)	Initiate procurement of 7 Motor vehicles and 185 motorcycles procured
Purchase of Office and ICT Equipment, including Software (070176)	Computers, laptops and printers procured
Classroom Construction and Rehabilitation: Primary (070180)	Construction sites identified

Source: MoESTS Quarterly Workplan FY 2015/16

Findings

i) Financial Performance

The grant amount is US$100,000,000 of which 9% was disbursed and 60% expended by 31st December 2015.

Table 5.8: Disbursements and Expenditure by 31st December 2015

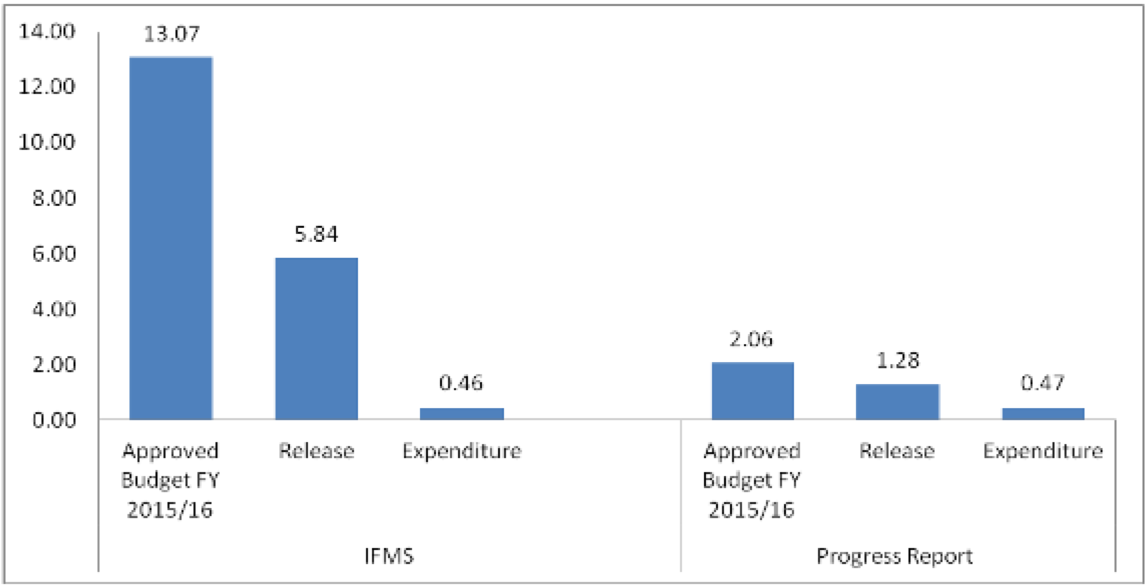
Component	Planned Cost		Disbursement		Expenditure	
	US$	%	US$	%	US$	%
1. Effective Teachers	31,400,000	31%	2,000,000	6%	2,804,646	140%
2. Effective Schools	45,800,000	46%	2,290,000	5%	903,555	40%
3. Technical Assistance	14,900,000	15%	4,213,762	28%	1,725,622	40%
4. Unallocated	7,900,000	8%	-		-	
Total	**100,000,000**	**100%**	**8,503,762**	**9%**	**5,433,823**	**60%**

Source: Field Findings

Counterpart fund: The IFMS indicated that the GoU approved budget FY 2015/16 is Ug shs 13,073,476,000 (inclusive of taxes) of which Ug shs 5,849,193,255(44.7%) was released and Ug shs 467,836,994 (7.9%) spent.

However, the MoESTS Q2 progress report showed an approved budget of Ug shs 2.06 billion, of which Ug shs 1.28 billion was released and Ug shs 0.47 billion spent as indicated in figure 5.1. This was incorrect as it excluded the tax obligation of Ug shs 12,126,476,000. *See Figure 5.1*

Figure 5.1 GoU Financial Performance for Uganda Teacher and School Effectiveness Project by 31st December 2015



Source: IFMS and MoESTS Q2 FY 2015/16

From Figure 5.1 the project absorption for GoU was poor with only 7.9% of the released funds absorbed. About Ug shs 5billion was unspent by 31st December 2015. This was because funds for taxes had not been remitted and the classroom construction and rehabilitation: Primary (070180) had not started.

ii) Physical Performance

The overall physical performance of the project by 31st December 2015 was at 87.1%. Most of the planned outputs were achieved except for a few cases where procurement was ongoing. Detailed implementation status per output is as indicated in Table 5.9.

Table 5.9: Physical Performance of Uganda Teacher and School Effectiveness Project

Outputs	Planned Outputs Q1&Q2	Status	Achievement of Set targets
Policies, laws, guidelines, plans and strategies (070101)	Contract staff salaries paid for 12 staff.	Paid salaries for 10 contract staff and seven contract support staff inclusive of 10% NSSF employer contribution	100%
	Training conducted for Head teachers and P1-P3 teachers.	Training started with 40 Master Trainers, 273 Trainers of Trainers conducted at Nakaseke PTC from the 6th -13th and 14th - 21st December 2015 respectively. *Funds were released to PTCs at the end of December 2015.*	100%

Outputs	Planned Outputs Q1&Q2	Status	Achievement of Set targets
		Training of 3,893 P1 teachers was scheduled to start from the 3rd to 10th January 2016 at 20 Primary Teachers' Colleges across the country.	100%
		A total of 2,680 head teachers were trained in the Early Grade Reading Methodology from the 23rd to 29th August 2015 at sixteen selected PTCs across the country.	
	Early grade reading assessment conducted.	It was agreed that the baseline for EGRA would be undertaken in February 2016. *However, preparatory activities including development of the Test Frameworks, competencies, item specifications, construction of instruments, paneling items, pre-testing of instruments was done.*	80%
	Rollout of CCCP (Improving Competencies of Early Childhood Education (ECE) providers for improved readiness to primary education among learners	The first face to face training of 1,000 care givers was conducted from 6th to 12th December 2015 at 15 Core Primary Teachers' College across the country. Training started with 35 Master Trainers and 400 Trainers of Trainers from the 25th - 30th October and 8th -13th November, 2015 respectively	100%
	Development of early Childhood Education Instructors Proficiency program.	It was agreed that a firm to review the ECD Policy will also develop the ECD Instructors Proficiency. *Expression of Interest (EOI) was advertised and Bids were received. Short listing was done but could not continue with the issue of Request for Proposal due to non-responsive bidders. Soliciting of more firms was on-going.*	80%
	Roll out of the C-TEP.	Expression of Interest (EOI) was advertised and Bids were received. Short listing was done but could not continue with the issue of Request for Proposal due to non-responsive bidders. Soliciting of more firms was on-going.	80%

Outputs	Planned Outputs Q1&Q2	Status	Achievement of Set targets
	Awareness of the project activities amongst stake holders carried out	Press releases on the project activities were placed in the print media, TVs and Radios.	100%
		Placed adverts in the print media for the various procurements to be undertaken.	100%
		Conducted Audience Building sessions in a sample of 40 districts to publicize the project activities.	100%
		Facilitated the GPE secretariat meeting at Serena from 1st-4th December 2015 and the courtesy cultural dinner for 80 delegates at Ndere Centre, Ntinda on the 3rd December 2015.	100%
	Consultancy for disbursement linked indicators (DRAs) started	Procurement of a consultancy firm to undertake the assignment is on-going. Still at contract negotiation stage.	80%
	Number of officers paid allowances for the specific tasks	Facilitated main stream officers for supporting preparations and implementation of the project.	100%
	Pay rent for Project Offices for the months	Rent for the months of Sep-Dec 2015 was being processed. *It was noted that GoU Counterpart funds released were inadequate because the total requirement was Ug shs 105m*	*50%*
Instructional Materials for Primary Schools (070102)	Provision of instructional materials and equipment to CCS and PTCS (ICT equipment)	Procurement of 4,720,041 copies of textbooks for grades 1-7 in literacy and numeracy was on-going. *Evaluation of bids was done and evaluation report submitted to IDA for a No Objection before contract signing.*	70%
		Printed 36,973 copies of training materials that included; Primers, Teacher Guides and Orthography for P1 teachers. *The materials were distributed to participants during training held in August 2015 and the balance was to be distributed during the January 2016 training.*	100%

Outputs	Planned Outputs Q1&Q2	Status	Achievement of Set targets
		Procurement of 67,497 TIET instructional materials for PTCs and CCs was on-going.	50%
Monitoring and Supervision of Primary Schools (070103)	Enhancing teacher supervision.	Training of 260 Trainers of Trainers was done at four different PTCs that included Bishop Willis, Kabulasoke, Bushenyi and Gulu from the 27th Sept to 3rd Oct. 2015.	100%
	Enhancing School leadership, Management and Accountability. Support Supervision by CCTS and DPO's	Head teachers and deputies from 191 government primary schools in the 1st batch were trained in School Leadership and Accountability. The schools were from the following districts; Soroti (80), Amuria (108), Serere (2) and Ngora (1). The first batch training commenced on 8-August-2015 at Soroti S.S and Amuria S.S. and concluded on the 6th December, 2015.	100%
		Training of head teachers and deputies from 275 government primary schools in the 2nd batch commenced on the 23rd November, 2015. The districts involved include; Bukedea, Bulambili, Manafwa, Sironko. Monitored the weekend training of Head teachers and Deputies.	100%
	Primary schools monitored and Support Supervision provided.	Conducted a baseline survey in 332 selected primary schools selected from 80 districts.	100%
		Conducted an assessment of selected 23 Coordinating Centers to be provided with ICT equipment under the project.	100%

Outputs	Planned Outputs Q1&Q2	Status	Achievement of Set targets
		Conducted field work at Soroti S.S and Nyondo CPTC to monitor training of head teachers in Leadership, ECD caregivers respectively and meetings during the bi-annual technical review for UTSEP in November 2015. Visited a sample of 10 primary schools with 80 delegates from the GPE secretariat	100%
Purchase of Motor Vehicles and Other Transport Equipment (070175)	Initiate procurement of 7 Motor vehicles and 185 motorcycles procured	Contract for supply of five vehicles was cleared by Solicitor General and delivered to the Ministry. Procurement of two station wagons for the PS/ESTS and CEPPA is ongoing. Contract for the supply of 185 motorcycles was signed. Awaiting delivery by end of March 2016.	100%
Purchase of Office and ICT Equipment, including Software (070176)	Computers, laptops and printers procured	Procurement of assorted equipment for UNEB, DES, PCU was on-going.	
Classroom Construction and Rehabilitation: Primary (070180)	Construction sites identified	293 beneficiary schools under SFG were identified. Conducted an assessment of compliance to Environmental and Social Safeguard at 293 beneficiary schools. Conducted sensitization workshops for districts that are to procure contractors centrally at Shimoni core PTC in November 2015 and regional workshops in December 2015 for districts that are to procure contracts at the district level at sites that included; Arua PTC, Nyondo PTC, Kabulasoke PTC and Ibanda PTC	50%

Source: Field findings

Analysis

Link between financial and physical performance

There was a weak link between financial and physical performance for the project. Whereas physical performance was at 87.1%, financial performance was mixed. On the side of donor disbursements, absorption was good at 60% compared to 7.9% on GoU's counterpart funding side.

Achievement of set targets

The key performance targets set by the project were significantly achieved. Under the project 293 beneficiary schools under SFG were identified for construction and rehabilitation of classrooms, copies of training materials for P1 teachers were printed and 2,689 head teachers were trained in the Early Grade Reading Methodology.

Implementation Challenges

1. Difficulties in attracting consultants for some specialized assignments which has necessitated re-doing the procurement process.
2. There was a delay in start of the project. All procurements were expected to be initiated after the contract signing in August 2014 but this was not done until March 2015 when the project was effected yet the procurement cycle could not be shortened.

Conclusion

The project should have implemented 23% of the project activities from the project start date. However, they have lost some time. This therefore means that overall the project is lagging behind schedule.

Recommendations

- The MoESTS should include their tax requirement for the project in the approved budget to avoid understating the budget and reporting.
- The project managers need to speed up the planned activities to catch up with the lost time.

5.2.3 Secondary Education (Vote Function 0702)

The vote function provides technical guidance and policy formulation for matters relating to promotion and development of secondary education in the country. The vote function has two recurrent programmes (secondary education and private schools department) and one development project; Development of Secondary Education (0897).

The approved budget for the Vote Function was Ug shs 11.56 billion of which Ug shs 3.89 billion (33.6%) was released and Ug shs 3.52billion (90.7%) spent by 31st December 2015. Development of Secondary Education (0897) was monitored.

Development of Secondary Education (0897)

Background

The project started on 1st July 2015 and is expected to end on 30th June 2020. The project objectives are; (i) increasing equitable access to Universal Post Primary Education and Training (UPPET), (ii) ensuring achievement of the Millennium Development Goals (MDGs) of gender parity by 2015 (iii) enhancing sustainability of Universal Primary Education (UPE) and (iv) reducing high costs of UPPET.

The expected outcomes/outputs are:

i) Increased enrolment in secondary education that is transition rate increasing from 50% to 80%
ii) Additional 2,000 teachers recruited to reduce the current deficit of 7,555
iii) Improved access to secondary education in 41 sub counties without any form of schools
iv) Improved teaching and learning of secondary science education
v) Reviewed and more relevant and affordable secondary education curriculum
vi) Improved teaching and learning environment at Sir Samuel Baker Secondary School
vii) Refreshed and improved quality of teachers of science and mathematics
viii) Institutionalize sustainable INSET system
ix) Increased use of ICT in learning and teaching processes
x) Purchase of 160 science kits

Table 5.10: Planned Activities for Q1 and Q2 FY 2015/16

Outputs	Q1	Q2
Policies, laws, guidelines, plans and strategies (070201)	• Paid contract staff salaries and allowances for 50 Engineering assistants • Electricity and Water bills paid • Paid salaries and allowances to 24 SESEMAT staff • Paid office imprest for the SESEMAT centre • Paid Lunch allowances and kilometrage to 24 SESEMAT National trainers. • 50 student leaders trained on leadership and peaceful conflict resolutions • Maintenance of solar energy packages in 140 post primary schools conducted	• Paid contract staff salaries and allowances for 50 Engineering assistants • Electricity and Water bills paid • Paid salaries and allowances to 24 SESEMAT staff • Paid office imprest for the SESEMAT centre • Paid Lunch allowances and kilometrage to 24 SESEMAT National trainers. • 50 student leaders trained on leadership and peaceful conflict resolutions • Maintenance of solar energy packages in 140 post primary schools conducted

Outputs	Q1	Q2
Instructional Materials for Secondary Schools (070202)	• Procurement of 1,080 textbooks for 28 seed schools started. • Procurement of science kits, chemical kits and reagents for 28 seed schools started.	• Procurement of 1,080 textbooks for 28 seed schools continued. • Procurement of science kits, chemical kits and reagents for 28 seed schools continued. • Procurement of textbooks for UPOLET schools, Books for SESMAT training, Lockable cupboards started.
Training of Secondary Teachers (07 0204)	• Induction training for 256 newly appointed members of BOGs conducted. • Facilitated implementation of national INSET training of science and mathematics teachers at Kololo SS. A total of 2,800 were trained (1st cycle). • Facilitated lesson study/observations in 45 secondary school	Facilitated lesson study/observations in 45 secondary school.
Classroom construction and rehabilitation; Secondary (070280)	• Completion of incomplete sites under APL1 project in Patongo SS in Agago, Laropi SS in Moyo and Awara College in Arua. • Katungulu seed in Rubirizi, Bufunjo seed in Kyenjojo constructed. • Tenancy arrears for Masaka SS to Agkan Foundation paid	• Completion of incomplete sites under APL1 project in Patongo SS in Agago, Laropi SS in Moyo and Awara College in Arua. • Katungulu seed in Rubirizi, Bufunjo seed in Kyenjojo constructed. • Tenancy arrears for Masaka SS to Agkan Foundation paid\
Purchase of Office and ICT Equipment, including Software (07 0276)		

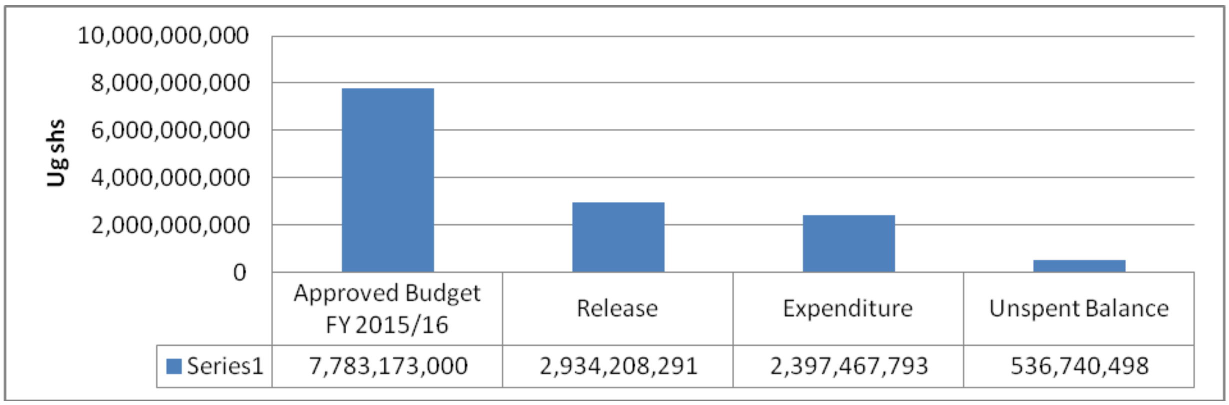
Source: MoESTS Quarterly Work plan FY 2015/16

Findings

i) Financial Performance

The IFMS data for January 2016 indicated that the approved budget for FY 2015/16 is Ug shs 7,783,173,000 of which 37.6% was released and 81.7% of the release spent by 31st December 2015. *(See figure 5.2)*

Figure 5.2: Financial Performance of Development of Secondary Education: 0897 by 31st December 2016



Source: IFMS January 2016

ii) Physical Performance

a) Past Performance

For FY 2014/15, 143 Students were trained on leadership and peaceful resolutions at Ikoba Girls. Funds were paid to three secondary schools of Namwezi S.S (Buikwe), St.Theresa Girls' S.S (Nsenyi) and Lake Bunyonyi S.S (Kabale) to procure 50 computers. Funds were disbursed to 161 government and 88 PPP UPOLET schools to procure science and math text books. A total of 1,603 science and math teachers and 313 head teachers were trained against strikes and certificate number 25 for construction of Gogonyo Seed SS at Gogonyo Sub-County was paid.

b) Current Performance

The project physical progress by 31st December 2015 was as follows;

- **Classroom construction and rehabilitation-Secondary (07 0280)**

The MoESTS planned to complete three APL1 schools of Patongo S.S in Agago, Laropi S.S in Moyo and Awara College in Arua. The ministry also planned to pay accumulated tenancy arrears of 50% for Masaka SS and pay for the phase II construction of Katunguru and Bufunjo Seed Schools.

Bufunjo Seed School was monitored to assess the level of implementation and below are the findings.

Bufunjo Seed Secondary school

Bufunjo seed is located in Kyamya village, Nyamanga parish, Bufunjo Sub-County, Kyenjojo district. The MoESTS Q1 report indicated that funds had been disbursed to the seed school as payment for construction of phase II. By 18th January 2016, the school had just received Ug shs 100,000,000. All funds were still on the account and construction was yet to commence.

Activities implemented outside the approved work plan FY 2015/16

The MoESTS continued to implement activities outside the approved work plan/performance contract for the financial year. By 31st December 2015, the MoESTS had defrayed funds from non-residential buildings to St.Kaggwa High School Bushenyi (Ug shs 192,000,000) for completion of a science laboratory block which was started under presidential pledges and Kyogo Secondary School Kabale (Ug shs 160,000,000) for an emergency construction of four classrooms. These particular schools had not been planned for.

Analysis

Link between financial and physical performance

Financial performance was very good with over 37% of the funds released (out of the expected 50%) by half year and absorption at 81.7%. Physical performance on the other hand was fair with most of the funds committed and activities kick started although some of the activities to which funds were disbursed were outside the approved work plan.

Achievement of set targets

Set targets were achieved to about 50%. Targets were achieved for two out of four outputs. The project had challenges of delayed procurement process in the case of instructional materials for secondary schools and only two schools out of six planned schools under classroom construction and rehabilitation received funds. The other two that received funds were outside the target for the FY.

Conclusion

Works for the planned rehabilitation works were behind schedule by half year. The MoESTS also continues to implement activities outside the approved performance contract.

Recommendation

i) The MoESTS should ensure that they adhere to the approved performance contract for the financial year. Any rolled over civil works from previous FYs should be indicated in the work plan and adequately budgeted for.
ii) The MoESTS should expedite implementation of the planned activities in the remaining half of the FY in order to achieve the planned targets.

5.2.4 Higher Education (Vote function 0704)

The vote function's objectives are: to provide policy formulation, guidance and evaluation in Higher Education; facilitate and promote regional and international corporations in higher education; carry out activities associated with admissions to other tertiary institutions; to solicit for and administer scholarships through Central Scholarship Committee; monitoring and supervision activities of tertiary institutions; Accreditations of tertiary institutions and their programmes by the National Council of Higher Education (NCHE).

The vote function has one recurrent programme; Higher Education and two development projects: Development of Uganda Petroleum Institute Kigumba (1241) and Support to Higher Education Science and Technology (1273)

The approved budget for FY 2015/16 for the Vote Function is Ug shs 46.83billion of which Ug shs 18.03billion (38.5%) was released and Ug shs 17.06 billion (97.6%) spent by 31st December 2015. Support to Higher Education, Science and Technology was monitored to assess level of implementation by 31st December 2015.

a) Support to Higher Education, Science and Technology (1273)

Background

The project's objective is to improve equitable access, quality and relevance of skills training and research leading to job creation and self-employment. The specific objectives are; i)Increasing equitable access to science and technology course at university level; ii) Improving the relevance and quality of Science and Technology programs at the university level; and iii) Enhancing the human and institutional capacity of the National Council of Higher Education and the faculty at the various beneficiary institutions. This is a five year project that commenced on 1st July 2013 and its completion date is 30th June 2018.

Table 5.11: Project Basic Data

Loan number	2100150028093
Loan Approval Date	23rd November 2012
Loan signature Date	5th July 2013
Total Project cost	UA 74.4 million (1 UA= 1.55)
ADF loan	UA 67.00 million
G.o.U	UA 7.44
Foreign Exchange	UA 56.56 million
Local cost	UA 17.88
Loan effectiveness date	5th September 2013 and 15th November 2013 for first disbursement effectiveness
Date of first disbursement of loan	19th February 2014
Deadline for last disbursement	30th June 2018

Implementing Agency	Ministry of Education, Science Technology and Sports

Source: HEST project AIDE- MEMOIRE November 2015

Project Components and objectives

Table 5.12: HEST Project Components

Component	Description
Component 1: Improving and expanding HEST in six public universities and two degree awarding institutions (UA 60.82)	a) This component will expand equitable access to science and technology training and research. It will enhance access to HEST through rehabilitation and expansion of STI learning facilities totaling 80,000m^3 in six universities (Makerere University, Kyambogo University, Mbarara University of Science and Technology, Gulu University, Busitema University and Muni University and two degree awarding institutions: Uganda Management Institute and Makerere University Business School). The facilities to be addressed are: laboratories, lecture spaces, technology workshops, e-learning centers, virtualized libraries, faculty offices and business incubator/production units. b) The rehabilitated/ expanded facilities will be equipped to optimum performance in their functions. Improvement of ICT connectivity and equipment leading to increased access and quality of training in these programmes will be supported for an additional 35,000 students. The project will support 475 scholarship years of Ug shs 10.0 million each amounting to a total of UA 1.20 million for students to participate in strategic areas of STI at undergraduate or post graduate and those with special needs. 40% of the beneficiaries will be women in both cases. The scholarships will be divided equally to all the eight participating institutions and will be tenable in the project institutions and would benefit 95-160 students studying in the BIs with 20% being at post graduate level. c) ICT broadband backbone and networks together with relevant equipment will also be supported to widen learning methods through e-learning options.STI departments will be equipped with ICT laboratories that enhance learning beyond the campus. Under e-learning, partnerships will be enhanced with various leaders in this line. The project would encourage blended teaching and learning, use of Moodle and cloud computing which reduce cost of ICT infrastructure per site. d) The component will also support the creation of utility networks and their storage, namely: power supply and the stabilization/alternatives needed to attain stable learning. Environmental management which includes; fire protection, adequate water and sanitation, waste handling and greening of the critical learning system are also addressed. e) The design and construction of the facilities will ensure the coverage of gender and HIV/AIDs activities mainstreaming and those for special needs groups will also be supported to enhance participation of women, and all the

	other vulnerable groups to access STI programmes in the universities.
Component II: Building capacity in public HEST institutions (UA 6.50 million)	The component will support post graduate training and specialized skills of HEST faculty staff in the BIs. a) Training at local and regional levels will focus on STI staff and critical areas of institutional management, entrepreneurship, governance, public- private partnerships development models, maintenance and sustainability. Training will constitute 80 scholarships for STI teaching and research staff and 24 for institutional management staff, at least 40% will be dedicated to female beneficiaries and persons with special needs. b) The capacity of the ministry of Education Higher Education Department and the National Council for Higher Education (NCHE) will be supported to handle tertiary education and tracer studies of graduates. One staff scholarship for capacity in monitoring and data management skills will be supported and one Technical Assistance for ICT/data management for 60 months. ICT equipment to provide suitable data base will also be funded.
Component III: Improving quality and relevance of HEST in Public Institutions (UA 5.15 million)	The component will strengthen applied research and innovation in STI and improvement of relevance of HEST. a) It will finance the initiation of at least 5 new STI programmes with one being entrepreneurship and the review of the current HESP 2003-2015 to new HESP 2015-2020. As part of the review, two studies preceding and informing the HESP will be undertaken. The studies will include; an impact evaluation on various forms of e-learning and how it can be used to harness higher efficiency in HEST. The other study will focus on the use of enrolment and completion data bases in various STI programmes to project the impact of HEST in national development. b) The component will also support the establishment of relevant networks and partnerships with the productive sector, especially in the industry sector and other worldwide institutions of excellence in their fields. The project will support establishment of appropriate structures in the BIs for enhancement of production/business incubation centers emerging from research, and technology innovations. Eight entrepreneurship incubator centers will be established. Partnership with the private sector foundation of Uganda would be established through a memorandum of understanding to support the activities and establish linkages with relevant industries/private sector. c) Inter-university linkages and linkages with centers of excellence in applied research will be supported. Through a MoU, linkages between CIAT at Kawanda and MUK and Gulu University will be undertaken. The linkages will be established/strengthened to enable the institutions carry out research on tropical agriculture beyond the normal learning process, o multiply research outputs in industry. At least 10 post graduate scholarships will be supported for relevant research to be undertaken through this linkage in a period of five years. An estimated 10 STI publications will also be supported in five years.

	d) The sub component will also support practical training/supervision of students in industry through well designed internship programme for at least five STI programmes. A MoU will be signed between the Ugandan Manufacturers' Association (UMA) and the MoESTS to support placement of students in industry for the internship programme. An estimated 2000 students will benefit from the internship in the five years.
Component IV: Project Management and Coordination (UA 1.97 million)	This component will finance the formulation of strategic plans with proposals for 5 years' work plans and STI specific staff development plan in each of the BIs and project management and coordination. The project management activities will include, among other items, coordination needed for implementing the overall project, audit as well as monitoring and evaluation. It will support gender HIV and special needs person's activities and the student scholarships and ICT activities coordination. Technical assistance for project management and the PSC activities would also be supported. Capacity development of the executing agency project staff would also be supported.

Source: HEST project AIDE- MEMOIRE November 2015

Table 5.13: Planned Activities for Q1& Q2 FY 2015/16

Outputs	**Q1&Q2**
Construction and rehabilitation of facilities (070480)	• Four design and supervision consultancy firms procured • Construction, rehabilitation and expansion of facilities at six Public Universities namely: Makerere University, Kyambogo University, Gulu University, Busitema University, Muni University, MUST and two degree awarding Institutions namely Uganda Management Institute and Makerere University Business School (MUBS) • Completion of multipurpose complex at UMI and construction of new faculty of Business Computing at MUBS • 96 site meetings attended (one site meetings per month for eight Institutions
Purchase of office and residential furniture and fittings (070478)	• Office furniture for the PCU and higher education department procured • Furniture for MUBS and MUST procured
Purchase of office and ICT Equipment including Software (070476)	10 desktops computers, four laptops and five desktop printers procured for the PCU and high education department.
Operational Support for Public Universities (070402)	• Nine project technical staff employer NSSF contribution and PAYE payments made. • Five project Administrative staff salaries, employer NSSF contribution and 1 month annual gratuity paid. • An assortment of stationery and toners procured • Photocopying and binding services provided • Imprest for the PCU provided.

Outputs	Q1&Q2
	• Partitioning of the PCU office to create space for additional staff. • Office equipment serviced and repaired. • Office premises cleaned and maintained • Maintenance of the LAN • Three adverts for tenders published in two local and one regional news paper • One newsletter profiling the HEST achievements in the FY printed • Four Project Steering committee meetings held • Project accounts audited and audit report finalized. • One consultative workshop organized for the coordinators of project activities at the beneficiary Institutions on the Project Implementation Progress. • Airtime to facilitate smooth running of the PCU and regular communication with all stakeholders provided • An assortment of domestic and international mail dispatched • Rent and other utility bills paid • Comprehensive vehicle insurance and third party for the two vehicles procured provided • Regular monitoring and evaluation of ongoing project activities at the eight beneficiary Institutions and the three delegated management Agencies that is CIAT, PSFU and UMA and monitoring and supervision reports prepared • Site meetings attended at the eight beneficiary institutions • Carry out spot check visits • Fuel for monitoring the ongoing project activities provided • Fuel for day to day running for the Project provided • Two project vehicles and two higher education department vehicles serviced and repaired. 16 tyres procured and fixed on the vehicles • Internet services provided and paid • 90 University academic staff and 24 University management staff enrolled for PHDs and MSC Courses in their areas of specialization • 475 of one year Science and Technology Innovations (STI) scholarships awarded to the gifted and needy students • 10 post graduate scholarships awarded in areas relevant to improving agriculture under the supervision of Centre for International Tropical Agriculture (CIAT) • Eight incubation centres established in the beneficiary institutions under the Private Sector Foundation

Source: MoESTS Quarterly Work plan FY 2015/16

Findings

i) Financial Performance

The total project cost is UA 74.4 million of which UA 67.00 million is the ADF loan and UA 7.44 million is GoU counterpart. By 31st December 2015, cumulative amount disbursed by AfDB was UA1.767 million (2.04%) and UA 0.76 million (10.26%) by GoU. This is the second year of implementation and the project disbursements are far behind schedule.

ii) Physical Performance

Past performance

In FY 2014/15, there were no achievements noted under the project

Current Performance

By end of December 2015, the status of activities under the various components of the project was as follows;

Component I: Improving and expanding HEST in six public universities and two degree awarding institutions.

a) Construction and rehabilitation of facilities (070480)

- ***Procurement of Review, Design and supervision Consultancy firms***

By 31st December 2015, four review, design and supervision consultancy firms had been procured and contracts were finalized.

- ***Construction, rehabilitation and expansion of facilities at six Public Universities***

Contracts for the civil works contractors for Makerere, Kyambogo, Gulu and Busitema universities were signed and by the end of the first half of FY 2015/16, the contractors had started mobilization. The Bid Evaluation Report (BER) for Mbarara University of Science and Technology was being finalized and the BER for Muni University was undergoing internal approvals.

- ***Completion of multipurpose complex (Office/classroom block) at UMI***

Uganda Management Institute requested to change the procurement mode for civil works from NCB25 to Direct contracting which the Bank objected to. The bank proposed that the MoESTS initiates a procurement process for a new facility in a new location or completion of the multi-purpose complex (Office/classroom block). The MoESTS and UMI held a meeting and it was agreed that UMI provides a soft copy of the blank bills of quantities and drawings so that the bidding documents are compiled in preparation of tendering works. By the end of the first half of FY 2015/16, the MoESTS was still waiting for UMI’s response.

- ***Construction, of the new faculty of Business Computing at MUBS***

The African Development Bank availed funds for the construction of the faculty of computing. MUBS contracted M/s Plantek Consultant for provision of design and supervision services while M/s Ambitious Construction Company Limited was contracted to carry out civil works at a sum of US$ 2,262,702.55. The scope of civil works includes construction of lecture halls laboratories and office space totalling to 2910 sq meters gross area.

Civil works started on 29th June 2015 and the intended completion date is 29th June 2016. By 2nd February 2016, financial progress was at 41% and physical progress was at 52%. Below is detailed Implementation progress in Table 5.14.

Table 5.14: Implementation progress of Faculty of Business Computing at MUBS by 2nd February 2016

Deliverables	Cost (US$)	% of Works done	Value of Work done
Preliminaries &General works	86,772	85	73,756
Civil works	1,359,999	63	856,800
Mechanical Installation	185,746	17	31,577
ICT installations	35,239	17	5,991
Electrical installations	157,353	17	26,750
Contingency	91,255	0	
V.A.T	344,946	52	616,757
Total	2,261,311	52%	1,173,950
Payments made			935,912
% Payment			41%

Source: MUBS

Construction, of the new faculty of Business Computing at MUBS

b) Purchase of office and residential furniture and fittings (070478)

The MoESTS reported that furniture for MUBS and MUST would be procured after determining the amount of funds earmarked for the new facilities.

c) Purchase of office and ICT Equipment including Software (070476)

The activity was deferred to the next quarter

d) Operational Support for Public Universities (070402)

By 31st December 2015, NSSF employer contribution and PAYE for nine project technical staff had been paid. In addition salaries, NSSF employer contribution and three months annual gratuity for five project support staff were paid. Assorted stationery, toners, photocopying were procured, binding services provided and Imprest for the PCU provided. Office equipment serviced and repaired, Office premises cleaned and maintained, Local Area Network maintained and one advert inviting tenders for the supply, delivery and installation of ICT equipment to the Beneficiary Institutions was published in the Daily Monitor and the East African.

One PSC meeting was held on 25th November 2015 and the next one is scheduled to be held on 23rd March 2016. One Supervision Mission was held from 20th to 25th November 2015 and one Aide Memoire prepared. The HEST Project accounts were audited and the audit report was sent to the Bank within the statutory deadline of 31st December 2015.

Airtime to facilitate smooth running of the PCU and regular communication with all stakeholders provided. An assortment of domestic and international mail dispatched. Rent and other utility bills paid. Regular monitoring and evaluation of on-going project activities at the eight BIs and the three DMAs that is CIAT, PSFU and UMA and monitoring and supervision reports prepared. Two technical inspections (23rd October 2015 and 18 December 2015) and 1 site meeting (27th November 2015) were held at one Beneficiary Institution namely MUBS.

e) Students Merit- Based Scholarships

All beneficiary institutions submitted lists of beneficiaries for student's merit based scholarships to the executing agency. All the beneficiary students had enrolled and it was reported that only 40% were female. Table 5.15 summaries the number of beneficiaries per institution.

Table 5.15: Summary of Students benefiting under the Merit Based Scholarship Scheme

	Undergraduate	Male	Female	Total
1	Makerere University	24	9	33
2	Mbarara University of Science and Technology	29	9	38
3	Kyambogo University	27	20	47
4	Makerere University Business School	27	43	70
5	Busitema University	12	9	21
6	Gulu University	21	5	26
7	Muni University	10	3	13
	UMI has no undergraduate programmes			

	Subtotal	150	98	248
	Postgraduate			
1	Uganda Management Institute	34	30	64
2	Mbarara University of Science and Technology	4	4	8
3	Kyambogo University	5	1	6
4	Gulu University	5	0	5
	Subtotal	48	35	83
	Grand total	198	133	331
		60%	40%	100%

Source: Field findings

Component II: Building Capacity in Public HEST Institutions

a) Staff Development Programme

The Programme is 95% funded through GoU counterpart funding. The 5% ADF funding worth US$ 50,000 per institution was paid to seven out of the eight beneficiary institutions. Kyambogo University did not receive because it had not yet opened a dedicated special account. From GoU, the total allocation for staff development programme in the FY 2015/16 is Ug shs 2.2 billion of which Ug shs 595,600,000 (27%) was released by Q2. GoU therefore performed poorly in terms of releases to this project. The funds were disbursed to three institutions as follows;

Table 5.16: Amount received by each institution

Institution	Amount received
Makerere University	Ug shs 340,000,000
Kyambogo university	Ug shs 131,600,000
Busitema University	Ug shs 124,000,000

Source: Field findings

A total of 102 staff members from beneficiary institutions were identified for PhD training and are to be facilitated to successful completion of their studies under the project. The details of staff beneficiaries who were identified are summarized on Table 5.17.

Table 5.17: HEST Project PhD Scholarship Identified Beneficiaries as at 25th Nov 2015

	Institution	Female	Male	Total

1	Makerere University	4	6	10
2	Makerere University Business School	13	21	34
3	Mbarara University of Science and Technology	7	15	22
4	Busitema University	6	15	21
5	Kyambogo University	2	6	8
6	Gulu University	3	14	17
7	Muni University	0	4	4
8	Uganda Management Institute	3	6	9
9	National Council for Higher Education	0	1	1
	Total	**29**	**73**	**102**
		28%	72%	100%

Source: HEST project AIDE- MEMOIRE November 2015

The underperformance in terms of releasing GoU counterpart has significantly affected the planned disbursement to the beneficiary institutions. For instance Busitema University and MUBS did not receive funds earmarked for them by half year (Ug shs 292 million and Ug shs 198 million respectively).

b) Support to the National Council for Higher Education(NCHE)

The support to NCHE consists of provision of equipment for improved information management which is required for monitoring of the higher education system in quality assurance. By end of the Q2FY 2015/16, the activity had not been implemented. It was reported that NCHE had indicated that they were planning to move to their own offices that were to be constructed in the FY 2015/16. This would lead to postponing some of the ICT networks.

Component III: Improving the quality and relevance of HEST in public institutions

a) Linkages with the private sector through the Private Sector Foundation of Uganda (PSFU)

The PSFU is the delegated management agency for the establishment and operationalization of Business Incubation Centers (BICs) in the eight beneficiary institutions (BIs). Four of the BIs (Makerere, Busitema, MUBS and UMI) completed and submitted feasible business plans for the BICs while three BIs (Muni, Mbarara and Gulu) submitted their draft BICs to the project coordination unit. The draft business plans were reviewed by the PCU and comments for improvement were sent to PSFU. Kyambogo had not submitted its Business plan because they had not firmed up their business incubation activity.

Most BIs opted to provide existing space for the BICs, MUBS, Gulu and Mbarara will have new facilities constructed to accommodate the BICs

b) Linkages with International Center for Tropical Agriculture (CIAT)

The planned number of trainees was 10 but due to budget constraints, the CIAT was able to train eight research scholars (five for MSc and three for PhDs). The scholars are completing their first year.

c) Support to Industrial Training for students through Uganda Manufactures' Association

The internship program is planned for three-and-a-half years from January 2015 to January 2018. Each internship lasts a period of three months during which students are seconded to industry. Cumulatively, 533 students out of the project target of 2,000 students (27%) have been placed in the internship program. The first year's target of placements of 400 interns has however been surpassed by placing 533 interns (133%). The detailed breakdown is presented in Table 5.18.

Table 5.18: Students benefitting from the internship program managed by UMA

No	Cohort	Target	Placed	% Placement	Completed	% Completion	From	To
1	First	50	51	102%	39.0	78%	Apr- 15	Jun- 15
2	Second	189	224	119%	224.0	119%	Jul- 15	Sept-15
3	Third	57	71	125%	71.0	125%	Aug -15	Oct- 15
4	Fourth	54	94	174%	94.0	174%	Sept- 15	Nov- 15
5	Fifth	29	37	128%	Internship is still underway	Internship is still underway	Oct-15	Dec-15
6	Sixth	21	56	267%			Nov-15	Jan- 16
	Total	400	533	133%	428.0	107%		

Source: HEST project AIDE- MEMOIRE November 2015

Analysis

Link between financial and physical performance

The implementation of project activities was about 15% against disbursement level of about 2.64%. The project had completed designs for civil works, identified and placed beneficiaries under the student merit based scholarships and staff who are undertaking development training. Preparation of feasibility studies for the business incubation centers and business plans for the incubator centers were finalized expect the plan for activities at Kyambogo University.

Achievement of set targets

The project achieved less than 40% of the set targets. The major works which are civil in nature had not taken off in the BIs. By 31st December 2015, only MUBS had started on civil works.

Gender equality
There are fewer females than males supported under the project. Institutions which are not core science MUBS and UMI have more females. For example MUST has 29 male and 9 female admitted for undergraduate programmes.

Implementation Challenges

- The staff who secured admissions and reported for their various MSCs and PhD programmes in various foreign universities are facing financial challenges because government has not been able to remit their tuition and up-keep under the ADB-HEST project. Government's counterpart funding has delayed for two financial years (FY14/15, 15/16) and many of them are on the verge of abandoning their courses. This has affected over 30 staff for MUBS in addition to those in other universities.

- Sustainability of training beyond the ADB-HEST project lifetime is a challenge.

Conclusion
Implementation of project activities is behind schedule. This is largely on account of the low rate of disbursement which stands at 2.64% with 60% of the project time elapsed/ two years after effectiveness.

Recommendation

- The MFPED should expedite the release of the GoU counterpart funding component to the ADB-HEST project so as to be able to support the beneficiaries of the staff development in the various universities.
- The MoESTS needs to ensure that all civil works under the ADB-HEST project kick off.
- The GoU should make mechanisms in place to fund the staff that will not have completed their training by the end of the ADB-HEST project.

5.2.5 Higher Education Students Financing Board (HESFB)

Background

The Higher Education Students' Financing Board (HESFB) is a body Corporate established by an Act of Parliament, number 2 of 2014, to provide both Loans and Scholarships to Ugandan Students to pursue higher Education. The 1995 constitution chapter 4, article 30 provides that all persons have a right to Education and this is expounded in the preamble to the constitution which provides for national objectives and directive principles of state policy that directs the state to take appropriate, measures to afford every Ugandan equal opportunities to attain the highest standards possible.

The objectives of the Students' Loan Scheme are:-

1. To increase equitable access to higher education in Uganda
2. To support highly qualified students who may not afford higher education

3. To ensure regional balance in higher education services in Uganda

Since 2014, the HESFB has been operating as a programme subvention under the MoESTS.

Findings

i) **Financial Performance**

The approved budget for FY 2015/16 is Ug shs 12.1 billion of which Ug shs 8.84 billion is to cater for student loans while Ug shs 3.34 billion is for wage and non-wage expenditure. By half year, the HESFB had received total of Ug shs 5.5 billion (45%) of the budget. A total of Ug shs 3.353 billion was expended by 31st December 2015 to various universities as loans for both first and second year students for semester one of academic year 2015/16. Release performance was excellent as 90% of the expected funds had been released (45% released out of the expected 50%).

Physical Performance

a) **Overall Performance**

A total number of 2,474 students in the universities and other tertiary institutions have been supported by the Board since its inception. These are first and second year students. The cumulative total transferred to various universities as loans to students stands at Ug shs 3.596 billion.

b) **Current performance**

Table 5.19: Planned Activities for Q1& Q2 FY 2015/16 and implementation status by half year

Planned Outputs	Status by December 2015
HESFB staff salaries paid and statutory deductions remitted	Staff salaries for contracted staff paid for the half year
Coordination meetings held with universities	Coordination meetings were held with various universities and other tertiary institutions. The loans officers held meetings with students in universities and other tertiary institutions.
One data entrant recruited on short term basis to clean up information in Integrated Loan Management System (ILMIS)	One data entrant was recruited to help in data clean up exercise
5 contract committee meetings held	5 contract committee meetings were held to review the draft contract for medical scheme, evaluation for supply of laptops and computers, supply of calendars, dairies and Christmas cards
One lap top and 3 desk top computers procured	Evaluation process finalized
1 security guard at ED's residence and 4 Police officers at the office provided	Security was provided for the ED's residence and at the office both during night and day

Planned Outputs	Status by December 2015
Pay utilities	Bills for utilities were paid
Office supplies and imprest paid	Office supplies and other office requirements were supplied
Phased implementation of the Integrated Loan Management System ILMIS implemented	The consultant has been providing hands on support to staff on the use of the system and implementation is on course
Staff medical scheme implemented	Jubilee insurance was selected to provide medical insurance for staff. Medical insurance has been paid for staff and two dependants.
Staff travel to universities and other institutions	HESFB staff travelled to various universities or orient staff and to sign agreements with students
Sensitization meetings held in universities and monthly talk shows held	Conducted radio talk shows and supported radio spot messages, placed advertsemts in the print media and conducted sensitization exercises in universities and other tertiary institutions
3 staff trained in short courses per quarter	The ICT administrator, office assistant and the Internal auditor attended different short courses
100 copies of loan award reports calendars, diaries and Christmas cards printed and distributed.	100 copies of loan award reports calendars, diaries and Christmas cards were printed and distributed.
Airtime provided for official communication	Airtime for official communication was provided
Rent for office space paid	Rent for office space was paid
2 staff members travel abroad for study tour	Two staff travelled to Ghana to attend the AAHEFA Annual General Meeting
Four Pool vehicles fuelled and serviced	Four vehicles were fuelled and serviced
Four vehicles repaired and maintained	Payments were made for vehicle servicing and maintenance
Office equipment maintained	Office equipment maintained and payments made
Office table for the ED procured	One office table for the ED's office was procured
One HESFB Board meeting per quarter facilitated	One Board meeting per quarter was held and facilitated
Two finance meetings held	Held one finance meetings to prepare and finalize the recruitment plan
One scholarship meeting held	Held a loan and scholarship committee meeting to approve the list of successful applicants for award of students' loan for year 2015/16 and selected beneficiaries were published.
Retainer fees for Board members	Retainer fees for Board members were paid
Support travel abroad for members of the Board	The Hon Minister of MoESTS, the Director of MoESTS and the manager Legal Affairs HESFB were supported to attend the meeting on Common Wealth Scholarships

Planned Outputs	Status by December 2015
	in UK.

Source: HESFB

Analysis

Link between financial and physical performance

There was a good link between the financial and physical performance of the HESFB. The release and expenditure performance was excellent. Most of the funds were transferred to various universities as loans for both first and second year students for Semester one of academic year 2015/16. For FY 2014/15, a total of 1,000 students were supported while for FY 2015/16, 1,276 students have been supported. Most outputs were delivered as planned.

Achievement of set targets

The board exhibited very good achievement of the output targets. Out of the 14 planned outputs, 13 (92%) were substantially achieved. One output was not fully achieved due to shortfall in funds released. With the funds released in Q1 and Q2 FY2015/16, the board was able to pay fully for 1,918 students leaving a balance of 556.

Implementation Challenges

- The board received over 4,600 applications from needy students who deserve to be supported. However, only 1,076 under graduates and 200 Diploma students were selected due to limited financial resources.
- Inability to synchronize admission dates between public and private universities. The board relies on admissions from these universities to start its own selection process. The selection process for universities is not synchronized in terms of dates. So the Board has to wait until all universities have finalized. This gives the Board very little time before universities open. The challenge is that a student who applied for a loan can be admitted in more than one university being given different courses. The Board has very little time to find out that this is the same person so that other deserving students take the opportunity.
- Inability to reach out and sensitize the public: The board is mandated to sensitize and guide the applicant's especially on accredited programmes. However, continues to receive applications from non-accredited programmes which is clearly a case of lack of information.
- Escalating exchange rate: The Board has contractual obligations such as payment of rent, payment for ILMIS and subscription to AAHEFA negotiated in dollars at the time of budgeting the exchange rate was 1 dollar costing 2,700. The current exchange rate today is 1 dollar costing Ug shs 3,400. This is a loss in money terms and hence the Board may not be able to meet some of its obligations.
- The Board did not pay fees for loan students to a tune of Ug shs 1billion. Semester I is in Q2 (October to December). When the Board does not receive funds to pay for their tuition, students are not allowed to sit exams. Semester II is in Q3. The Board expected all funds to be frontloaded in Q3 but this has not happened. This is going to create arrears for the affected students in the respective universities.

- The Higher Education Students Financing Scheme (HESFS) remains a budget line item under vote 013. This affects its planned activities and does not give it prominence in terms of growth, future prospects and funding. HESFS' performance is also not clearly brought out in Vote 013's performance report. HESFS's budget is sometimes negatively affected when Vote 013 has other competing priorities. Because of this HSFS needs to be consider to be given its own vote.

Recommendation

- Admission of students to universities should be done by one body. This will go a long way in ensuring that one students is admitted to one public university and open up opportunities for all deserving students.
- The MoESTS should ensure that all fees for students under the scheme be paid before the close of FY 2015/16 so as not to create arrears.
- The HESFB should be made a Vote of its own so they that they manage and account for their budget.

5.2.6 Quality and Standards (Vote Function: 0706)

The vote function provides: support development of professionally competent, motivated and ethical teachers for pre-primary and primary, secondary, and technical education; licensing and registering of teachers for primary, secondary and early childhood development; develop systematic approaches to inspection by developing, reviewing and evaluating standards; provide inspection and support supervision on the implementation of policies, build capacity and train inspectors and head teachers.

It provides reports and disseminates findings on the quality of education and give expert advice to stakeholders; initiate, develop and review curricula and instructional materials for primary, secondary and tertiary levels to promote quality education for national development and coordinate the procurement of instructional materials for schools and other institutions.

The vote function has two recurrent programmes and three development projects. The recurrent programmes are: Teacher education and Education Standards Agency while the development projects are: Relocation of Shimoni PTC (0984), Improving the training of BTVET Technical Instructors, Health Tutors and Secondary Teachers in Uganda (1223) and Development of PTCs Phase III (1340).

The approved budget for the Vote Function is Ug shs 42.56 billion of which Ug shs 11.5billion (27.0%) was released and Ug shs 11.32billion (98.4%) spent by 31st December 2015. Two projects and one recurrent programme were monitored to assess performance by 31st December 2015.

Development of Primary Teacher's Colleges-Phase 11 (1340)

Background

Government intends to alleviate the status of five (5) of the 27 colleges into Core Primary Teachers' Colleges. This means more resources for rehabilitation, reconstruction and, or expansion of infrastructure and provision of equipment. However, for uniformity of training, Government will rehabilitate/reconstruct and , or expand and equip all the remaining twenty-two (22) Primary Teachers Colleges, which are training teachers for the same Primary School System to ensure total quality of Primary education. Project's start date is 01/07/2015 and completion date is 30/06/2019.

Table 5.20: Planned activities for Q1 and Q2 FY 2015/16

Outputs	Q1 & Q2
Government Buildings and Administrative Infrastructure (070672)	• Certificates for ongoing works at 10 sites of Kisoro, Rukungiri, Rakai, Kabukunge, Christ the King, Erepi, Busuubizi, Kabale, Bukinda, Kabwangasi and Kaliro paid. • Construction works at five sites of Kitgum, Busikho, Buhungiro, Jinja and Ibanda kick started • 10 site meetings and monitoring visits at construction works paid
Policies, laws, guidelines, plans and strategies (070601)	Photocopying services and stationery to facilitate documentation of the project procured

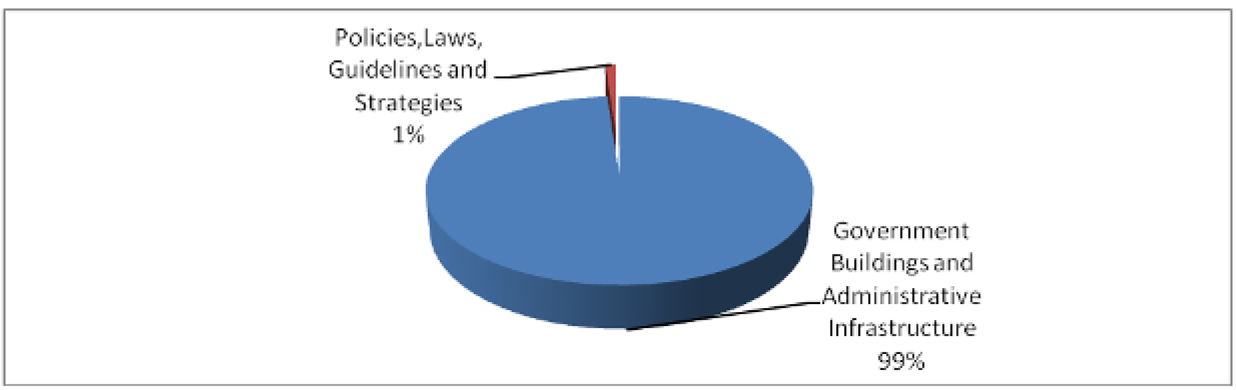
Source: MoESTS Quarterly Work plan FY 2015/16

Findings

i) Financial Performance

The approved budget for FY 2015/16 is Ug shs 5,377,823,719 of which Ug shs 1,346,919,623 (25%) was released by Q2 and Ug shs 1,313,134,732 (95%) expended by 31st December 2015. Release performance was below average as 25% (of the expected 50% funds) were released. In regards to absorption, 99% of the released funds were utilized on Government buildings and administrative infrastructure. Figure 5.3 shows expenditures by output category

Figure 5.3: Project Expenditures by Output Category



Source: IFMS data January 2016

ii) Physical Performance

- **Past performance**

In FY 2014/15, the sub-sector facilitated the payment of the certificates for ongoing construction works at Paidha, Arua, Canon Lawrence, Bukedea, Kapchorwa, Bundibugyo, Buhungiro and Ibanda PTCs respectively. Kick started construction works on eight other PTCs (Kisoro, Kaliro, Rukungiri, Rakai, Kabwangasi, Kabukungu, CTK and Erepi)

- **Current Performance**

Government Buildings and Administrative Infrastructure

The MoESTS reported that construction works had kick started at five PTCs and certificates were paid for ongoing works at 10 Primary Teachers' Colleges. Five out of the 10 institutions were sampled to assess level of implementation and findings are as below;

Busubizi Core PTC

The MoESTS planned to rehabilitate a multi-purpose hall at Busuubizi PTC in FY 2015/16. Civil works were contracted to M/s Kevin Co Uganda limited at a sum of Ug shs 711,353,064 for a period of 12 months. The contract end date is 7th May 2016. By 18th January 2016, progress of civil works was at finishes stage (70% complete). The remaining works included painting, electricals second fix, floor screeding, completion works on the stage and the veranda works. Two certificates had been prepared and one of Ug shs 117,847,470 was paid while the second of Ug 71,235,963 was being processed.

Left: The outside view of the multipurpose hall, Right: The Principal showing the inside view of the multipurpose hall at Busuubizi PTC

Christ the King Core Primary Teachers' College- Gulu District

The college is located in Obiya East village, For God parish, Baridege Sub County in Gulu Municipality. The contract for construction of a storied dormitory block and sanitation facilities was awarded to M/s NKW Building and Construction Company Limited at a sum of Ug shs 1,020,259,477 for a period of 12 months. The contract start date was 3rd June, 2015 and completion date is 3rd June, 2016. The scope of works was: construction of storied dormitory block, ablution block and a six stance lined pit latrine.

By 11th January 2016, the contractor had been paid Ug shs 297,915,767 and status of civil works was as follows:

- **Storied dormitory block**- A two storied dormitory for girls was constructed up to first floor slab.
- **Ablution block**; plinth walls were built although the MoESTS indicated that the walls were not as per the drawings. It was noted that the contractor had been instructed to cast strip foundations and build all plinth walls as indicated on the lay out drawings for the foundation plan. The septic tank was built with suspended floor slab cast.
- **Six stance lined pit latrine**. A six stance lined VIP latrine was at ground slab level. Overall the quality of work so far done was good however works were behind schedule at about 40% works done and over 50% of the time used.


Left: A two storied dormitory for girls and Right: The six stance lined VIP latrine at Christ the King PTC in Gulu

Kabukunge PTC

The college is located in Kabukunge cell, Kikukumbi ward in Kalungu Town council in Kalungu district. The contract for construction of two dormitory blocks, a five and a six stance VIP latrine blocks and two blocks of student showers was awarded to M/s Fame Logistics Limited. The contract sum is Ug shs 855,400,290 and works commenced on 30th March 2015 for a period of 12 months. By December 2015, the MoESTS had transferred Ug shs 375,066,084 to the PTC. Out of this, two certificates amounting to Ug shs 373,000,000 were paid to the contractors in two instalments. The first certificate was Ug shs 248,000,000 paid in September 2015 while the second was Ug shs 125,000,000 paid in December 2015.

By 14th January 2016, civil works were substantially complete. Overall physical progress was at 98%. Details of civil works were as follows;

- Girls' dormitory block was substantially complete. The remaining works included painting, fixing shutters, connection to the electricity grid and supplying the beds.
- Boys' dormitory block was substantially complete. The remaining works included painting, fixing shutters, connection to the electricity grid and supplying the beds.

- The six stance and a five stance VIP latrine blocks were substantially complete. The remaining works were fitting shutters.
- Two blocks of student showers were completed.

Left: A girls' dormitory, Right: A boys' dormitory; and a boy's six stance VIP latrine and a shower block completed at Kabukunge PTC

Kaliro Primary Teachers' College

The college is located in Naigobwa cell, Kaliro Town Council in Kaliro district. The MoESTS planned to construct two dormitory blocks, five and six stance VIP latrines and two students shower blocks at this PTC. The contract for civil works was awarded to M/s Jamuta Investments Limited at a sum of Ug shs 830,242,764 for a period 12 months. The site was handed over on 23rd April 2015.

The overall physical progress was at 70% by 15th January 2016 as shown below:

- The two dormitory blocks were at finishes level. The remaining works included internal and external plastering, fixing window and door shutters, floor screeding, veranda works, the ceiling works and painting.
- The five and a six stance VIP latrine blocks were also at finishes level. The remaining works were internal and external plastering, fixing door shutters, floor screeding, veranda works and painting.
- The two students shower block were at finishes level. The remaining works were internal and external plastering, fixing door shutters, floor screeding, veranda works and

The two dormitory blocks (one for boys and one for girls) constructed at Kaliro PTC

painting.

December 2015, the MoESTS had transferred Ug shs 166,048,553 to the PTC. Out of this the PTC paid the first certificate worth Ug shs 145,311,867 to the contractor.

The five and the six stance VIP latrines and the shower block at Kaliro PTC

Rakai Primary Teachers' College, Biikira

The college is located in Kigenya parish, Bikira village, Kasali sub-county, Kyotera county in Rakai district. The MoESTS planned to construct a boy's dormitory, office block and a six stance VIP latrine at this PTC. The contract for civil works was awarded to M/s I.Musiitwa Investments Limited at a sum of Ug shs 663,658,079 for a period of 12 months. The completion date for all civil works was February 2016. By 14th January the progress of works was as follows:

Overall physical progress was at 40%. All civil works at the site were behind schedule.

- The dormitory block was at finishes level. The remaining works were internal and external plastering, fixing window and door shutters, electrical first and second fix, all the ceiling works, floor screeding, painting and supply of beds.
- The office block was at ring beam level. The pending works included roofing and finishes works; internal and external plastering, fixing window and door shutters, electrical first and second fix, all the ceiling works, floor screeding and painting.
- Works on the external toilet for the office block had not started while works on the sceptic tank were on the ground slab level.
- The six stance VIP latrine for boys was roofed. The pending works were internal and external plastering and painting. The sceptic tank was at ground slab level while the soak pit was yet to be filled with stones.

By December 2016, the MoESTS had transferred Ug shs 56,410,937 to the college of which Ug Shs 53, 026,281 was used to pay the first certificate and WHT of Ug shs 3,387,156 to URA. The contractor had raised a second certificate of Ug shs 107,000,000 which was yet to be paid.

Left: Dormitory, Right: Administration block at ring beam level at Rakai PTC

Analysis

Link between financial and physical performance

Project release performance was very poor compared to physical performance of the visited sites. The release performed at 25% (against a target of 50%) of the approved budget and physical performance averaged at about 64%. Physical performance of the PTCs was as follows: Busubuzi PTC (70%), Christ the King Gulu (40%), Rakai (40%), Kaliro (70%) and Kabukunge (98%).

Achievement of set targets

Set targets were achieved to an average of 64%. Progress of civil works in the various institutions ranged between 40% to 98%. The slow disbursement rates to the PTCs affected progress of civil works thus affecting achievement of set targets.

Conclusion

The MoESTS has not paid for much of the work that has been undertaken under Development of Primary Teacher's Colleges-Phase 11 (1340).

Recommendation

There is need to expedite the release of funds to pay contractors as payments are lagging physical works.

5.2.7 Improving the Training of BTVET Technical Instructors, Health Tutors and Secondary Teachers in Uganda - (1223)

Background

Tertiary institutions are currently struggling to produce graduates who have skills for employment and productivity and therefore this requires investments in technical training which will enhance skills for production. In order to achieve the above, the Government of Uganda in collaboration with the Belgian Government agreed to support selected interventions geared towards improvement of (a) TVET Instructors, Health Tutors Training and (b) Secondary Teacher Education in the Education sector; which are critical for skills development. The project started on 1st May 2012 and its completion date is 31st May 2017.

Objectives

1. To contribute to the increase of quality and equity in access, to Post Primary Education and Training level, as part Universal Post - Primary Education and Training (UPPET)
2. Provide an improved teaching and practice - oriented learning environment supported by a strengthened supervision and visitation service.

Table 5.21: Planned activities for Q1 and Q2 FY 2015/16

Outputs	Q1 & Q2
Government Buildings and Administrative Infrastructure (070672)	• Monitoring project activities in the colleges. • Rehabilitation and construction of four colleges and their practice schools including transport means. (Kaliro NTC, Mulago HTC, Abilonino and Muni).
Policies, laws, guidelines, plans and strategies (070601)	• Salaries and allowances for staff paid • Project activities monitored • Small office equipment procured • The education system for secondary and BTVET is strengthened in relation to the colleges in the areas of communication, support supervision and visitation, strategic management and lecturers qualifications
Curriculum Training of Teachers (070602)	The quality of teaching and learning in the supported colleges is improved

Source: MoESTS Quarterly Work plan FY 2015/16

Findings

i) Financial Performance

The project budget is Euro 17,500,000 and by 31st December 2016 Euro 9,562.896 (55%) of the project budget had been disbursed.

ii) Physical Performance

Half year monitoring focused on Kaliro NTC and status of implementation was as follows:

Kaliro National Teachers' College

The college is located in Natwana village, Butege parish, Namugongo sub-county in Kaliro district. The MoESTS with support from the Belgian Government planned to rehabilitate existing buildings (multi-purpose hall, lecture room block and administration block) and construction of new buildings (lecture rooms and resource center).

The contract for civil works was awarded to M/s Complant Engineering and Trade Uganda Limited at a sum of Ug shs 7,387,608,727 (VAT inclusive) for a period of 15 calendar months. The contract start date was 8th December, 2014 and the intended completion date is 7th March 2016. The supervising consultant is FBW.

By 31st December 2015, the contractor had been paid Ug shs 3,948,042,300 (53%) of the contract sum. Overall physical performance by 15th January 2016 was at 85%. Detailed physical progress is as follows:

<u>Renovation works</u>

- Multipurpose hall was 95% complete and finishes works ongoing included terrazzo cleaning.
- The renovation works for Block Y were completed.
- The renovation works for Block X were on going.

Left: Block 'Y' renovated, Right: Renovation of block 'X' on going at Kaliro NTC

<u>New Works</u>

- Construction of Block C1 was at 85% level of completion. The remaining works included electrical second fix, completing the plumbing works and painting.
- Construction work on three lecture rooms (i.e Blocks C2, D and E) were at 85% complete. Internal plastering was ongoing. The remaining works included electrical second fix, completing the plumbing works, painting fitting earthing and lightening arresters, solar, voice and data installation as well as all the external works.
- Works on the Biogas toilets/digester was at 65% level of completion. The remaining works included pipe laying, connection of PVCs, bio gas bags and putting a roof on the bio gas trough.

- External kitchen and Underground water tank was completed.

Left: The Resourse centre, Right: One of the three lecture blocks contructed at Kaliro NTC

Analysis

Link between financial and physical performance

More works have been completed on the ground than what has been paid for.

Achievement of set targets

Achievement of set targets was on schedule.

Conclusion

The project has been well executed within the contract period. The quality of both the renovation and new works was good.

Recommendation

The MoESTS needs to expedite the process of payments for completed works

5.2.8 Presidential Pledges

Background

Since FY 2008/09 to date, government has continued to provide funds each FY to cater for presidential pledges under the education sector. The funds are for construction of different structures such as classrooms, workshops, administration blocks, dormitory blocks, multipurpose halls, science laboratories, library blocks, and VIP latrines, procurement of desks and provision of transport to different education institutions as pledged by His Excellence the President of Uganda.

Table 5.22: Planned activities for funding FY 2015/16

Pledge	District/ Location	Facilities	Allocation FY 2015/16 (Ug shs)
BTVET Sub-sector			
Buhweju Technical Institute	Buhweju	Rehabilitate and Equip the Technical Institute	135,000,135
Engineer Kauliza Kasadha Technical Institute	Bugiri	Administration, 4 Classrooms, 2 Workshops, 2 Dormitories, 12 VIP Lat. Stance, 1 W/Equipments, and 4 Staff houses.	161,500,000
Wekomire Catholic Parish	Kyegegwa	Construction of a technical school at Wekomire Catholic Parish; Admn block, 2 classroom block, 2 workshop block, dormitory block, (2)2 unit staff house, (2)5 stance VIP latrine stance, (2) stance lined VIP Latrine, Assorted workshop tools and equipment	304,141,023
Okwang Technical Vocational School	Otuke	Construction of a Technical Vocational School in Okwang Sub-county.(Admn block, 2 classroom block, 2 workshop block, dormitory block, (2)2 unit staff house, (2)5 stance VIP latrine stance, (2) stance lined VIP Latrine, Assorted workshop tools and equipment)	200,000,000
St. Jude Senior Secondary Vocational School	Masaka		142,567,173
James Mbigiti Memorial Technical Institute	Iganga	Construction of a Technical Instittue in Bugweri(Admn block, 2 classroom block, 2 workshop block, dormitory block, (2)2 unit staff house, (2)5 stance VIP latrine stance, (2) stance lined VIP Latrine, Assorted workshop tools and equipment)	310,000,000
Primary Sub-sector			
Rhoda Acen	Amuria	Construction of a primary school in Amusus Parish	150,000,000
Kongunga Primary School	Bukedea	Construction of a primary school in war affected region of Kachumbala during 1986 war	150,000,000
St. Mark Girls P/S	Luwero	Renovation of the school destroyed by hailstorm	150,000,000
Busaiga Primary School	Kabarole	Construction of a Primary School in Kichwamba Sub county, Burahya County	173,430,762
Mashongora Primary School	Kabarole	Construction of a Primary School in Hakibaale Sub county, Burahya County	200,000,000
Lwala Boys P/S	Kaberamaido	Construct a new classroom block (3 classroom block)	70,787,742

Pledge	District/ Location	Facilities	Allocation FY 2015/16 (Ug shs)
St. Augustine PTC	Kyenjojo	Construction of a multipurpose hall and kitchen	200,000,000
Rwesande SDA	Kasese	Construction of 8 classrooms, VIP latrines, Administrative Block and Library	211,295,053
Bukatira Primary school	Nakaseke	Construction of a 7 classroom block, a boys' and girls'VIP latrines, and an Administrative Block	150,000,000
Highland Community Primary School	Butaleja	Construction of a four classroom block at Highland Community Primary School in Naweyo sub-county, Bunyole East.	119,593,158
Secondary Sub-sector			
Support to Secondary schools in Buhweju	Buhweju	Support to Secondary Schools by equipping Science and Computer laboratories	240,000,000
Katakwi High School	Katakwi	School bus for the school	150,000,000
Butte Parish	Mayuge	Construction of a secondary Government School	260,109,278
Our Lady of Guadalupe SSS	Gomba	equipment for science lab	20,000,000
Secondary School	Jinja MC	Construction of a secondary school on Jinja Municipality East Constituency (Masese SS)	306,655,611
Kamwenge (Bihanga)	Kamwenge	Construction of seed Secondary School	200,000,000
Karangura SS	Kabarole	Construction of a Secondary School in Karangura Sub county, Burahya County	200,000,000
Kifamba Comprehensive S.S	Rakai	Rehabilitation of the school (1st & 2nd Installment)	44,000,000
Njangali Girls High School	Hoima	Essential chemicals, Equipment, Apparatus and reagents for new Laboratory (Funds for 3 science kits & 2 chemical kits and lab equipment)	20,000,000
Budumba Community Secondary School	Butaleja	Construction of a four classroom block.	119,593,158

Pledge	District/ Location	Facilities	Allocation FY 2015/16 (Ug shs)
Grand Total			4,538,673,093

Source: Field Findings

Findings

i) **Financial Performance**

In FY 2015/16, the total allocation under presidential pledges is Ug shs 4,538,673,093. The Q1 release was Ug shs 907,734,619 and Q2 release was Ug shs 1,168,111,429. The cumulative released by 31st December 2015 was Ug shs 2, 075, 846,048 (45.7%) of the approved budget. Release performance was very good as 45% (out of the expected 50%). All the funds were transferred to the various Local Governments where beneficiary institutions are located. The primary sub-sector received the largest share of the budget with Ug shs 864,307,020, followed by the secondary sub-sector with Ug shs 675,053,326 and BTVET sub-sector which received Ug shs 536,485,701.

ii) **Physical Performance**

a) Bukatira Primary School- Nakaseke District

The school is located in Bukatira LC1, Seggalye parish, Semuto Sub-County. The President pledged to construct a seven classroom block, a boys' and girls' VIP latrine and an administrative block. The total budget for construction is Ug shs 150,000,000 of which Ug shs 99,000,000 (66%) was disbursed by Q2 FY 2015/16. It was reported that the school wrote to MoESTS requesting that funds be earmarked for construction of teachers' houses, desks and VIP latrines for teachers since the classrooms were constructed in the previous FY. The request was granted and by 13th January 2016, procurement process was ongoing and no awards had been made by 13th January 2016.

b) Engineer Kauliza Kasadha Technical Institute –Bugiri District

The institute is located in Nongo village, Nono parish, Muterere Sub-County. The President pledged to construct a new technical institute in Bugiri District called Engineer Kauliza Kasadha Technical Institute in FY 2013/14. The district contracted M/s Wani General Enterprises (U) Limited at a sum of Ug shs 1.12 billion for a period of seven months. The scope of works were; construction of two workshops; two teachers' houses, two dormitories, an administration block, two stance VIP latrine, two 5 stance VIP latrine, two bathrooms and a two classroom block.

Works commenced in July 2014 and have since stalled.

This FY 2015/16 the MoESTS planned to remit Ug shs 161,500,000 towards the completion of the technical institute. By 15th January 2016, construction had not resumed and the place was still abandoned.


Two semi-detached houses left incomplete at Engineer Kauliza Kasadha Technical Institute, Bugiri District


Left: A two classroom block, Right: An administration block left incomplete at Engineer Kauliza Kasadha Technical Institute – Bugiri District


Two workshop blocks left incomplete at Engineer Kauliza Kasadha Technical Institute – Bugiri District

All buildings were left incomplete. However the funds budgeted for their completion this FY is inadequate so they will still not be completed.

c) Kifamba Comphrensive S.S –Rakai District

Construction of the multipurpose hall on-going at Kifamba Comprehensive S.S. in Rakai district

The school is located in Kifamba village, Kifamba parish, in Kifamba Sub-County. By Q2, the school had received Ug shs 17,600,000 (40%) out of the budget 44,000,000 for construction of a multipurpose hall (classroom/main hall). Rakai district awarded the contract to M/s Solumu Contractors Limited at a sum of Ug shs 42,500,000. By 14th January 2016, civil works were ongoing and were at window level. The contractor was to construct the structure up to roofing level at that contract sum. When more resources are received, a contract for the second phase to complete the project would be signed.

d) St. Augustine PTC-Kyenjojo District

The President pledged to construct a multi-purpose hall at St. Augustine PTC Butiti. The principal reported that two installments had been sent to the District by Q2; however the district had only transferred one installment of Ug shs 40,000,000 to the PTC account. The principal was not aware of the value of the second instalment. The delay in transfer of the second instalment affected the procurement process because the institution was not aware of how much would be available.

e) St. Mark Luwero Girls Primary School- Luwero District

The President pledged to renovate a main hall block that was destroyed by hailstorm. The MoESTS planned to fulfil that pledge during this FY 2015/16 at a cost of Ug shs 150,000,000. The scope of work was to construct a three classroom block with collapsible partitions to be able to serve as a main hall at the same time.

A total of Ug shs 68,605,273 (45%) had been received by the district by 31st December 2015. By 13th January 2016, funds were still on the district account and there were no civil works ongoing at the site. Procurement of a contractor was ongoing since the first advertisement did not attract any contractors.

f) Wekomire Catholic Parish Technical School- Kyegegwa District

Wekomire Technical School is located in Wekomire village, Wekomire parish opposite the Wekomire Catholic church. The President pledged to construct a technical school at this place. The MoESTS phased construction of the school. The first phase was done last FY 2014/15 by constructing a two classroom block, a workshop block and a five stance lined VIP latrines. All these were completed in November 2015 and are in their defects liability period. During FY 2015/16 the MoESTS planned to construct an administration block, a two stance lined VIP latrine for staff and a five stance line VIP latrine for students. Civil works for these structures were contracted to M/s Masta Logistics Construction Company. Works started on 4th January 2016 for a period six months. By 18th January 2016, all civil works were at extraction level

Analysis

Link between financial and physical performance

Out of the six beneficiary institutions visited under the Presidential Pledges, three had had their funds transferred to their accounts from the districts, while funds were still laying on the district collection accounts for the other three. Delays by districts to transfer funds to accounts of beneficiary institutions were causing implementation delays. Civil works were ongoing in only three institutions where funds had been transferred.

Achievement of set targets

Achievement of targets has been negatively affected by delays in transfer of funds from the district collection accounts to beneficiary institutions.

Conclusion

The disbursement of funds for activities under the Presidential Pledges through the district is causing delays in implementation.

Recommendation

- Funds for activities under the Presidential Pledges should be transferred directly to the accounts of the beneficiary institutions to avoid delays caused at the district. The MoESTS should provide account numbers of the beneficiary institutions to MoFPED.
- The MoESTS should handle an institution and complete it within a given FY instead of phasing the construction over several FYs by disbursing piecemeal amounts. A case in point is Engineer Kauliza Kasadha Technical Institute in Bugiri District which has not been completed since 2014.

5.3 Gulu University (Vote 149)

Background

The vote mission is *to be a leading academic institution for the promotion of rural transformation and industrialization for sustainable development*. The planned activities for FY 2015/16 are: i) admit 290 Government sponsored students and 3,500 private students, ii) register 10 additional PhD students and sponsor 20 additional masters programme students under AfDB HEST project, iii) sponsor 20 administration to undergo trainings, workshops, conferences and seminars under AfDB HEST project, iv) conduct 30 weeks of lectures and two weeks of exams for 5,000 students and v) conduct students field training for 400 students, internship and community clerkship for 200 students, carry out survey in 250 schools for school practice.

In addition the university plans to: conduct school practice for 750 students in the 250 schools, carry out recess term activities for 450 students for faulty of medicine and agriculture and environment, and carry out industrial attachment for 200 students. Conduct 10 research seminars and training, make 20 publications, prepare and present 20 research proposals for approval and funding, conduct 24 public lectures, produce 4,000 brochures on research guides, make subscriptions to 10 referred research journals , conduct community clerkship in 30 health centers for 150 medical students and carry out internship for 50 medical students.

The university plans to: Carry out Field visits/attachments and industrial visits for 250 students for Faculty of Agriculture and Environment, conduct five trainings/sensitization workshops for Health Center staff, carry out industrial attachment for 200 students, Pay Gratuity Arrears for 40 staff and Gratuity for 10 staff whose contract are ending in FY2015/16, recruit additional 50 teaching and 20 administrative staff. Open up boundaries of all Gulu University lands, at Nwoya, Latoro, Purongo, Forest, Gulu Town, Main campus, Process Titles for 82.7 acres of land in Latoro, 70 acres in the Municipal, procure 3,000 acres of land in Nwoya.

Commence the Construction of one Income Generation Unit with Offices, Construction of a Business Center with offices, banks, lecture rooms for Faculty of Business and Development Centre Phase I and II. Tarmac six kilometers of roads under AfDB HEST Project 1.5 km of road at Main campus, one kilometre of road from Faculty of Medicine New site to Bio-Systems Engineering workshop site. Procure of four Double cabin pickups for Faculty of Education and Humanities, Faculty of Medicine, Kitgum Campus and Faculty of Science, one station wagon for the office of the Deputy Vice Chancellor, two Motor Cycles for Audit and store, Procure Office 2013 with 500 user license, Increase Bandwidth from two Mbps to 30Mbps, Develop in-house Modules of Management Information Systems for stores, fleet management and Human Resources, construct Local Area Network in 18 Buildings at main Campus (Faculties of Science,

Humanities, Medicine, Agriculture and Environment, in Administration Block, Library, Academic Registrars Office, Faculty of Business and Development Studies, Institute of Research and Graduate Studies,

Procurement block, main hall, Department of Law buildings, Public Café, Gulu University, procure of 20 Personal Computers, five Laptops, five Heavy duty printers, four LCD Projectors, five servers, Implement CEMAS, implement AfDB HEST Project ICT components, Procure one heavy duty Generator (200KVA) for Faculty of Medicine, procure two Heavy duty copiers, procure two 20 feet containers for document archives, procure 2,000 Lecture chairs, 1,000 Library chairs, 200 library Tables, 50 office desks, 20 book shelves, 20 office chairs, 10 sideboards. Construct one new Library building, under AfDB HEST Project, one multi-functional Bio-Science laboratory under AFDB HEST Project, one Biotechnology Trauma and Disease Treatment Center, equipping of laboratories for Faculty of Science, Agriculture and medicine under AfDB HEST Project.

Construction of a Business Center in Faculty of Business and Development Studies, construction of Faculty of Agriculture and Environment block, Faculty of medicine Block, Faculty of Science Block (Under AfDB HEST Project), rehabilitation of lecture block at Faculty of Education and Humanities, Build and Repair walkways Pavements, carry out Plumbing, construct 1.0 kilometres of walkways at the main campus, 0.5 kilometres at faculty of

Agriculture and Environment. Build pavers for main campus and FOA&E and Medicine, Barricading non-walk areas at all Campuses.

Findings

i) Financial Performance

The approved budget for Vote 149 FY 2015/16 is Ug shs 30.763 billion including taxes and arrears. Out of this, Ug shs 21.093billion is GoU contribution and Ug shs 9.670 billion is non tax revenue. By end of Q2, Ug shs 13.376 billion (43.9 %) of the approved budget had been released and 100% expended. The performance of the vote for the period July to December 2015 is summarized in table 5.23.

Table 5.23 Overview of Vote Expenditures by 31st December 2015 *(Ug shs Billion)*

i) Excluding Arrears, Taxes		Approved Budget	Release	Expenditure	% Budget Released	% Releases spent
Recurrent	Wage	13.189	6.594	6.594	50	100
	Non Wage	5.087	2.467	2.467	48.5	100
Development	GoU	2.500	0.678	0.678	27.1	100
	Donor	0.000	0.000	0.000	N/A	N/A
GoU Total		**20.776**	**9.739**	**9.739**	**46.9**	**100**
Total GoU +Donor (MTEF)		**20.776**	**9.739**	**9.739**	**46.9**	**100**
ii) Arrears and Taxes		0.000	**0.000**	**0.000**	N/A	N/A
Arrears		**0.316**	0.116	**0.116**	**36.7**	100
Taxes						
Total Budget		**21.093**	**9.856**	**9.856**	**46.7**	**100**
iii) Non Tax Revenue		9.670	3.637	3.637	**37.6**	100
Grand Total		**30.763**	**13.492**	**13.492**	**43.9**	**100**
Excluding Taxes, Arrears		30.446	13.376	13.376	43.9	100

Source: Gulu University Performance Report January 2016

ii) Physical Performance

Recurrent programmes and development projects were monitored to assess the level of implementation and below are the findings;

a) Recurrent Programmes

- **Teaching and Training (Output 075101)**

By half year the following was achieved:
10 additional Masters Programme students were sponsored, 40 Undergraduate students were sponsored under AfDB HEST Project, five administration staff attended trainings, workshops, conferences and seminars. 15 weeks of lectures for 5,000 students were conducted, 242 Government sponsored students and 2,889 privately sponsored students were admitted, 44 students were admitted under the Finance Board Loan Scheme, 100 students undertook field visits and attachments from Faculty of Agriculture and Environment. Carried out recess term activities for 450 students for Faulty of medicine and Agriculture and Environment, Settled part-time teaching claims for 50 part-time lecturers.

Sponsored five administration staff for trainings, workshops, conferences and seminars. Conducted school Practice for 750 students in the 250 schools, carried out recess term for 450 students for Faculty of Agriculture and Environment and medicine in July and August 2015, carried out industrial training for 200 students for Faculty of Agriculture and Environment.

- **Research, Consultancy and Publications (Output 075102)**

Prepared and presented 10 Research proposals for approval and funding, conducted 10 Public lectures, conducted 5 research seminars and Trainings and 10 Publications were made.


Left: Some of the research equipment donated to Gulu University by the Netherlands Government being installed in Nutritional laboratory
Right: Research equipment donated to Gulu University by Israel Government being installed in the Micro biology laboratory

- **Outreach (Output 075103)**

Carried out Field visits/attachments and for 100 students for Faculty of Agriculture & Environment, conducted community clerkship in 30 Health centers for 50 Medical Students and carried out internship for 70 Medical students. Carried out Field Visits/attachments and industrial visits for 250 students for Faculty of Agriculture and Environment, conducted 5 trainings/sensitization workshops for Health Center staff, carried out industrial attachment for 200 students. Conducted community clerkship in 30 Health Centres for 150 Medical Students, and carried out internship for 50 Medical students.

- **Student Welfare (Output 075104)**

Paid welfare allowances for 200 students at Faculty of Medicine and 150 for Faculty of Agriculture and Environment on Recess term in July 2015, paid living out allowance for the Months of July - December 2015 for 830 Government sponsored students and paid welfare for 30 disability students,

- **Guild Services (Output 075151)**

Transferred Ug shs 375 million shillings to Gulu University Constituent College (GUCC)-Lira for Quarter 1 and Q2. Induction of Guild executive was done, swearing in of Guild officials was done, cultural galla was successfully held, renovation of GUCC-Lira Guild Offices, Guild budget was approved by Council, Cultural Gala carried out, Hostel visits and inspections done and Installation of Guild screen in the main hall done.

The guild renovated five room lecture block at the faculty of Education and Humanities, installed sign posts for student clubs, developed a guild website and participated in formulation of Uganda Youth Agenda. Competed in the Inter-University Championship, competed in the Inter-University Girls debate Championship under CEDA and obtained position three Nationally, Participated in the International Development Students Societies World Camp in Zanzibar.

- **Administration and Support Services (Output 075105)**

Paid Salaries for 421 staff on payroll and Wages for 30 casual workers, remitted 15% NSSF contribution to NSSF for the 421 staff, remitted Statutory Deductions (PAYE) to URA for the 421 staff for the Months of July - December 2015 and salary enhancements for teaching staff paid for the months of July to December 2015.

Challenges

i) Wage short fall

The university experienced a wage shortfall of about Ug shs 870 million per month due salary enhancement for the teaching staff. This affected the morale of staff given that some missed their salaries.

b) Development Projects

- **Acquisition of Land by Government (Output 075105)**

Land valuation of 1,552 Hectares of Land in Nwoya was completed, land surveyed, title processed and partial payments to land owners was done. In addition two families in Kitgum District, Amida Sub-County offered 60 acres of land. Agago District Local Government offered another 200 acres of land in Patongo Sub-County and 500 acres of land were offered by Pader Local Government.

It was reported that the land will be used for income generating activities such as tourism, wild life conservation, palm oil tree growing. For the land in Nwoya, the University has contacted BIDCO for prospects in palm oil growing.

- **Government Buildings and Administrative Infrastructure**

Procurement process for construction of Income Generation Unit was in progress, Renovation of Faculty of Business and Development Studies done, Re-painting Administration block done.

- **Roads, Streets and Highways (Output 075173)**

Procurement process for road works was ongoing.

- **Purchase of Motor Vehicles and Other Transport Equipment (Output 075175)**

Contract for the supply of one station wagon for the deputy Vice Chancellor was awarded, to M/s Toyota Uganda Limited and by 31st December 2015, 40% down payment had been processed.

- **Purchase of Office and ICT Equipment (Output 075176)**

Initiated procurement process for purchases of ICT equipment and services, procured and paid for 30 iPads, Increased Bandwidth from two mbps to five mbps and paid for, procured one heavy duty multifunctional color printer/copier/scanner/fax, paid for deliveries of ipads and MoU for website hosting unlimited capacity signed. Procured One hp Probook 450 G2 i7, TPLink with Router, one D40 Nikon Camera with two Zoom lenses, one External Backup 1TB, one External Backup 500GB, Data Card for IDs one Dell Desktop, one hp Printer M125, one power backup 650VA, 16 Assorted Tonner and 270 Cartridges for Exams, two Licensed Karspasky Anti Virus with three user Licenses each, four Packets of DVDs.

- **Purchase of Specialized Machinery and Equipment (Output 075177)**

Procurement process for a generator, one hHeavy duty copier and one 20 feet container was ongoing. The university procured one chest freezer 330, one Gas and Electric Cooker (2 in 1), one Fire safe with 100Kgs Model 55.035.

- **Purchase of Office and Residential Furniture and Fittings (Output 075178)**

Fabricated 150 Lecture chairs, procurement process initiated for supply of planned furniture as follows; 500 lecture chairs, 500 library chairs, 20 office desks, five book shelves, five office chairs and four side boards. Procured two Double face Book shelves, one 7-Seater sofa Set, three 2-Door Executive Book case, one Dining Table, one Reading table, one Office chair, one coffee set and one wall unit.

- **Construction and rehabilitation of learning facilities (Output 075180)**

The university procured assorted chemicals for chemistry and biology laboratories at the faculty of science, procured assorted Law report books and partitioned the library rooms in the Law block. The contract for construction of learning facilities under AfDB HEST project was awarded to SAMHEE Construction Company Limited and by 31st December 2015, the site had been handed over.

- **Lecture Room construction and rehabilitation-Universities (Output 075181)**

Bio-Systems laboratory/workshop and the Bio-science laboratory at Faculty of medicine were refurbished.

- **Campus based construction and rehabilitation-walkways, plumbing, other (Output 075184)**

Procurement process for Construction of 1.0 kms of walkways at main campus was ongoing and the University procured assorted tools for plumbing and electrical works.

Analysis

Link between financial and physical performance

Over all financial performance was excellent with 46.9% of the budget released (out of the expected 50%) and 100% absorbed by 31st December 2015. The recurrent budget release performance was better than development budget with over 45% release for wage and non-wage whereas development budget release was at 27%. Releases affected physical performance especially for capital development projects.

Achievement of set targets

The vote achieved 90% of the targets for recurrent programmes and 40% for development projects. Implementation of activities was affected by lengthy procurement processes, late release of funds, low student enrolment, low fees collections and budget cuts.

Conclusion

The Vote underperformed on the development programmes side and needs to speed up implementation of development activities during the remaining half of the FY.

Recommendations

- The institution should put in place tighter controls for fees collections to ensure that funds are readily available for activity implementation.
- The MoESTS should ensure that counterpart funds are remitted in time to ensure that trainees are not interrupted in their studies.

5.4 Makerere University Business School (Vote 138)

Background

The vote mission *is to enable the future of their clients through creation and provision of knowledge*. The planned activities for FY 2015/16 are; i) a total of 20,592 students are expected to be registered for Academic year 2015/16 with 1,240 Government and 19,532 private ii) A total of 5,500 students are expected to graduate. iii) The target for research and publications will be a minimum of 60 research topics with 15 publications and 8 research conferences. iv) A total of 5,000 textbooks are expected to be purchased and subscriptions made for e-resources (electronic libraries).v) A total of 980 Government non resident students are expected to be paid living out allowances and students welfare to include accommodation and feeding to be catered for.vi) The students Guild support is to include guild activities, sports, chaplaincy, career guidance and counseling sessions. vii) A total of 905 staff will be provided for remunerations with 334 teaching and 571 non teaching.

The institution also planned to continue with the facilitation and maintenance of the smooth running of the School operation activities at Faculties and Departments that include provision of insurance services, hire of professional services, payment for utility bills, rent and rates, transport and fuel services, office requirements and stationery, maintenance of the infrastructure at MUBS main campus, Regional Campuses and Bugolobi Annex, purchase of machinery, office equipment, ICT computers and accessories, furniture and fittings. Start on construction of Lecture Halls phase one (Faculty of Commerce), replacement of asbestos roof to existing buildings. The ADB V Project (HEST) for the rehabilitation of Public Tertiary Institutions is expected to be continuing for FY 2015/16 and MUBS will benefit from ICT infrastructure, staff Development sponsorship at PhD level, research and publications, and construction of Faculty of Computing and Management Science. Furnishing of the new Library Complex is expected to be continuous with facilitation from ADB-HEST project and Internally Generated Funds.

Findings

i) Financial Performance

The approved budget for Vote 138 FY 2015/16 is Ug shs 57.917 billion excluding taxes and arrears. Of this, GoU's contribution is Ug shs 17.183 billion and the institution expects to generate non tax revenue amounting to Ug shs 40.734 billion. The GoU release and expenditure performance was excellent with 45.9% of the budget released (out of the expected 50%) and 100% absorbed by 31st December 2015. For non tax revenue, the school projected to generate 60% during the first half however Ug shs 20.4 billion (51%) was generated creating a shortfall of 9%. The vote performance during July to December 2015 is summarized in table 5.24.

Table 5.24: Overview of Vote Expenditures by 31st December 2015 *(Ug shs Billion)*

i) Excluding Arrears, Taxes	**Approved Budget**	**Release**	**Expenditure**	**% Budget Released**	**% Releases spent**
Recurrent Wage	11.425	5.713	5.713	50.0	100
Non Wage	2.958	1.426	1.426	48.2	100
Development GoU	2.800	0.742	0.742	26.5	100
Donor	0.000	000	000	N/A	N/A
GoU Total	**17.183**	**7.881**	**7.881**	**45.9**	**100**
Total GoU +Donor (MTEF)	**17.183**	**N/A**	**7.881**		
ii) Arrears and Taxes **Arrears**	**0.000**	**0.000**	**0.000**	**N/A**	**N/A**
Taxes	**0.000**	**0.000**	**0.000**	**N/A**	**N/A**
Total Budget	**17.183**	**7.881**	**7.881**	**45.9**	**100**
iii) Non Tax Revenue	**40.734**	**14.849**	**14.707**	**36.5**	**99.0**
Grand Total	**57.917**	**22.730**	**22.588**	**39.2**	**99.4**

Excluding Taxes, Arrears	57.917	22.730	22.588	39.2	99.4

Source: MUBS Vote performance Report, January 2016

ii) Physical Performance

a) Recurrent Programmes

- **Teaching and Training (Output 075101)**

A total of 16,169 students were registered online for semester one for MUBS programmes at all campuses using CEMAS (Computerized Education Management and Accounting System). Three academic board meetings were held. Registered students had their examination permits generated from online registration. Identify cards for first years were issued.

A total of 1,200 students on MUBS Diplomas and postgraduate diplomas successfully completed their programmes. Their graduation will be in May 2016. A total of 1,031 transcripts were issued to students who successfully completed their studies on postgraduate diploma, ordinary diploma and certificate programmes.

Orders for the procurement of 10,000 text books and 20,000 e-books for the school to improve on student book ratio were placed. The institution prepared alumni for 2015/16 academic year for reference and guidance for staff and students. Conducted lectures as per the timetable.

A coursework timetable and exams timetable for bachelor courses was prepared and tests were conducted and exams invigilated for the registered students. All the semester one scripts were marked and compiled. Compiled and submitted results of 3,847 successful finalists on Masters and Bachelors programmes to Makerere for the 66th graduation held in January 2016.

Three PhDs were attained, two academic staff registered and are pursuing PhD programmes, two academic staff registered and are pursing Masters Programmes, three administrative staff registered and are pursing Masters' programmes, eight support staff registered and are pursing bachelors' programmes.

Challenge

i) Delay in remittance of funds provided by the ADB-HEST project towards the support of the staff development programme affected training of staff that had enrolled in training institutions.

- **Guild Services (Output- 075151)**

The institution carried out career guidance orientation for all first year degree, diploma and certificate students. Organized a one day career master's workshop for the central region and hosted over 100 teachers. Organized guest lecturers for both Degree and Diploma students, participated at St.Peters S.S Nsambya, St Mary's College Kisubi, and Ndejje Senior Secondary School career days. Through the skills development programme, the institution was able to equip finalists at both degree and diploma levels with special employability skills.

The students under the SKIDEP (Practical skills Development programs) had two industrial visit to Kabanyoro farm and Iganga Saving Group. Extended spiritual guidance to staff and students, organized the annual trade bazaar in August 2015, participated in the orientation week in August 2015 and held by-elections for GRCs for all programmes in September 2015. Organized for canteen and hostels inspection on health and students' welfare, supervised cleaning and office maintenance works.

Kept a register of all items in the guild office, cleared finalist students for graduation, type set guild correspondences, filing and issued out students' mail. Responded to students' queries, addressed their issues where necessary. Participated in university football league and MUBS won Uganda Martyrs trophy. Participated in beach soccer championship in August and September and MUBS lead in Hurriken block.

MUBS was awarded the best football team in December, participated in the East African university games championship at Busoga University. The games union executive was successfully elected, offered eight places in Berlin hall and 12 slots for tuition waiver to outstanding sports personalities.

In November, MUBS held a netball match with UCU twice and MUBS led in one match. Attended East African University, attended East African University meeting at Jomo Kinyata University. Successfully held a fresher's welcome party for first year students of Academic Year 2015/16 on 23rd October 2015.

- **Subscriptions to Research and International Organization (output 075152)**

The institution initiated subscription payment of 40 databases to facilitate e-learning resources such as E-Z proxy link, shared digital resources for the schools benefit, subscribed to SSL certificates and these were acquired. Collaborated with Drake in exchange programme; staff and students from Drake visited the school for the programme.

Collaborated with the ICT University where five staff graduated with Masters in ICT. Collaborated with CUUL-E-resource sharing for capacity building, Uganda Debt Network for reports and journal, World Bank for journal, Ministry of Finance for Government reports, UBOS for reports and Journals, Nkozi University for Library staff familiarization tours, ULIA for professional development and Ministry of East African Affairs for books, reports and journals.

The department of leisure created a formal network with UNESCO Chair professor Lorenzo for UNSECO World Heritage sites on possibility of collaborating on E-tourism. The department signed a memorandum of understanding (MoU) with Protea group of hotels and Serena hotel, ministry of Tourism for national tourism initiations, star Uganda (USAID Project), Uganda Hotel Owners' Association and the Uganda Tourism Board.

- **Research, Consultancy and Publications (Output 075102)**

The institution approved 23 research proposals, reviewed and completed 22 research topics. Published 30 journals in high ranked journal publishers. Conducted a total of five research seminars across all faculties. Continue to provide research guidance to users through research seminars.

Challenge

i) Limited resources to carry out research and publish on time for economic development and efficient service delivery.

- **Students' Welfare (Output 075104)**

Paid living out allowance to 952 students on Government sponsorship. Accommodated 270 both government and private students in Berlin Hall for semester 1, FY 2015/16 on merit based and those on special consideration such as the disabled.

Provided meals to 1,200 Government sponsored students using the service provider contracted and fumigated the hostels.

- **Administration and Support Services (075105)**

Paid staff emoluments as budgeted to motivate and retain high calbre staff for academic, administrative and support; totaling to 836 staff. Maintained and facilitated school activities by paying suppliers of goods and services on time, providing accountability and safeguarding assets of the school to achieve value for money. Motivated staff with welfare services such as insurance policy, medical refunds and contributions to those who have lost their dear ones.

Continued with the implementation of CEMAS for efficient service delivery, plumbing system of block B and E was worked upon, supervised cleaning, garbage collection and hostel maintenance works. Some doors, locks and sockets were fixed in Berlin hall on bathrooms and student rooms.

Recruited competent, highly qualified and motivated staff as follows; 21 lecturers, 22 assistant lecturers, 55 teaching assistants and one nurse to support the Arua Campus.

Challenges

i) The school still faces financial constraints of partially financing the government payroll by 53.9%. Government contribution towards payment of salaries is only 46.1%.

ii) The CEMAS system does not cater for some functions such as Human Resource and procurement. The school has parallel reports which affect timely approvals.

Development Projects

b) Support to MUBS Infrastructural Development- (project 0896)

- **Government Buildings and Administrative Infrastructure- Output 075172**

Asbestos roofs replacement on existing buildings and expansion of lecture space; the school has buildings with asbestos roofs that need replacement. Services of a consultant were contracted; a needs assessment was carried out and cost estimates provided. The buildings that require re-roofing include; Block 1, 2, 7, 8, 9, Dean of students and MUBS annex; middle block. By 2nd February 2016, the school had prioritized three blocks (block 1, and two blocks from GRC) and was finalizing designs for expansion and reroofing the blocks.

Lecture Halls (Faculty of Commerce): The school contracted a consultant to provide architectural drawings and supervision of the main library and lecture halls. The drawings were completed and approved by the school. Contract for civil works was awarded to Seyani

Brothers. It was however noted that the school did not have adequate funds to construct both the main library and the lecture halls so MUBS decided to construct the library first.

The estimated cost for the building is Ug shs 10.8billion. This FY, the school has received partial funds towards the commencement of the project. By 2nd February 2016, the school had requested for consultancy services to review the existing drawings and BoQs for the construction of the lecture halls and services of a contractor. Bid evaluation was ongoing.

Lecture space: the school acquired extra spaces for Arua and Mbarara campuses for admissions in March 2016. Relocated MUBS Diploma students from MTAC to the main campus. Acquired Narambhai and processing the title for expansion of Jinja campus was ongoing.

- **Purchase of Office and ICT Equipment including software (Output 075176)**

By the end of the first half of FY 2015/16, the school had distributed six thin clients' computers to Faculty of Computing, Health center, Entrepreneurship Center, Bugolobi Annex. Wireless solution for main campus was installed and tests were being finalized. Maintained KOHA library system, acquired clock in machine for the school and implementation of the CEMAS was ongoing.

A generator, printer, 30 computers, three servers and one UPS for CEMAS project were received from Ministry of Finance. The CEMAS data center was successfully linked to the national backbone and facilitated online support for E-learning coordinating office. Purchased whiteboards for regional campuses, placed orders for scanners and photocopiers for departments in a phased manner.

- **Purchase of office and residential furniture and fittings**

Acquired furniture for the main library as follows; mid back fabric chairs (6), trolleys (4), reading tables (102), double sided shelves (168), single sided shelves (76), reading tables (102), PC carrels (10), AV carrels (18), meeting tables (16), corner piece tables (8), visitor fabric chair (40), main desk (6), two drawer desk pedestal (42), desks (36), desk mounted screen (46), cabinets (32), high back fabric chair (6) and mid back fabric (36). By 2nd February 2016, procurement process for more furniture was ongoing.

Analysis

Link between financial and physical performance

Over all financial performance was excellent with 45.9% of the budget released (out of the expected 50%) and 100% absorbed by 31st December 2015. The recurrent budget release performance was better than development budget with over 45% release for wage and non-wage whereas development budget release was only 26.5%. Releases affected physical performance especially for capital development projects. The institution was only able to initiate procurement activities for the development projects.

Achievement of set targets

The institution achieved most of the set targets for recurrent programmes. The target for development activities was to initiate procurement process which was 100% completed. However the institution was constrained with inadequate funds allocated to infrastructure development.

Implementation Challenges

i) Parallel Accounting systems; The Government through the Ministry of Finance introduced the Computerized Education Management and accounting system (CEMAS), the core functions that were taken on under the contract were the school registrar and finance. This left Human resource and procurement partially manual. This creates delays in approvals since some systems are manually run.

ii) Conflicting regulations; It was reported that the CEMAS and PPDA laws clash. CEMAS exposes information to the public whereas PPDA law requires that some information is not exposed to the public.

iii) Delay in remittance of counterpart funding for staff development: the Government committed to counterpart fund staff development up to 95% and development partner 5%. However government delayed to remit funds needed leading to the school paying from already constrained internally generated funds. This led to reduction in cash flows hindering performance of some activities for the school as projected.

iv) Disparities as a result of staff enhancement; Government enhanced the salaries of academic staff in post in July 2015, however the enhancement created disparities for staff that were promoted after the enhancement. This in effect has affected staff morale.

v) Financial constraints of partially financing the government payroll by 53.9%. It was noted that Government funds the pay roll by 46.1 which leaves the 53.9% to the institution. Given that the internally generated revenue received is sometimes less than expected, this poses a challenge in execution of certain activities.

vi) **Consultants for the CEMAS are not readily available** and being a new system, there are challenges with usage.

Conclusion

The Vote did not perform well on the development side due to inadequate funds allocated to infrastructure development.

Recommendations

- The office of the Accountant General should ensure that the all CEMAS modules are operational to avoid parallel systems which delay execution of activities.
- The MoESTS should ensure that counterpart funds are remitted in time to ensure that trainees don't face challenges in training.
- The MFPED should ensure that staff that were not in post at the time are considered for enhancement.
- The MFPED should take on the 53.9% wage bill to enable the school concentrate on other areas of infrastructure, research and teaching by use of internally generated revenue.
- The office of the Accountant General should ensure that consultants for CEMAS are available whenever they are called upon.

- The MFPED should release all funds for the development activities in time to allow implementation to take place before the close of the financial year.

CHAPTER 6: ENERGY

6.1 Introduction

The Energy and Minerals Sector supports the aspirations of the Vision 2040 and the objectives of the National Development Plan II (NDP II) by ensuring that there is reliable, adequate and sustainable exploitation, management and utilization of energy and mineral resources. The second National Development Plan has prioritized energy as one of the sectors where various interventions have to be implemented if Uganda is to realize Vision 2040[11].

6.1.1 Sector priorities

In the medium term 2015/16 -2019/20, the sector continues to focus on the key priority areas; these are[12]:

- Increase electricity generation capacity and expansion of the transmission and distribution networks;
- Increase access to modern energy services through rural electrification and renewable energy development;
- Promote and monitor petroleum exploration and development in order to achieve local production;
- Develop petroleum refining, pipeline transportation, and bulk storage infrastructure.
- Streamline petroleum supply and distribution;
- Promote and regulate mineral exploration, development, production and value addition; and
- Inspect and regulate exploration and mining operations
- Promotion of efficient utilisation of energy; and
- Monitoring geotectonic disturbances and radioactive emissions

6.1.2 Sector Budget Allocation and Financial Performance by Q2 FY 2015/16

Overall, sectoral release performance was poor, as 9% had been released by 31st December 2015. The poorest performance was noted against the tax requirements of the sector followed by donor release performance. Donor releases underperformed particularly at the Ministry of Energy and Mineral Development. Expenditure performance on the other hand was excellent at 98% of the overall released funds. (Table 6.1). The sector semi-annual financial performance is summarized in Table 6.1.

[11] Ministry of Energy and Mineral Development *Energy and Mineral Development Sector Strategic Investment Plan2014/15-2018/19* (Kampala, 2014)
[12] Ministry of Energy and Mineral Development *FY 2015/16 Ministerial Policy Statement (*Kampala 2015)

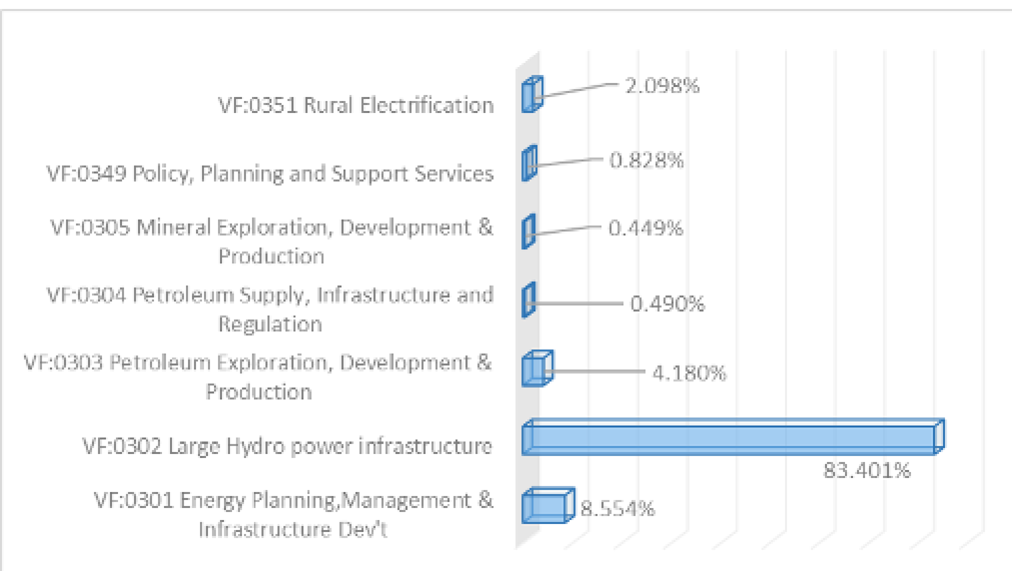
Table 6.1: Financial performance of the Energy and Minerals Sector by 31st December 2015

Energy and Minerals sector						
Component		Approved budget(Ug shs billion)	Release (Ug shs billion)	Expenditure (Ug shs billion)	Percentage releases	Percentage spent
Recurrent budget	Wage	4.063	2.353	2.213	58	94
	Non wage	5.348	1.713	1.393	32	81
Development budget	GoU	354.853	230.775	227.046	65	98
	Donor	2461.73	20.707	20.707	1	100
	Arrears	0.219	0.047	0.046	21	98
	Taxes	0.428	0	0	0	0
Totals	Grand total	2826.641	255.595	251.405	9	98

Source: MEMD and REA, Q2 Performance report

Petroleum supply, infrastructure, and regulation, Mineral exploration, development and production continue to be marginalised in the sector budget allocations. Rural electrification component also received a small share compared to the need to increase rural electrification to the medium term goal of 26% by 2022. (Figure 6.1).

Figure 6.1: Percentage share of sector budget by vote functions in the sector



Source: Approved Estimates of revenue and expenditure. Vol. 1 central government

Scope

The chapter presents semi-annual financial and physical performance of selected energy and minerals projects in FY 2015/16. The projects were selected basing on:

- Large budget allocations
- Projects previously monitored but having major implementation issues
- Regional geographical representativeness
- Projects with objectively verifiable outputs on ground

The monitoring focused on 14 out of the 26 projects implemented by the Ministry of Energy and Mineral Development and 2 out of the 3 projects implemented by the Rural Electrification Agency. Table 6.2 shows the monitored projects and the respective locations visited.

Table 6.2: Energy Sector Projects Monitored for Q2 FY 2015/16

Project code and Name	Location/ Areas visited
Vote 017: Ministry of Energy and Mineral Development	
Vote Function (VF) 0301: Energy Planning, Management and Infrastructure Development	
Bujagali Interconnection Project/Bujagali Switchyard Upgrade (Project 1024)	Jinja
Electricity Sector Development (Project 1212)	Wakiso, Mpigi, Butambala, Masaka, Mbarara
Mbarara- Nkenda/Tororo-Lira (Project: 1137)	Mbarara,Kasese, Tororo, Lira
Nile Equatorial Lakes Subsidiary Action Program-Bujagali-Tororo-Lessos/ Mbarara- Mirama- Birembo (Project 1140)	Jinja, Iganga, Mayuge,Bugiri, Tororo; Mbarara; Ntungamo
Promotion of Renewable Energy and Energy Efficiency (PREEE) Project: 1023:	Arua, Zombo, Maracha, Nebbi, Packwach
Vote Function 0302 Large Hydropower Infrastructure	
Isimba Hydropower Plant (Project 1143)	Kayunga
Karuma Hydropower Plant (Project 1183)	Kiryandongo
Nyagak III Hydro power plant	Paidha
Vote Function 0303 Petroleum Exploration Development Production (PEDP)	
Construction of the Oil Refinery(Project:1184)	Hoima
Midstream Petroleum Infrastructure Development (Project:1352)	Entebbe[13]
Strengthening the Development and Production Phases of Oil and Gas sector	Entebbe[14]
Vote Function 0304 Petroleum Supply, Infrastructure and Regulation	
Downstream Petroleum Infrastructure (Project 1258)	Jinja
Vote Function 0305: Mineral Exploration, Development and Production	
Mineral Wealth and Mining Infrastructure Development	Entebbe[15]
Uganda Geothermal Resources Development (Project 1199)	Entebbe[16]
Vote 123: Rural Electrification Agency	
0351: Rural Electrification	
Grid Extension Program-GBOBA (Project 1261)	Kasese, Rubirizi, Lira, Ntoroko
Rural Electrification (Project:1262)	Apac, Chegere, Kole, Akalo; baala; Ntungamo;

[13] The monitoring team held meetings in Entebbe
[14] The monitoring team held meetings in Entebbe
[15] The monitoring team held meetings in Entebbe
[16] The monitoring team held meetings in Entebbe

Project code and Name	Location/ Areas visited
	Rukungiri; Kanungu; Kisoro, Kabale, Mbarara; Nakasongola Luwero; Nakaseke, Hoima; Zombo; Arua; Paidha Wakiso; Butambala

Source: Author's compilation

6.2 Ministry of Energy and Mineral Development: Vote 017

The mandate of the Ministry of Energy and Mineral Development (MEMD) is to "*Establish, promote the development, strategically manage and safeguard the rational and sustainable exploitation and utilization of energy and mineral resources for social and economic development*"[17]

Vote 017: MEMD Financial Performance

Overall release performance was poor at 7% of the vote budget. The release performance was deflated by the zero release against the donor component. The GoU component performed well with 66% of the development budget released by 31st December 2015. The fund utilisation was excellent at 98% (Table 6.3). For the donor-funded projects, implementation continued using funds disbursed before July 2015.

Table 6.3: Financial performance of the Ministry of Energy and Mineral Development

Ministry of Energy and Mineral Development						
Component		Approved budget(Ug shs billion)	Release(Ug shs billion)	Expenditure(Ug shs billion)	Percentage releases	Percentage spent
Recurrent budget	Wage	4.063	2.353	2.213	58	94
	Non wage	5.348	1.713	1.393	32	81
Development budget	GoU	307.877	202.312	198.610	66	98
	Donor	2449.826	0	0	0	0
	Arrears	0.219	0.047	0.046	21	98
	Taxes	0	0	0	0	0
Totals	**Grand Total**	**2767.333**	**206.425**	**202.262**	**7**	**98**

Source: MEMD Q2 performance report

The vote comprises of six vote functions namely: Energy Planning, Management and Infrastructure Development; Large Hydropower Infrastructure; Petroleum Exploration

[17] MEMD *Ministerial Policy Statement 2015/16* (Kampala, 2015)

Development and Production; Mineral Exploration Development and Production; Petroleum Supply, Infrastructure and Regulation; and Policy, Planning and Support Services. The semi-annual monitoring focused on five vote functions namely: Energy Planning, Management and Infrastructure Development, Large Hydropower Plants, Petroleum Exploration, Development and Production, Petroleum Supply, Infrastructure and Regulation, and Mineral Exploration, Development and Production.

Vote Function 0301: Energy Planning, Management and Infrastructure Development
The Vote Function (VF) is responsible for promoting; increased investment in power generation, renewable energy development, rural electrification, improved energy access, energy efficient technologies, and private sector participation in the energy sector.[18] The vote function took up 8.55% of the energy sector budget for FY2015/16.

The VF comprises of 14 projects namely: Energy for Rural Transformation (ERT); Support to Thermal Generation; Promotion of Renewable Energy and Energy Efficiency; Bujagali Interconnection Project; Karuma Interconnection Project, Mputa Interconnection Project; Mbarara-Nkenda/ Tororo-Lira Transmission Lines; Nile Equatorial Lakes Subsidiary Action Programme.
Others are; Hoima-Kafu Interconnection; Electricity Sector Development Project; Opuyo-Moroto Interconnection Project; Electrification of Industrial Parks, Mirama-Kikagati-Nshungyenzi Transmission Line; Kampala-Entebbe Expansion Project.

A total of five projects were monitored and the detailed performance is presented below.

6.2.1 Bujagali Interconnection (Project: 1024)

Background

The Bujagali HPP was commissioned together with the interconnection lines. To operate the lines at the design voltage of 220kV, it was necessary that the switchyard upgrade to 220kV be implemented.

Following the substantial completion of the Bujagali Interconnection Project, there was a saving of approximately US$ 0.13 billion. These savings were recommended to be used for an identified additional scope within the project confines. The scope involves upgrade of the Bujagali Hydro Power Switchyard from 132kV to 220kV.

The objective of the project is to provide adequate transmission capacity for evacuation of electric power from Bujagali Power Station.

Annual planned output for 2015/16

- Bujagali Switchyard upgrade completed to 220kV.

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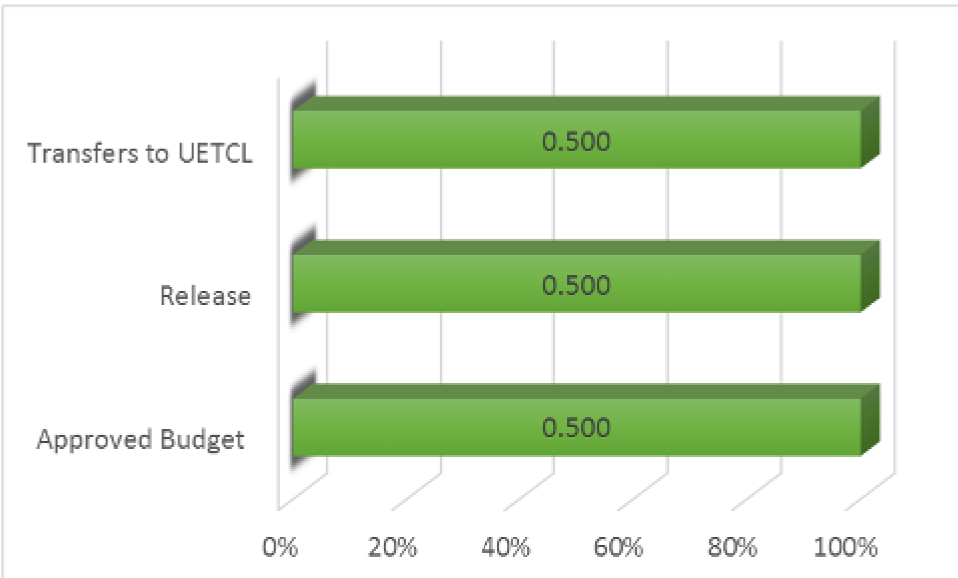
[18] MEMD *Ministerial Policy Statement 2015/16* (Kampala 2015)

Findings

Financial performance

The MFPED release and transfer from the MEMD to the Uganda Electricity Transmission Company Limited (UETCL), the implementers of the project was excellent as shown in figure 6.2. The approved budget of Ug shs 0.500 billion was all released, and transferred to the implementers.

Figure 6.2: Percentage financial performance for Bujagali Switchyard (Project: 1024)



Source: IFMS (December, 2015)

The loan agreement was signed on 30th October and 26th October 2007 for Japan International Cooperation Agency and African Development bank respectively. The date loan effectiveness and last disbursement are presented below. (Table 6.4).

Table 6.4: Distribution of Loan Financing

COMPONENT	JBIC/JICA	AFDB
Loan amounts	¥ 3,484,000,000	UA 19,210,000
Date of loan signature	30th october 2007	26th October 2007
Date of loan effectiveness/ date of first disbursement	21st March 2008	21st March 2008
Date of last disbursement	21st March 2015	30th September 2015

Source: UETCL

Payments to the National Contracting Company

By January 2016, the advance payment had all been recovered from the EPC contractor. The disbursements to the contractor for the importation of equipment was excellent at 94%. Other payments under performed due to the delayed completion of works on ground. The delay in completion of works attracted UETCL to apply Liquidated Damages (10% of contract value) as specified in Section VIII Particular Conditions GC 5.1.2. The deductions started in May 2015 and were to continue until the 10% of contract value is achieved (Table 6.5).

Table 6.5: Financial performance of the Bujagali Switchyard upgrade at 31st December 2015

Currency	Contract Amount	Payments	Balance to be paid	Total Deducted for liquidated damages	% payments
US$	6,821,293	6,420,694.80	400,598.20	136,750.60	94
EURO	1,251,169	250,233.80	1,000,935.20	367,939.96	20
Ug shs	345,075,361	58,487,349.40	286,588,011.60	3,870,362.70	17

Source: UETCL

Physical performance

The Engineering Procurement and Construction (EPC) contract was awarded to National Contracting Company. The project commenced in October 2013 and it was expected to end in February 2015. The contract has been characterised by numerous time extensions. The contractor has not been honouring the requested time extensions until the expiry of the revised contract and final payment of 30th September 2015. In response, the client issued liquidated damages of 2% per week starting in May 2015. By January 2016, recovery of the 10% of the contract sum was still ongoing until it is all recovered.

The new expected completion date is March 2016. The contractor requires relay settings of the existing Bujagali switchyard so that they place a manufacturing order for the relays of the upgraded switchyard. The relay settings of the old and upgraded substation must be compatible and the contractor awaits that from the client.

Overall, physical progress was 97% complete. Civil works were substantially completed, and electromechanical installation was at 95% completed. The few outstanding activities included; levelling, compaction and gravel spreading; Installation of 33kV Gas Insulated Switchgear (GIS), pre-commissioning inspection and testing, and commissioning. The detailed progress is presented in table 6.6 below.

Table 6.6: Physical performance of Bujagali Switch yard upgrade

Scope of works	Observed Physical Performance by January 2016
Bujagali Switchyard upgraded from 132kV to 220kV	
Site Survey and Substation Levelling	The site survey and substation levelling was completed.
Equipment foundations constructed	100% completed.
Tower foundations constructed	100% completed
Cable trenches constructed	100% completed

Scope of works	Observed Physical Performance by January 2016
Bujagali Switchyard upgraded from 132kV to 220kV	
Electrical cables laid	Laying of cables was ongoing at 60%
Earth mat laid	100% competed.
Access road with in the switch yard	This was yet to be done.
Storm water drainage channel	This was yet to be done.
Gantry, guarders and equipment support installed.	100% completed
2x250MVA Transformer installations	The two transformers had been installed at 98% completed.

Source: Field Findings

L-R: Finishes works on the electro-mechanical installations; completed line bays at Bujagali switchyard in Jinja district

Challenges

- Delays in clearance of the imported materials at the customs point.
- Poor contract execution in part due to the main contractor's engagement of a subcontractor with inadequate capacity.
- Rainy weather conditions affected the work schedule.s

Analysis

Link between financial and physical performance

There was a good link between financial and physical performance of the Bujagali Switchyard Project. Some loan funds (94%) were disbursed and the contractor imported 99% of equipment for the substation. Funds disbursement for works averaged at 19% due to delays in completion of works. By 31st December 2015, all the GoU released funds to the UETCL had been spent.

Achievement of targets

Project progress was close to completion at 97%. However, the project was behind schedule by one year. Therefore, the project achievement of targets was poor.

Conclusion

The Bujagali Switchyard upgrade project aimed to provide adequate transmission capacity for evacuation of electric power from Bujagali Power Station by February 2015. However, the project was characterised by numerous time extensions. Performance of the Bujagali switchyard upgrade was rated as below average. The capacity of the contractor was inadequate leading to use of the liquidated damages settlement to conclude some of their final payment.

Recommendations

- The UETCL should caution international contractors to execute due diligence before subcontracting for any works.
- The NCC and should urgently mobilize approved construction material and construction equipment and tools;

6.2.2 Electricity Sector Development Project (ESDP)- Project 1212

Background

The project is financed by the World Bank through the International Development Association (IDA).The Government of Uganda is responsible for the compensation and resettlement of Project Affected Persons (PAPs) as well as paying taxes on construction materials. The proposed project will contribute to Uganda's transmission sector expansion plan, focusing on high priority investments needed to upgrade and reinforce supply to the south-western region of the country. Planned expenditure for the project is Ug shs 1,900,000,000. Project start date was June 2011 and expected completion date is February 2017.

The project has two major components;

Component A includes:

- Construction of a 137 km double circuit 220 kV transmission line with 240 mm^2 twin AAAC conductor per phase from Kawanda to Masaka;
- Upgrading of the existing 132 kV sub-station at Kawanda to include 132/220 kV interbus transformer, 220 kV busbar, 2x220 kV transformer bays, 2x132 kV transformer bays, and 2x220 kV line bays for incoming 220 kV lines from Bujagali;
- Extension of the 220 kV sub-station at Kawanda to include 2x220 kV line bays for the two Kawanda–Masaka 220kV transmission line circuits;
- Construction of a new 220/132 kV sub-station at Masaka adjacent to the existing Masaka 132/33kV substation. This substation will be equipped with 2x220/132 kV, 125MVA transformers and associated transformer bays; and 2x220 kV line bays for the two Masaka–Kawanda 220 kV transmission line circuits;

- Installation of 2x15 MVAr, switched shunt reactors and associated equipment at Masaka and Mbarara substations and 1x15 MVAr, switched shunt reactor and associated equipment at Kawanda substation;
- The implementation of the RAP.

Component B involves Technical Assistance (TA) to the Implementing Agency (IA), the Uganda Electricity Transmission Company Limited (UETCL) through;

- Consultancy services for feasibility study for Lira – Gulu – Nebbi – Arua.
- Consultancy services for supporting procurement activities and construction supervision of Component A.
- Strengthening of UETCL's ability to implement the proposed project.
- Strengthening of the planning and management capacity within UETCL

Planned outputs in FY2015/16 include:

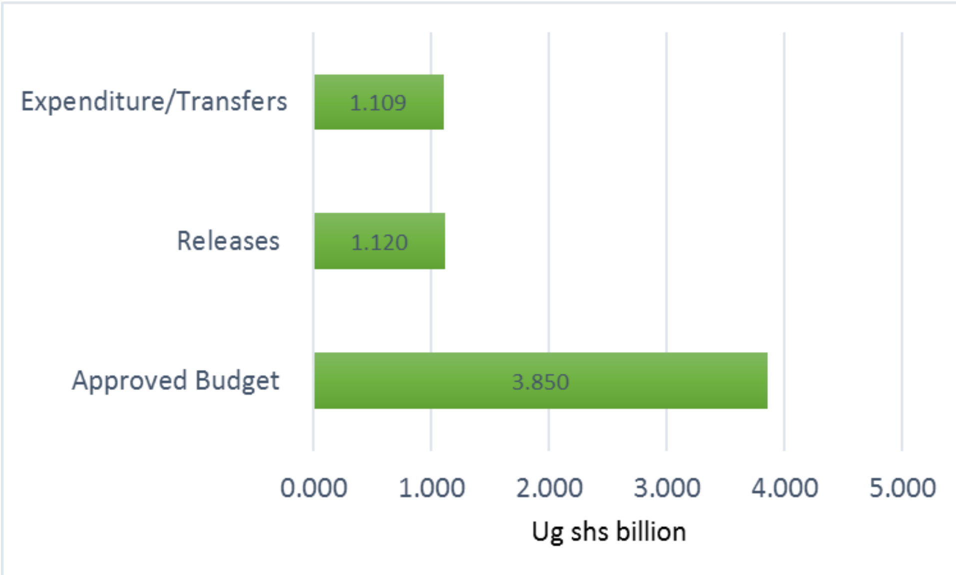
- Resettlement Action Plan (RAP)
- LOT 1: Construction of Kawanda - Masaka 220kV transmission line
- LOT 2: Upgrade and extension of Kawanda substation
- LOT 3: Construction of new substation at Masaka and upgrade of Mbarara substation
- Consultancy services

Findings

Financial performance

The GoU development budget is Ug shs 3.850 billion of which 29% was released by the end of December 2015 (Figure 6.3). This was fair compared to the expected 50% release. Expenditure /Transfer performance was excellent at 99%. The transferred funds to UETCL were to implement Resettlement Action Plan (RAP) for the ESDP and meet tax obligations while the funds at the MEMD were majorly for implementation of activities such as energy policy/plans dissemination, energy efficiency promotion, increased rural electrification in the peri-urban areas among others (Figure 6.4).

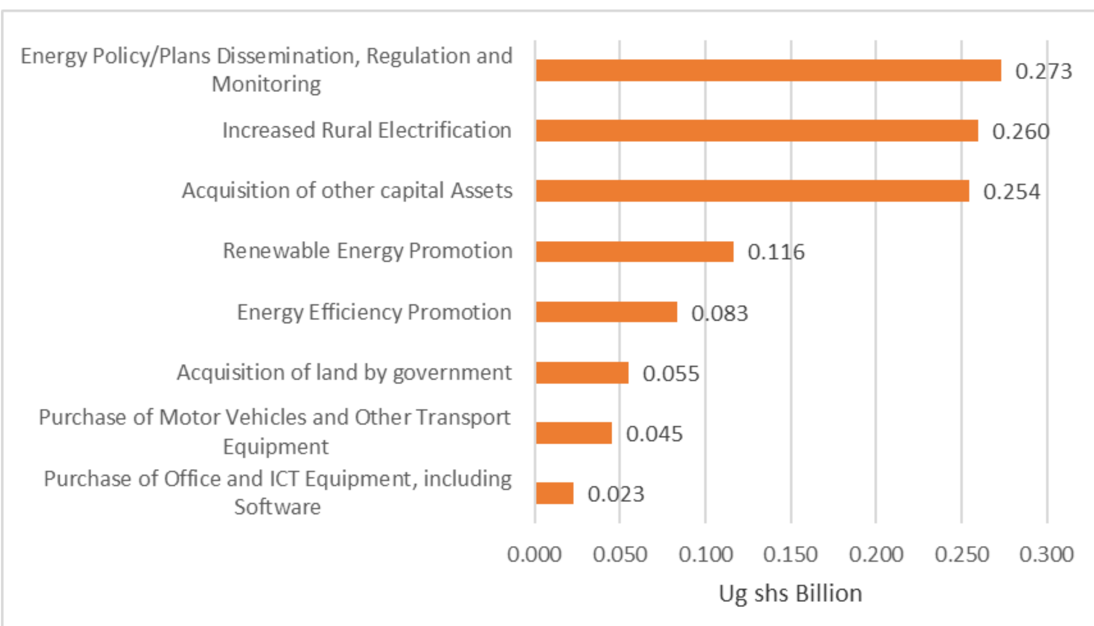
Figure 6.3: Financial performance of the ESDP (Project 1212)



Source: IFMS (December, 2015)

Figure 6.4 shows the distribution of expenditure by output for the project. As indicated, the highest GoU contribution was spent on energy policy/plans dissemination, regulation and monitoring while the lowest amount was spent on purchase of office and ICT equipment including software.

Figure 6.4: Distribution of Expenditure by output category for ESDP (Project: 1212)



Source: IFMS (December, 2015)

a) The RAP Implementation

Table 6.7 shows the funds disbursed for the RAP implementation - 76.2% of the required funds to compensate 2,474 PAPs have been cumulatively released to the UETCL. Expenditure performance was excellent by 31st December 2015 as 93.1% of the released funds had been paid to the PAPs. The unpaid balance 6.9% of the released funds related to the PAPs who await compensation.

Table 6.7: The RAP Disbursements and Compensation

	Disbursement	Ug shs	%age
(i)	Budget Amount	55,346,694,714	
(ii)	Cumulative Releases	42,152,912,826	76.2 of Budget
(iii)	Disbursement to Date	39,238,235,944	93.1 of Releases
(iv)	Bank Balance 31st December 2015	2,914,676,882	

Source: UETCL

Donor financial performance

Donor financing

Table 6.8 shows the loan amount and basic details of the project from which US$95 million is to be drawn to implement project components A and B; and the remaining amount to be used to implement other project related activities.

Table 6.8: Loan Amount and Milestone Dates for Electricity Sector Development Project

Loan Number	4989-UG
Loan Amount	74.1 SDR (equiv. US$ 120 million)
Date of Loan Signature	September 2, 2011
Date of Subsidiary Loan Agreement	July 30, 2012
Date of Loan Effectiveness	23rd October, 2012
Date of First Disbursement	23rd October, 2012
Date of Last Disbursement	28th February, 2017

Source: UETCL

Table 6.9 shows the cumulative expenditure of the donor funds on the ESDP Project. Allocative efficiency was impressive as 85% of expenditure was made on transmission line and substation works; 6% was on supervision works for the substation and transmission line while the feasibility study for Lira-Gulu/Nebbi-Arua Transmission Line took up 3% of the expenditures. The other expenditure lines took up between 2% and 1%.

Table 6.9: Cumulative expenditure of the donor funds on the ESDP project

Budget Description	Cumulative Expenditure (US$)
Works and Goods	
Transmission Line and Substations	19,314,941.95
GPS Units (4 No)	109,468.08
PLS- CADD soft ware	42,712.14
Office Equip.	28,353.08
Technical Assistance	-
Consultancy	-
Transmission Line & Substations supervision	1,335,611.81
Feasibility Study for Lira- Gulu Nebbi-Arua Transmission Line	765,315.57
ESIA-RAP for Lira- Gulu Nebbi-Arua Transmission Line	403,848.88
GIS Phase II	176,179.50
Technical Assistance -Staffing	214,727.58
Technical Assistance - Capacity Building	246,808.93
Bank Charges	1,044.77
Totals	22,639,012.29

UETCL; Field Findings

Physical performance

a) RAP implementation

The RAP forms the basis for compensation for property affected by the project including structures, graves, trees, and land. It is structured into cash compensation and in kind settlement/construction of houses.

i) Cash Compensation

Table 6.10 shows progress of the cash compensation to Q2 FY 2015/16. The performance in management of the disagreements and disclosures was good. However, the payments to those who agreed to the disclosed cash amounts are still low. As a result, the Engineering Procurement and Construction (EPC) contractor is on site but has challenges with Right of Way (ROW) at a number of sections of the line.

Table 6.10: Performance of RAP implementation

No	Item	Coverage	Percentage
	Total Transactions/PAPs	2,474	100

	Disclosures	2,013	81
	Agreements	1,973	80
	Disputes	40	2
	Payments	1,679	68
	Outstanding disclosures	461	19

UETCL and Field finding

b) Construction of Resettlement Houses

As at the end of December 2015, the breakdown of verified Physically Displaced Households (PDHs) is summarized as follows:

Table 6.11: Summary number of in-kind settlement

Description	No.
Total Number	168
Disclosed	154
Agreed	147
Queried	7
In-kind agreements	46

Source: UETCL; Field findings

By the end of December 2015, a total of 34 of the 46 sites had been completed and handed over to the respective PAPs. It was noted that the number of PAPs who have opted to take resettlement houses reduced from the number at project disclosure of 168 to 46.

The reasons for the reduction are:

- The original corridor was encroached by speculators and it was agreed to divert the line for the first 37km which reduced the number of houses affected in the corridor.
- The valuation report had registered every household affected as eligible for a resettlement house. However, among the PAPs there are individuals whose houses are far bigger than the model design house used for resettlement, and this category has the capacity to replace their houses and prefer the cash option. The vulnerable groups such the elderly, widows, child headed households, disabled, are however not allowed to take the cash option because they were deemed to lack the capacity to replace houses.

a) <u>Component A: Construction works</u>

i] Kawanda- Masaka 220kV transmission line

The contract was signed between the GoU represented by UETCL and KEC International Limited on 13th August 2014 with an expected completion date of 13th August 2016. The contract involved the construction of new Kawanda-Masaka Transmission Line (TL). The contract sum for the TL is US$ 18,146,869.00 and Ug shs 10,103,025,039.00 (Inclusive of VAT). A total of US$331,443.99 had been made to KEC International for lot.1.

Construction works commenced in August 2015. By 18th January 2016, the works were slightly behind schedule and the initial completion date is unlikely to be met. The contractor was to formally submit request for time extension caused by the delays in the conclusion of the Right of Way issues. The proportion of project site area handed over to the contractor by 18th of January 2016 was 75%.

Overall, physical progress was 71% against 75% time progress. The mobilisation of equipment was 90% complete. The contractor was on site. Geotechnical investigations and construction works including foundation concreting works and tower parts assembling were ongoing. Some sloppiness was however observed at a tower foundation site in Lwela- Kalungu district where poor quality aggregates were used for Plain Concrete Cement. This could become more disastrous if the same type is used to make the structure foundations. The summary of progress is presented in table 6.12

Table 6.12: Physical Performance of Kawanda – Masaka Transmission Line (TL)

Kawanda –Masaka Transmission Line	
The line route length is 135.7km; with 434 tower locations. The total length for the required stringing conductors and the Optical Ground Wire (OPWG) is 137Km	
Component	Progress of works
Design:	75%
Tower	100%
Foundation	100%
Foundation load test design	0%
Tower type test	100%
Manufacture of equipment and structures	80%
Inspection & Shipment	50%
Receipt at site	40%
Survey (Route Alignment & Access Survey)	96%
Plan & Profile Survey	91%
Check Survey	91%
Tower spotting	80%
Soil Investigation	79%
SPT/Bore log	71%
DCPT	66%

Foundations	27%
Excavation	38%
Concreting	38%
Tower Erection	33%
Conductor Stringing	0%
Overall physical progress	71%
Time progress	75%

Source: Field Findings

Challenges

- Delays in site handover affecting project schedules
- Delays in approvals of tower designs. The DC heavy-duty tower types was approved for manufacture in December 2015.

ii] Lot 2 - kawanda substation works and lot 3 – masaka and mbarara substation works

The EPC works were contracted to Shandong Taikai Power Engineering Co. Ltd. Tai'an Hi-tech Industrial Development Zone, Shandong, China. The details of contract sum and period are presented in table 6.13 below.

Table 6.13: Summary of Contract Details for Masaka and Mbarara Substation Works

Lot	EPC detail and period	Contract amount
LOT 2 – Kawanda Substation Works	Procurement of Plant Design, Supply, and Installation of 220kV Transmission Line and 220/132kV Substations Commencement: Date: 12th August 2014 Completion: Date: 12th February, 2016	US$ 8,690,492.65 and Ug shs 2,284,759,045.90 (Inclusive of VAT)
LOT 3 – Masaaka and Mbarara Substation works		US$ 9,826,004.85 and Ug shs 3,236,507,914.20 (Inclusive of VAT)

Source: UETCL and field findings

Physical performance of Lot. 2: Kawanda Substation and lot. 3: Masaka and Mbarara substations

Table 6.14 shows the physical progress of works by substation. The substations are at different levels of implementation.

Table 6.14: Physical Performance of Substation Works

Lot 2: Kawanda Substation:

The project commenced in August 2014 for a period of 18 months. The civil works however commenced in July 2015. The contractor requested for a time extension from February 2016 to August 2016. Overall, physical progress for civil works was 51% while the electromechanical had not commenced. Equipment manufacture was at 80% with half of the manufactured equipment being on site. The remaining 50% was under shipment. The contractor was on site and excavation works, steel fixing, form works, grouting, and casting were ongoing at various construction points. Other foundations were substantially completed. The summary of progress is presented below.

Component	Percentage progress of works
2x250MVA transformer foundations constructed	75
1x15MVA shunt reactor constructed	15
4 line bays	77
2 transformer bays established	75
1 control room with accessories including; Protection, communication and power supply facilities	15
Lot; 3 Masaka Substation	

The contract for Lot.3 was signed in June 2014; upon which the works commenced in August 2014 with an expected completion date of February 2016. This will not be achieved and the contractor waits time extension. The key set back to project implementation is lack of access to project site (33%). The land where the contractor has no access has a transformer location and other equipment foundations. In January 2016, the contractor was on site and works were ongoing on the 77% of the available project site. The completed works for equipment foundations included: excavations for the transformer foundation and other equipment foundations, slab casting. Ongoing works included: Form works and steel fixing in preparation for casting.

Overall, civil works was at 10% with electromechanical being at 0% except for the manufacture of equipment, which was at 60%. Some equipment was on site awaiting installation. Summary of percentage progress is presented below:

Component	Percentage progress of works
Civil works design	15
Equipment designs, Communication, protection, etc. design	90
Manufacture of equipment and structures	80
Earth works	85 excluding the land not handed over.
2 transformer installations	60 of the one transformer located in the land handed over to the contractor.
2 shunt reactor foundations	60
150 equipment foundations	0
Control room	0
Cable trenches	0
Guard house	0
Substation drainage	0
Slope protection /landscaping	0

Service roads	0
Fence off the substation	0
Lot. 3: Mbarara substation	
The civil works had not commenced at the Mbarara substation. The contractor mobilised at Masaka where the scope is larger and plans to deploy to Mbarara upon completion of the works at Masaka. The scope at Mbarara is an extension including two shunt reactors, one control room, cable trenches and other few attendant structures. By the 18th January 2016 only the following had been achieved. Overall progress for lot 3: Mbarara substation was 16% against 92% of the elapsed time.	
Civil works design	10
Equipment designs, Communication, protection, etc. design	70
Manufacture of equipment and structures	33
Civil works	0
Electromechanical works	0
Challenges: Delays in the drawings approvals from the consultant Rainy weather conditions distracted the civil works	

Source: Field Findings

L-R: Form and steel works in preparation for concreting; Transformer foundation in advanced completion stages at Kawanda substation for the ESDP project

L-R: Tower foundation concreting works, Tower assembly ongoing in Mpigi district on the Kawanda-Masaka Transmission Line

L-R: Poor quality aggregates dominated by dust that was used for Plain Concrete Cement (PCC); Completed PCC works in Lwela-Masaka

L-R: Form and steel works for the equipment foundations at Masaka substation for the ESDP project

Component B: Consultancy services

Table 6.15 Status of consultancy services for the ESDP as at 31st December 2015

Services	Planned	Achieved	Remarks
Consultancy Services for Design, and Supervision of Works for Kawanda - Masaka (137 km) transmission line and Upgrade of Kawanda and Masaka Substations 220kV	Design reviews Supervision of works Project management	The Consultant is currently reviewing designs submitted by the EPC Contractors and supervising on going fieldworks The consultant has deployed 2 clerks of works to carry out full-time day-to-day supervision of the construction works and monitor proper performance of the responsibilities specified in the construction contract. Discussions on possibility of hiring additional clerk of works to tighten field supervision are ongoing.	The time period allocated to some of the experts has been used up; re-allocation of some of the resources may be required.
Feasibility study for the 132 kV Lira-Gulu-Nebbi-Arua transmission line	Submission of final Substation Design Report, Line Design, & Profile Report, Load Forecast Report, Power Systems Analysis Report, Financial and Economic Analysis Report Project Implementation Plan Final Feasibility Study Report Final Tender Documents Project Completion Report	The consultant submitted the final reports to UETCL on 5th November, 2015 and the final Tender Documents in December, 2015	Conducting of the assignment suffered delays due to a partial divergence with the Project's ESIA/RAP study Consultants on line route selection.
Consultancy Services for ESIA/RAP study of the Lira-Gulu-Nebbi-Arua transmission line	Submission of revised Environmental and Social Impact Assessment report	The consultant submitted the revised Environmental and Social Impact Assessment report for review. The consultant is currently addressing comments received. The consultant submitted the draft RAP report for review.	The consultant requested for 6 month time extension to cater for the delays caused by partial divergence on the line route recommended by the feasibility study Consultant. Harmonization of data is still a challenge.
Consultancy services for design, development and implementation of a Geographical Information System –	Presentation of Data Model Final Design benchmarked and submission of report	System study completed; Draft findings to be presented at a meeting of Stakeholders after the data collection field work Field data collection ongoing; Data collection around the central region was completed and is	

Services	Planned	Achieved	Remarks
Phase II	Supply of software and hardware	ongoing in the eastern region. Hardware was supplied in November 2015. Software supply is pending approval of the change order to supply Arc FMUT Integrator by the UETCL Management.	
Strengthening of the Project Management Unit	Complete recruit	Recruitment of an Electrical Engineer, a Civil Engineer, Project Surveyor and Safeguard Officer was completed. The contract for the Safeguard Officer was renewed.	Recruitment completed
Training and capacity building	Live Line Maintenance training	29 out of 30 components complete. Training in live line maintenance was cancelled and will be included in the next project after conducting a thorough market research.	

Source: Field Findings

Challenge

The major challenge affecting project implementation was the Right of Way issues.

Analysis

Link between financial and physical performance

There was a fair link between financial and physical performance. Cumulatively, 76.2% of the required funds for compensation have been released to the UETCL, which had paid 68% of the PAPs. The financial progress of the TL and substation was 85% against physical progress 71% for the TL and 17% for the substation works. However, overall physical performance of substation works and Lot. B for consultancy was low.

Achievement of targets

The RAP implementation is behind schedule, as it should have been concluded before construction commenced. Physical performance of the transmission line was 71% against time progress of 75%. Substation works and consultancy services for lot. B were all behind schedule.

Conclusion

Performance of the Electricity Sector Development Schedule is slightly behind schedule and the initial completion date is unlikely to be met. Delays in the project have majorly been contributed to delays in acquisition of the Right of Way. This is a major challenge across all infrastructure projects that require the ROW. There is a danger in the TL contractor using poor quality materials during construction, which could jeopardise the quality of works.

Recommendations

- In the medium term; the UETCL, Uganda National Roads Authority (UNRA) and the Ministry of Finance Planning and Economic Development (MFPED) should agree on a uniform acquisition of a corridor
- In the short term, the MFPED should avail funds for compensation to enable handover of the RoW to the contractor.
- EPC consultant should increase vigilance and ensure presence on site during works execution

6.2.3 Mbarara – Nkenda/Tororo –Lira Transmission Lines (Project 1137)

Background

The Government of Uganda (GoU) received funding from African Development Bank (ADB) towards the implementation of Mbarara-Nkenda & Tororo-Lira Transmission Lines Project. The project is aimed at expanding and strengthening the national transmission grid. This project will boost economic growth in Western and Eastern Uganda.

The objective of the project is to evacuate electricity from upcoming power plants and to improve electricity access, lower transmission losses, increase power efficiency, reliability, stability and quality of supply to consumers in the country especially the western and North Eastern regions.

The project components include the following:

a) **Construction of 132kV Transmission lines**
   - Construction of 260km, 132 kV, Double Circuit Tororo-Opuyo-Lira Transmission line
   - Construction of 160km, 132 kV, Double Circuit Mbarara-Nkenda Transmission Line

b) **Substations**
   - Construction of two 132kV bay extensions at Mbarara North and Nkenda substations.
   - Construction of a new 2x32/40MVA, 132/33kV Fort Portal Substation.

c) **Reactive Power Compensation**
   - The installation of 15MVAR,132kV Reactor at Opuyo Substation and 15MVAR,132kV Reactor at Nkenda Substation for power compensation and improvement of voltage stability as determined by the study.

Total planned expenditure for the project is Ug shs 81.2 billion. The source of funding is African Development Bank (ADB). The contractor for the project is Kalpataru Power Transmission Limited. Hifab and Sunshine Projects Limited supervise the project works. Subcontractors on the project include; Control Tech Power Limited, charged with erection of the towers and stringing; and Techno Electric and Engineering Company Limited charged with construction of the substations.

Planned outputs for FY 2015/16 include;

- Construction of Mbarara- Nkenda- (Lot 2) and Tororo-Lira-(Lot 1) transmission lines
- Construction of associated substations.
- Complete RAP implementation

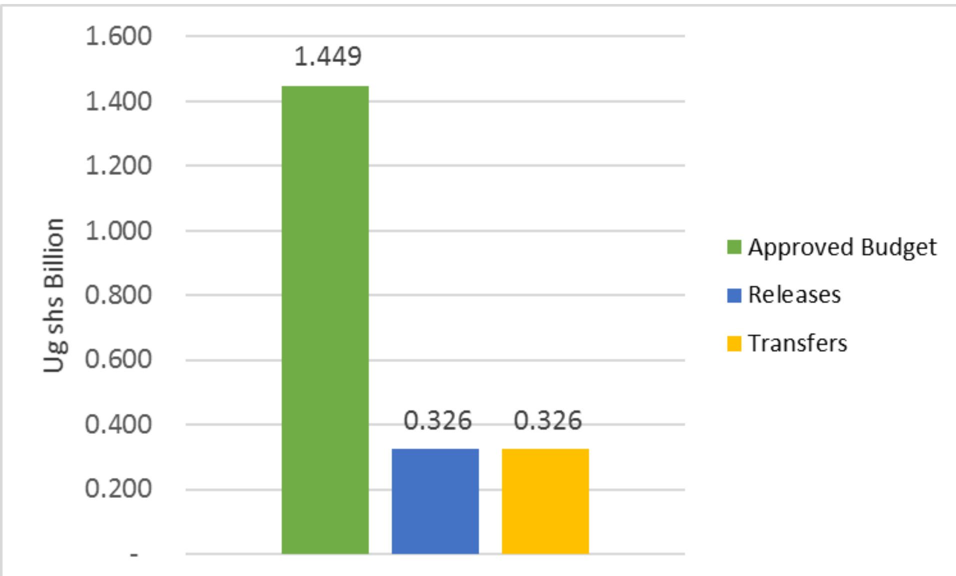
Findings

Financial Performance

a) GoU Funding

Figure 6.5 shows the financial performance of the project. Release performance for the project was below average at 23% compared to the expected 50% was released by 31st December 2015. All the released funds were transferred to UETCL the project implementers. The expenditures were to be made against output item and acquisition of other capital assets.

Figure 6.5: Financial performance of Mbarara /Nkenda & Tororo/Lira line



Source: IFMS data (December 2015)

Disbursements for RAP implementation

Table 6.16 shows the cumulative disbursements for the RAP implementation to Q2 FY 2015/16. This illustrates an excellent release and expenditure performance of the project. The MFPED had released 86% of funds for compensation and disbursed 98% of the released funds.

Table 6.16: Disbursements for RAP implementation

	Disbursement	Ug shs	%age
(i)	Budget Amount amended 2014	63,617,611,030	100 of budget
(ii)	Cumulative Releases	54,737,201,990	86 of budget

(iii)	Disbursed Balance	53,759,733,355	98 of Releases
(iv)	Bank Bal. 31st December 2015	977,468,635	

Source: UETCL, field findings

b) Donor financial performance

Table 6.17 illustrates donor financial performance of the project. There was good release performance of the loan from the ADF as 73% had been released by 31st December 2015.

Table 6.17: Financial performance of Mbarara /Nkenda & Tororo/Lira line

	Disbursement	ADF (UA)	Exchange rate	Ug shs
(i)	Loan Amount	2,510,000.00	3919.93	205,835,524,300.00
(ii)	Disbursement to Date	8,433,780.12	3919.93	150,657,727,705.79
(iii)	Un Disbursed Balance	14,076,219.88	3919.93	55,177,796,594.21
(iv)	% of Loan Disbursed	73%		73%

UETCL; field findings

Physical performance

a) RAP implementation

It is structured into those considered for cash compensation and those considered for in-kind settlement/construction of houses.

Cash compensations

- **Lot 2: Mbarara- Nkenda**

Table 6.18 shows the RAP cash compensation for property affected by the project including structures, graves, trees, and land. As illustrated, performance was good performance (77%) in the cash settlement of the PAPS. The settlement of disputes is similarly good as only 7% were still disputing the disclosed sums.

Table 6.18: Cash Compensation of PAPs on the Mbarara-Nkenda Transmission Line

Mbarara- Nkenda	Total Number	As Percentage of the total PAPS
Total Number of Project Affected Households	1756	100
Number of PAPs disclosed to	1634	93
Agreements	1540	88

Payments	1358	77
Compensation Disputes	122	7

Source: UETCL; Field findings

- **Tororo - Lira transmission line**

Table 6.19 shows the progress of cash compensations. There was good performance in the management of the disagreements and disclosures

Table 6.19: RAP implementation performance

Tororo-Lira Transmission line	Total Number	As Percentage of the total PAPS
Total Number of Project Affected Households	4,690	100
Number Disclosed to	4,378	93
Agreements	4,131	88
Number of households paid	3981	85
Compensation Disputes	247	5

Source: UETCL and Field finding

In-kind settlement/Construction of Resettlement Houses for the Tororo-Lira TL
The construction of resettlement houses for PAPs is ongoing; 47 houses have been completed out of 50. Arrangements are being made to construct the remaining three units.

b) Construction works

Table 6.20: EPC works for Lot 1. Tororo- Lira and Lot 2. Mbarara-Nkenda and Associated Substations

Lot. 1: Tororo- Lira transmission line
The transmission line traverses 10 districts of Tororo, Mbale, Palisa, Bukedea, Kumi, Ngora, Soroti, Kaberamaido, Dokolo, and Lira. The contract start date was 26th February 2013 and expected completion date was August 2014. There was an extension for additional works for six months which ended in January 2015. The contractor has requested for an additional 14 months extension due to ROW issues. By 30th January 2016, delayed handover of the ROW continued to affect progress of works. Stringing of the line could not smoothly be implemented because of some incomplete sections and work had stalled. The contractor executed all the possible work given the available project site upon which they demobilised. Demobilisation was implemented as follows: Foundations team - 25th February 2015 Erection team - 19th March 2015 Stringing - 8th June 2015

The progress of work was as follows: Total route and profile approved: 262.98 km out of expected 262.98 km Detailed survey completed: 262.98 km Dynamic core Penetration Test (DCPT) completed: 594 out of 716 locations (83%) Total tower foundations completed: 528 out of 716 (73.7%) Total tower erection completed: 472 out of 716 (66%) Stringing of Conductor and Earth wire: 56.407km Optical Ground Wire (OPGW) strung: 47.983 km There were efforts to have contractor resume work on the transmission line.
Lot.1: Opuyo substation
The progress of works at the substation was as follows as at 31st December 2015. Site Mobilised Survey works completed along with preliminary earthworks including removal of top vegetation soil and levelling Excavation of all foundations completed. All outdoor equipment civil foundation works completed. Casting of cable trench completed. Drainage works completed. Road works completed Guard house works up to roof completed. Roof struss fabrication completed Fencing works, all poles and gate casted Erection of all pipe structures completed. Erection of all 17 towers and 10 beams completed. Erection of all 132 KV outdoor switchgears completed. Gas filling and pre-commissioning tests of circuit breakers completed in presence of M/S: CGL, India Engineer Tan delta and capacitance tests of Current Transformers and Capacitive Voltage Transformers completed. Final alignment of isolators is under progress in presence of M/S: Siemens, India Engineer. Erection of 16 MVAR Shunt Reactor Completed. Laying and termination of LT Control and Power cables is completed and glanding is progressing Septic Tank and Soak pit of Guard House completed
Lot.1: Tororo Substation
The summary progress of works as at 31st December 2015 was as follows: Site Mobilised. Survey works completed along with preliminary earthworks including removal of top vegetation soil and levelling Excavation of Foundations completed. Casting of all 132 KV outdoor equipment foundations completed Backfilling of equipment foundations completed. Casting of cable trench completed. Laying of Main earth mat completed. Connection to the existing earth mat is pending Erection of pipe structures completed. Erection of 2 No’s of Towers and 1 No of Beam completed.

Fixing of cable trays in the cable trenches is completed. Casting of cable trench covers is completed. Erection of outdoor switchgears and Control – Protection panels completed. Gas filling and pre-commissioning tests of Circuit breakers completed in presence of M/S: CGL, India Engineer. Tan delta and capacitance tests of Current Transformers and Capacitive Voltage Transformers completed. Laying and termination of Low Tension control and Power cables are completed.
Lot.1: Lira Substation
The summary progress of works as at 31st December 2015 was as follows: Site Mobilised Survey works completed along with preliminary earthworks including removal of top vegetation soil and levelling Excavation of all Foundations completed. Casting of all 132 KV outdoor equipment foundations completed. Backfilling of equipment foundations completed. Casting of cable trench completed. Casting of cable trench covers completed. Fixing of cable trays in the cable trenches is completed. Laying of Main earth mat completed. Connection to the existing earth mat is pending Erection of pipe structures completed. Erection of all 4 No's of Towers and 2 No of Beam completed. Drain work is completed. Extension of existing internal road is completed. Erection of outdoor switchgears and Control – Protection panels completed. Gas filling and pre-commissioning tests of Circuit breakers completed in presence of M/S:CGL, India Engineer. Tan delta and capacitance tests of CTs and CVTs completed. Laying and termination of LT control and Power cables are completed
Lot 2: Mbarara- Nkenda
Works commenced on 9th April 2013 with an expected completion date of October 2014. The contractor received a six months extension due to changes in the scope of work. The increase in scope included: change from single to double circuit for Lot. A and changing the substation equipment at Nkenda and Opuyo. During the January 2016 monitoring, it was ascertained that the works had stalled due in part to the Right of Way Issues and delays in payments to the contractor. The outstanding payments had been honoured by the client but the contractor could not proceed with work as 110 tower locations had not been handed over due to ROW. The biggest challenge is the scattered nature of the available locations that cannot meaningfully support stringing works The contractor completed all possible work given the available project site and demobilised from site. Demobilisation was as follows: Foundations team - 12th August 2015 Erection team - 17th September 2015 Stringing - 15th September 2015 During the January2016 monitoring, the progress of works was as follows: Completed detailed survey of 156.98.4 km out of 156.987 km of line route length Total route approved: 156.98.4 km out of 156.98.4 km route length (100%)

Total Dynamic Core Penetration Test completed: 453 out of 453 locations (100%) Total tower foundation completed: 214 out of 317 towers (67.5%) Total tower erection completed: 198 out of 317 towers (62.4%) Monopole foundation completed: 131 out of 136 locations (96.3%) Monopoles erected: 129 out of 136 locations (95%) Stringing of Conductor and Earth wire: 25.59km Optical Ground wire (OPGW) strung: 20.83 km
Lot 2: Fort portal Substation
Project commencement date was December 2013. Actual start date for works was February 2014. Expected completion date was December 2014. A time extension was granted by UETCL due to their delay in approval of the substation drawing to February 2015. This was not achieved. During the January 2016, monitoring it was ascertained that civil and electro-mechanical works was substantially complete. Overall progress averaged at 75% All outdoor equipment foundations are completed Cable trench PCC, RCC, Wall casting completed. Casting of covers completed Control Room Building, Diesel Generator Room and Auxiliary Transformer building civil works are under final stages of completion. Erection of towers beams and equipment structures were completed. Equipment erection and final alignment were completed. Laying of new main and auxiliary earth mat was completed. Substation fencing works 90% completed and both the gates fixed Transformers erection was completed. Auxiliary transformer was placed on plinth. Trusses of Diesel Generator and Auxiliary room is Fabricated and erected Casting of switchyard drain was completed and grating fixed. Levelling for internal road completed. Spreading of sub base completed. PCC and RCC of almost 85% of the road is completed. Car parking was completed. Casting 132 KV Surge Arrestors in front of the power transformer and 33 KV BPIs behind power transformer was completed. Grade slab concrete dismantling work of UETCL and UMEME rooms were completed. Fixing of iron sheets in roof truss of guard house were completed. Fixing of iron sheets in roof truss of control room building is completed. Fitting of floor tiles in office room, battery room, pantry, toilet and passage including sanitary fittings of Control Room Building completed. Internal wall under coat painting and roof slab final coat painting of control room building was completed. Laying and termination of control and power cables and glading were under progress. Casting of drain surrounding the control room building is completed. Fixing of light fittings inside the control room building is completed. Welding of aluminium tube bus bars was completed. Erection of aluminium tube bus bars was completed. Fixing of connectors in the bus bars and stringing of conductors from the equipment to the bus bars completed.

Welding and fabrication of 33 KV panel structures was completed. Wall masonry work of 33 KV GIS rooms was completed. 132 KV outdoor switchgears interconnection works completed. Stone pitching work behind the auxiliary transformer and diesel generator room building was under completion. Periphery drain works behind the auxiliary transformer and diesel generator room building was under completion. Casting of cable trench between control room building and auxiliary transformer and diesel generator room building was completed. Final alignment of isolators has been completed in presence of Siemens – India Engineer. Erection of 33 KV GIS panels into the 33 KV UETCL and Umeme Room was completed. The final alignment and bus bar interconnection shall be done by end of February 2016 as the Siemens Engineer was on site. Completed 90 % of fixing of lighting poles in switchyard and access road started. Septic tank & Soak pit work of control room building and diesel generator building were completed Water tank structure installation was completed Construction of plinth for open Surface water tank was completed
Lot 2: Nkenda Substation
Civil works commenced in July 2014 and were expected to be complete in September 2014. However, there were challenges with excavation of hard rock. Unexpected old concrete was also encountered during excavations. This delayed the project. The challenges were overcome despite the delays and status by the 20th January 2016 was as follows. Overall, civil works were complete except for gravel spreading. The electro-mechanical works were also substantially finished including testing of the equipment. All outdoor equipment foundations were completed. Cable trench PCC, RCC, Wall Casting was completed. Casting of covers was completed. All towers and beams erection was completed. All outdoor switchgears erection and final alignment completed. Main earthing mat works completed. Earth electrodes are inserted as per approved drawing. Control and protection panels were erected. 15 MVAR Shunt Reactor erection was completed. Grating was fixed Stringing of overhead AAAC conductor was completed Cable laying and termination works at both equipment end and panel end was completed Testing of all outdoor switchgears was completed. Testing of Reactor was completed. Internal road work was completed. Curb stones were fixed and repairing of road competed Site levelling and compaction work was completed. Grouting of foundations was completed. Site Acceptance Tests of all 132 KV Outdoor Switchgears was completed successfully Pre-commissioning tests of control and protection panels was completed successfully and the same has been handed over. Pre-commissioning tests of Remote Terminal Unit extension completed successfully and the same has been handed over. Special structures were fabricated and erected to achieve clearances between Surge arrestors and Tower legs. Final alignment of isolators has been completed in presence of Siemens – India Engineer.

Gratings of Drain as well as trench covers installed & Aligned
Lot 2: Mbarara Substation (Old)
The contract was signed in December 2013. The actual start date for the project was March 2014 and expected completion date was December 2014. The contractor hoped to complete the project in May 2015. This was not achieved. By the 20th January 2016, the civil works were complete awaiting gravel spreading. The electromechanical works were also in advanced stages as some pre-commissioning tests had been completed. The summary of progress is presented below. All outdoor equipment foundation are completed. Cable trench works were completed. Erection of all towers (Total 6 Nos) and Beams (Total 3 Nos) was completed. Erection of 132 KV outdoor switchgear equipment was completed. Main earthing mat works were completed. Earth electrodes are inserted as per approved drawing. Stringing of overhead AAAC conductor was completed. Minor corrections like sagging were done. Final levelling and compaction was completed. Cable laying and termination works at both equipment and panel end was completed. Testing of outdoor switchgears was completed. Pre-commissioning tests of Control and Protection panels was completed and handed over. Pre-commissioning tests of Remote Terminal Unit extension completed and handed over. Special structures were fabricated and erected to achieve clearances between Surge arrestors and Tower legs. Final alignment of isolators has been completed in presence of Siemens – India Engineer. Existing Drain open made cleared for drain of water from Switch yard Gratings of Drain and Trench covers were installed and alligned Shield wire resetting as advised by consultant was completed

Source: Field Findings

L- R: Completed erection of substation equipment at old Mbarara substation; completed section of mono pole erection in Queen Elizabeth National Park for the Mbarara- Nkenda Transmission Line

L-R: Final fittings into the installed transformer; some completed equipment erections at new Fort Portal substation on Mbarara-Nkenda Transmission Line

L-R: Civil works at the control room in advanced stages; Installed in the control room at the new Fort Portal substation

L: R: Completed transformer installation; Completed line bays at Nkenda substation on the Mbarara-Nkenda line in Kasese district

Challenges

- Delays in conclusion of RAP delayed work schedules
- Delays in payments to the contractor affects cash flows of the contractor and work schedules
- Vandalism of stay wires for the transmission particularly in the Queen Elizabeth National Park.

Analysis

Link between financial and physical performance

There was a poor link between physical and financial performance. In Q2 FY 2015/16 release was less than 50% of the required funds for the RAP. Ultimately, it led to failure of the UETCL to hand over some sections of the ROW. The 73% loan disbursement could not effectively result into very good physical performance due to the ROW.

Achievement of targets

Poor performance was noted as the contractor could not proceed with work due to Right of Way issues and delayed payment. Works which would have been completed were at 72% physical progress.

Conclusion

The project is behind schedule due to the Right of Way issues and delays in payments to the contractors. Completion of the Mbarara-Nkenda/Tororo-Opuyo transmission line project needs to be fast tracked to evacuate electricity from upcoming power plants and to improve electricity access, lower transmission losses, increase power efficiency, reliability, stability and quality of supply to consumers.

Recommendations

- In the medium term; the UETCL, Uganda National Roads Authority (UNRA) and the MFPED should agree on a uniform acquisition of a corridor.
- In the short term, the MFPED should avail funds for compensation to enable handover of the RoW to the contractor.
- The UETCL should make timely payments to the contractors.

6.2.4 Nile Equatorial Lakes Subsidiary Action Programme (NELSAP)- (Project 1140)

Background

The African Development Bank (AfDB) and Japan International Cooperation Agency (JICA) jointly finance the Interconnection of Electric Grids of Nile Equatorial Lakes Countries Project (Uganda's Part). The implementing agency is UETCL.

The objective of the project is to improve access to electricity in Nile Basin Initiative (NBI) countries through increased cross border sharing of energy and power.

The project comprises

- Construction of 220kV double circuit transmission line from Bujagali via Tororo substation to the Uganda/ Kenya border, over a distance of 127.7km (lot A). The section traverses five districts of Jinja, Mayuge, Iganga, Bugiri and Tororo.
- Construction of 220kV double circuit transmission line from Mbarara North substation in Uganda to the Rwanda border over a distance of 66km (lot B). The section traverses districts of Mbarara and Ntungamo.
- Extension of substations at Tororo and construction of a new one at Mbarara (lot C).
- New 220/132/33kV substation at Mirama (lot C).

The EPC contract for the transmission infrastructure of NELSAP was awarded to M/s Jyoti structures while the EPC contract for the associated substations was awarded to M/s Isolux.

Planned output FY2015/16

- Continued construction works of:
  - Bujagali- Tororo- Lessos Transmission line (lot. A Uganda-Kenya)
  - Mbarara- Mirama- transmission lines. (Lot. B Uganda-Rwanda)
  - Associated substations on the two lots.(Lot C: Substations
- Continued RAP implementation

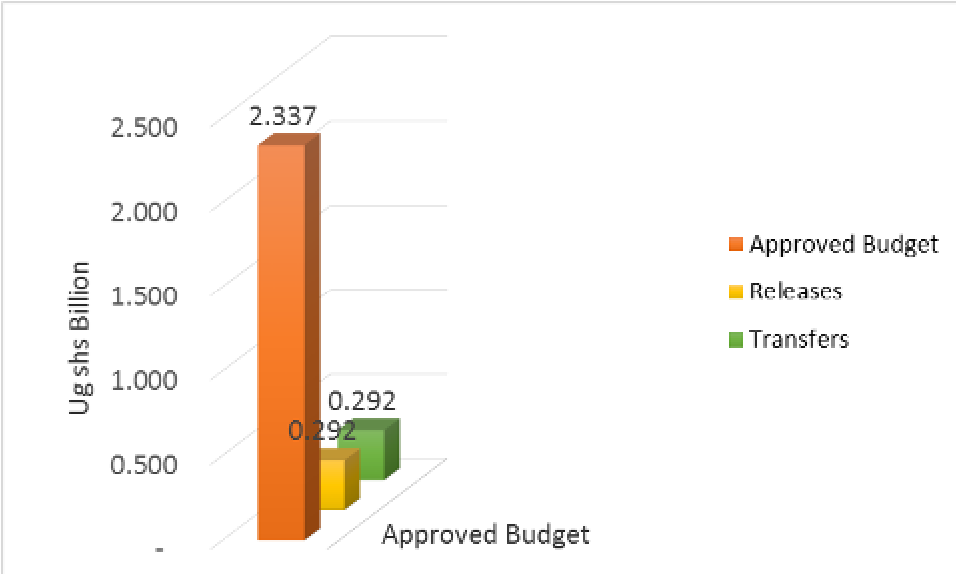
Findings

Financial Performance

GoU financials

Figure 6.6 shows the financial performance of the NELSAP. Poor release performance was noted by 31st December 2015 as 13% of the approved development budget was released compared to the expected 50%. The transfer performance was excellent as all the Ug shs 0.292 billion was transferred to the UETCL implementers. The transferred funds were to be spent on output ''Acquisition of other capital assets''.

Figure 6.6: Financial performance of NELSAP project



Source: IFMS (December 2015)

Table 6.21 shows the financial performance of the RAP implementation. Release performance was less than average. However, funds utilisation was excellent at 96% of the released funds. The poor release to the project affects conclusion of RAP implementation, which is a major hindrance to projects implementation.

Table 6.21 : Financial performance for the RAP implementation

	Disbursement	Ug shs	%age
(i)	Budget Amount	66,437,786,897	
(ii)	Cumulative Releases	28,007,649,959	42.15 of Budget
(iii)	Disbursement to Date	26,911,690,298	96 of Releases
(iv)	Bank Balance 31st December 2015	1,095,959,666	

Source: UETCL and Field findings

Donor Financial Performance

Table.6.22: Basic loan information

Loan Number:	UD-P3
Loan Amount:	JY 5,406,000,000 (Five billion four hundred six million)
Date of Loan Signature:	26th March 2010
Date of Loan Effectiveness:	01st December 2010

Date of first Disbursement:	28th March 2013
Date of Last Disbursement:	Seven (7) years after the effective date of loan agreement

Source: UETCL and field findings

The table 6.23 shows the co-financing contributions. As shown, there is fair disbursement performance as ADF and JBIC performed at 54.9% and 60.9% respectively.

Table 6.23: Donor Co-Financing Contributions

		July-August 2015		October –December 2015	
	Disbursement	ADF	JBIC (JPY)	ADF	JBIC
(i)	Loan Amount	UA 7, 590,000.00	5, 409, 000,000	UA 7, 590,000.00	JPY 5, 409, 000,000
(ii)	Disbursement to Date	UA 2, 916,427.91	2,667,384,292	UA 4, 168,654.01	JPY 3,296,309,839
(iii)	Undisbursed Balance	UA 4,673,572.09	2,741,615,708	UA 3,421,345.99	JPY2,112,690,161
(iv)	% of Loan Disbursed	38%	49.3%	54.9%	60.9%

UETCL and Field Findings

Physical performance

a) RAP implementation

Uganda- Kenya Interconnection Transmission Line

Table 6.24 shows the performance of the RAP for Lot A: Bujagali-Tororo. This demonstrates excellent disclosures and payments performance. It also shows good management of RAP given that the disputes are minimal at 2%.

Table 6.24: Performance of Resettlement Action Plan for Lot A: Bujagali-Tororo

	Total Number	As a Percentage of the total PAPs
Total Number of Project Affected Households	3,188	100
Number Disclosed to	2,962	93
Contracts signed	2,914	91
Number of households paid	2,721	85
Compensation Disputes	48	2

Source: UETCL, and Field findings

Uganda-Rwanda Interconnection Transmission Line

Table 6.25 below shows the performance of the RAP for Lot B. It indicates excellent disclosures and payments performance. This was a major step forward given that substation works had stalled for over one year are now ongoing. A few sections however still remain and continue to affect particularly stringing operations on the line.

Table 6.25: Performance of Resettlement Action Plan for Lot. B Mbarara-Mirama-Birembo

	Total Number	As Percentage of the total PAPs
Total Number of Project Affected Households	1,456	100
Number Disclosed to	1,437	99
Contracts signed	1,353	93
Number of households paid	1,333	92
Compensation Disputes	84	6

Source: UETCL, and Field findings

Construction works: The Contracts for Lot A and Lot B became effective on 12th July 2013 and it was planned to have the works completed by 12th January 2015. However the construction period has elapsed yet physical progress is 64% for Lot A and 75% for Lot B.

The Contract for Lot C became effective on 19th August 2013 and it was expected to have the works completed by 19th February 2015. However the construction period has elapsed yet physical progress is 55%. The detailed status of performance by the end January 2016 is presented in table 6.26.

Table 6.26: EPC works for the Bujagali-Tororo-Lessos and Mbarara-Mirama-Birembo

Lot. A : Bujagali- Tororo- Lessos
The contractor (M/s Jyoti) reported on site between in May and started works in July 2013. Line route and detailed surveys were completed in August 2013. Tower spotting and soil investigations were completed in February 2014 except for the areas where there are diversions and swampy areas. Tower spot excavations commenced in Mid-March, 2014; the expected completion date was 20th January 2016. This was not achieved as a number of works were pending in part due to the incomplete Right of Way. By the 19th January 2016, the status of progress of works is as follows:- Route alignment and survey, 100% (128km of 128km) Tower design and tests 100% (5 of 5no tower types) Foundation design 100% Foundation works 78% (314 of estimated 402no) Tower Erection 72% (289 of estimated 402no) Supply of tower stubs and parts 100% Supply of line materials (conductor, OPGW, insulators, hardware fittings) 100%

Lot. B: Uganda- Rwanda Overhead 220kV transmission line
The EPC works started in July, 2013 with an expected completion date of January, 2015. This was not achieved in part due to incomplete site hand over. The contractor received an extension to May 2016. The land handed over by the 19th January 2016 was 94.3%. Geotechnical investigations and finalisations of tower redesigns and the associated costs were ongoing for the 9 tower locations that are water logged. By the 19th January 2016, the progress of works was as follows:- Route alignment and survey, 100% (66 of 66km) Tower design and tests 100% (5 of 5no tower types) Foundation design 100% Foundation works 89% (188 of estimated 211no; Tower Erection 78% (164 of estimated 211no) Stringing works 1% Supply of tower stubs and parts 100% Supply of line materials (conductor, OPGW, insulators, hardware fittings, etc.) 100%
Lot C: Uganda- Kenya-Rwanda Substations
New Mbarara Substation
The works commenced in August 2013 with an expected completion date of February 2015. This was not achieved due to the ROW issues and a new revised date is 30th April 2016. The equipment for electromechanical works was in the country except for the communication equipment. Overall progress of civil and electromechanical works was 70%. The key outstanding works are majorly electrical mechanical and civil works in the switchyard including; completing access road, gravelling, fencing and drainage works. The summary of performance is preented below. **Preliminary; earth and concrete works** General civil works 71%; Topographic survey and geotechnical investigations 100%; Site clearance and levelling 100%; complete; Design 95%; Equipment foundations 99.6%; Cable trench construction 100% Control building 95%; Manufacture of equipment and materials 95%; Supply of equipment and materials 90%; **Electromechanical works.** Overall progress in installation 65% Circuit breakers installation 100% Disconnector switches 85% Bus bars 80% Gantries 100% Transformers(1x60MVA) 10% Current transformers 100% Voltage transformers 100%

Surge arrestors 50% Post insulators 100% Shunt reactors and capacitor banks 10% Cabling 0%
Bujagali Switch Yard
The summary of progress for works by the end of December 2015 were as follows: Topographic survey and geotechnical investigations 100%; Site clearance and levelling 100%; complete; Design 95%; Manufacture of equipment and materials 90%; Supply of equipment and materials 65%; Equipment foundations 100%; Equipment erection 35%;
Tororo Substation
The contractor commenced work on 19th August 2013. The land for the substation had however fully been handed over. The progress of works by the 31st December was as follows: Topographic survey and geotechnical investigations 100%; Site clearance and levelling 100%; complete; Design 95%; Manufacture of equipment and materials 90%; Supply of equipment and materials 63%; Equipment foundations 91%; Equipment erection 47%; Control building 25%; General civil works 12%;
Mirama Substation
The commencement date of the works was 19th August 2013 with an expected completion date of February 2015. However, the land had not fully been procured. Effective contractor mobilisation was in June 2015 and the new revised completion date is June 2016. During the January 2016 monitoring, the contractor was on site and foundation works were ongoing. Excavations, Steel fixing and concreting works were the major activities. The progress of works is presented below. Topographic survey and geotechnical investigations 100%; Site clearance and levelling 89%; complete; Design 95%; Manufacture of equipment and materials 75%; Supply of equipment and materials 62%; Equipment foundations excavations ongoing 82% Equipment erection 0%; Control building 1.9%;

General civil works 1%;

Source: Field Findings

L-R: Some of erected line bays; The control room in advanced stages at new Mbarara substation on the NELSAP project

L-R: Civil works for equipment foundation ongoing; Completed excavations disrupted by rains to commence civil works at Mirama substation for the NELSAP project

L- R: Tower erection ongoing; Completed tower erection in Mirama for the NELSAP project

Challenges

- Lack of access to project site due delays in conclusion of Resettlement Action Plan.
- Rainy weather conditions affect works.
- Steep terrain particularly on the Uganda-Rwanda side hampering access to the sites.
- Late placement of manufacturing orders due to delays in design approvals for instance telecommunication system affecting the time for placement of orders for manufacture.

Analysis

Link between financial and physical performance

There was a poor link between physical and financial performance. Release for RAP was 13% of the budget as at 31st December 2015 and was cumulatively 42.15% of the overall budget. On the other hand, disbursements for construction works averaged at 58% against good 64% physical progress although the project is behind schedule due to delayed acquisition of the ROW

Achievement of targets

Although the project is behind schedule, there is continuous effort to speed up works and complete the project.

Conclusion

The EPC contractor and the project implementers have stepped up efforts to have the project completed sooner. The Right of Way (RoW) issues have affected the project but with concerted efforts, the project will be completed to improve access to electricity. The land for Mirama substation, that experienced a major setback for over a year was handed over and there are efforts to complete the outstanding cases in the RoW. However, the project was slowed down by delayed acquisition of the Right of way.

Recommendations

- UETCL, MEMD and MFPED should prioritise acquisition of way leaves to reduce on time wastage during project implementation by acquiring land before construction commences.

6.2.5 Promotion of Renewable Energy and Energy Efficiency (PREEE) – [Project 1023]

Background

The Promotion of Renewable Energy and Energy Efficiency programme (PREEEP) implemented on behalf of the German Federal Ministry of Economic Cooperation and Development (BMZ) that supports Uganda's Ministry of Energy and Mineral Development in the areas of energy policy, rural electrification, improvement of market structures in the energy sector and energy efficiency.

In addition, the programme is complemented by the Dutch-German-Norwegian-Australian-British-Swiss partnership, Energising Development (EnDev), the Global Carbon Market programme of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and the Electricity Access Impact Maximization campaign (E-AIM). A few other activities are being undertaken in partnership with German businesses. The programme is currently operating in its third phase (November 2013 – January 2017).

The expected outputs of the project by year 2017 included;

- 150,000 improved household stoves disseminated
- 400 improved institutional stoves disseminated
- 1,000 solar home systems disseminated
- 100 solar institutional systems disseminated
- At least 350,000 tons of wood saved each year

Annual planned outputs for FY2015/16 include:

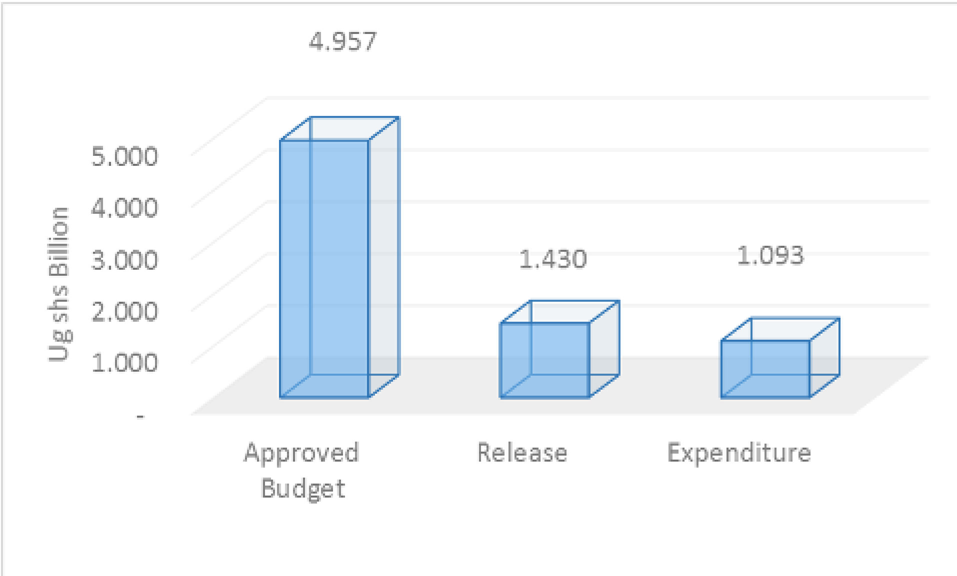
- Technical Support provided to the Energy Resources Directorate through Renewable Energy and Energy Efficiency Activities.
- Draft Energy Efficiency and Conservation Law in Place.
- Biogas standards developed
- Biofuels regulations developed.

Findings

Financial performance

The release performance for the project was fair at 29% against the expected 50% by 31st December 2015. The funds utilisation was good at 76% of the released funds (Figure 6.7). The less than 100% absorption was attributed in part to the payments for the specialised machinery, which had not been completed, by end of December.

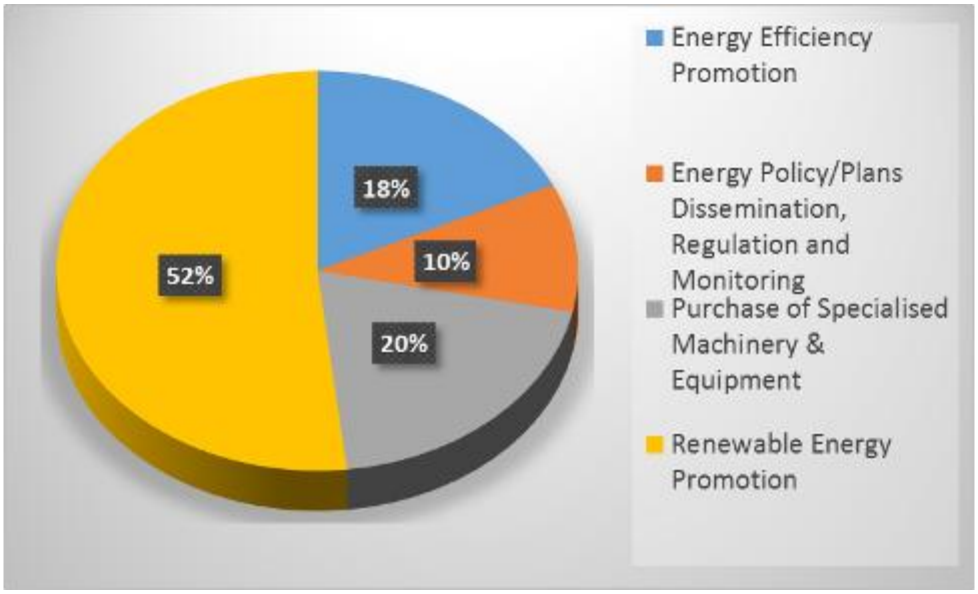
Figure 6.7: Financial performance of Promotion of Renewable Energy and Energy Efficiency project



Source: IFMS (December 2015)

Figure 6.8 shows the share of expenditure by output. As indicated, funds were majorly spent on output category "renewable energy promotion". The least expenditure was made on output, "energy policy/plans dissemination, regulation and monitoring". This policy component is largely supported by the GIZ funding.

Figure: 6.8: Percentage share of expenditure by output category for Promotion of Renewable Energy and Energy Efficiency Project



Source: IFMS (December 2015)

Physical performance

Table 6.27 summarizes the physical performance of the PREEEP against the planned outputs. The overall physical performance of the project was poor at 30% achievement level. Close to 60% of outputs had 0% achievement due to funding constraints.

Table 6.27: Planned outputs and achievement for PREEP

Annual planned output	Achievement as at 31st December 2015	Remarks
Energy Policy/Plans Dissemination, Regulation and Monitoring		
Technical Support provided to the Energy Resources Directorate through Renewable Energy and Energy Efficiency Activities	GIZ provided technical Support for the conducting of Energy audits provided through Local consultants (AOT consulting and Dr. Bakkabulindi Geoffrey) who were attached to support MEMD team in conducting the energy audits.	100% achieved
Draft Energy Efficiency and Conservation law in place.	GIZ provided technical support for the finalization and review of the Energy efficiency and conservation bill provided, correction in the cabinet memo addressed for re-submission to cabinet.	70% achieved
Biogas standards developed	The technical drafts were complete. These were submitted to UNBS for review and possible gazetting	80% achieved
Biofuels regulations developed	Not done awaiting establishment of the law.	0% achieved
Biofuels Standards developed.	Not done awaiting establishment of the law.	0% achieved
Guidelines for biofuels production, transportation, storage, blending, vending and utilisation developed.	Not done awaiting establishment of the law.	0% achieved
Standards for household stoves	Draft standards were in place and were before	50% achieved

developed.	parliament for debate.	
Concept paper on Biomass Energy Resources Authority developed.	The output deferred due to funding constraints.	0% achieved
Energy Efficiency Promotion		
Energy Week 2015 held	Energy Week 2015 held from 14th – 19th September 2015. The activities included the Energy Exhibition at Uganda Manufacturer's Association (UMA) conference hall parking lot, Lugogo. The Energy Management Symposium was held at Imperial Royale Hotel on 17th September 2015	100% achieved
Comprehensive energy audits conducted in 10 high energy consuming facilities	Six (6) Energy Audits conducted for National Social Security Fund (Kampala), Luuka Plastics (Kampala), Steel Rolling Mills (Jinja), McLeod Russel Tea Factory (Bushenyi), Golf Course Hotel (Kampala), and Wagagai Limited (Entebbe). Reports are in place. Savings of 1.673 MW (approximate) power capacity were estimated to be saved by implementing the identified Energy Efficiency measures	60% achieved
Energy management training of at least 30 energy managers and auditor conducted	A total of 47 participants including 28 industrial energy managers 12 private energy consultants, and 7 university students underwent theoretical and practical energy audit training between July and September 2015.Training on business models and financing options for energy efficiency conducted on 11th November 2015 at Golf course hotel.	100% achieved
A standardized approach that will enable periodic monitoring of energy audits and their implementation developed	This was not achieved.	0% achieved
Awareness materials to targeted energy consumers (transport, households, industries and institutions) developed and disseminated	Awareness materials (Brochures and pull-up banners) regarding energy saving tips for homes, efficient use of biomass energy resources and energy auditing designed produced and disseminated. One pull-up banner for the promotion of energy label designed and produced	100% achieved
Minimum Energy Performance Standards and labelling programme in collaboration with UNBS implemented	The Working group appointed with two members from MEMD, one from Makerere University, one from Kyambogo University and 4 from UNBS. Initial contacts with Upstream stakeholders were made. Importers user guide for standards and labels was under development, consultations with UNBS were done. The MEMD is waiting for clearance of the guide from	100% achieved

	Managing Director, UNBS	
National survey of energy efficiency potential in households and institutions done.	This was not completed due to funding constraints.	0% achieved
National survey of energy efficiency potential in transport sector done	This was deferred due to funding	0% achieved
Demonstration exhibits on efficient utilization of energy in place.	Street and radio adverts for the promotion of energy efficiency and conservation conducted in Jinja Municipality from November-December 2015	100% achieved
Draft Fuel Efficiency Policy and Strategy for Transport and first Draft Policy in place	This was deferred due to funding	0% achieved
Renewable Energy Promotion		
Five (5) Micro hydro power sites less than 100KW packaged for promotion and development.	Commenced mobilization of communities in around the five micro hydro selected sites. The sites are located in Kasese(4) and Buhweju(1). Packaging was not completed due to funding constraints.	5% achieved
Capacity building in micro/ pico hydropower technology (Technology transfer). Two officers trained	One officer trained in renewable energy technology in Egypt	50% achieved
Institutional Energy Saving stoves, demonstrated, and promoted.	This was deferred due to funding	0% achieved
Solar energy technologies promoted.	A plan was in place to organise the solar dealers into a national association but this was not achieved.	0% achieved
Wind energy technologies promoted.	Assessment report for the wind technologies was submitted to Kabong District Administration	100% achieved
5 Windmills for water pumping rehabilitated.	Rehabilitation of Leckitalebu windmills in progress. The rehabilitation commenced in November 2015	20% achieved
Study to establish the potential of biogas for electricity generation done.	This was deferred due to funding	0% achieved
Support the establishment of biogas technology demonstration at households done.	This was deferred due to funding	0% achieved
Support the establishment of biogas technology demonstrations at institutions and communities done.	This was deferred due to funding	0% achieved
Support the establishment of biolatrine technology in institutions	This was deferred due to funding	0% achieved

and community Centres done.		
large scale biogas for electricity generation promoted	The output rolled over from FY2014/15. The equipment was delivered and final payment done in FY2015/16. The equipment was due for installation in Buloba. The contract was signed on 27th May 2016 and was to last 18months. The contract sum was US$160,783 and involved procurement, transportation, installation and commissioning, and training	90% achieved
Support private companies to set up good and quality institutional stoves	This was deferred due to funding	0% achieved
Support the completion of 10kW biogas unit in Apac.	This was deferred due to funding	0% achieved
Train briquette producers and managers of briquette equipment.	This was deferred due to funding	0% achieved
Support to install small scale briquetting units.	This was deferred due to funding	0% achieved
Support interlocking soil stabilisation block making.	This was deferred due to funding	0% achieved
Promotion of household gasification stoves.	This was deferred due to funding	0% achieved
Promotion of gasification for electricity generation.	This was deferred due to funding	0% achieved
Biofuels production promoted.	This was deferred due to funding	0% achieved
Large scale briquetting technology promoted	This was deferred due to funding	0% achieved
Refurbish Kyambogo gasifier	This was deferred due to funding	0% achieved
Biomass Dialogue for 2015 held.	Biomass Energy Dialogue on 18th September 2015 at Fairway hotel	100% achieved
Purchase of Specialised Machinery & Equipment		
Five (5) hybrid small wind energy/ solar photovoltaic systems procured, installed and commissioned.	Procurement of five(5) hybrid solar/wind systems for demonstration deferred	0% achieved
Two (2) solar water heating systems for; Refurbishment in Mbale and another procured for one public institutions	Procurement of a large institutional solar water heating system and refurbishment of Mbale hospital non-functional water heating system deferred due to funding constraints	0% achieved
-Fifteen (15) Institutional energy saving stoves procured and	Procurement deferred due to funding constraints	0% achieved

installed.		
Two wind measuring equipment procured	The equipment was procured and Monthly wind speeds data collected	100% achieved

Source: Field Finding

Monitoring focused on components; mainstreaming for Energy Issues, and cooking energy for households. The status of implementation is discussed below.

a) Mainstreaming of energy issues at the district level

Background

The MEMD launched the Energy Mainstreaming Guidelines for the local governments at the Energy and Minerals Joint Sector Review 2014. Other sectors, unlike the energy sector had a focal point at the district level. This had made it difficult for the district to fully plan for the energy related issues some of which are in the other sectors.

The objective of the intervention is to improve service delivery in the District Local Government (DLG) and subsectors through integration of energy issues into their sector plans, budgets, and activities level. The MEMD is encouraging each DLG to have an Energy Focal Person in place. Financial support was provided in partnership with the GIZ to support the framework structure of the Energy Mainstreaming process.

The intervention was to be piloted in 17districts[19] in the Northern part of the country. However, four of the eight districts in the West Nile were postponed. The postponement was due to the failure to meet the budgeting requirements as provided by GIZ. Implementation was ongoing in four districts of: Arua, Nebbi, Zombo and Maracha. Half-year performance review focused on the implementation in the West Nile region.

Physical performance

Four districts in West Nile were implementing the intervention. Each of the districts signed local subsidy contracts and received funds between Ug shs 5,000,000 – Ug shs 6,000,000. The funds were spent on activities that promote awareness about the energy mainstreaming and collect key data on energy demand, use and constraints. The collected information is to be provided to the MEMD for utilisation. The total allocation in the FY per district is Ug shs 12,000,000. Overall performance in the pilot districts was excellent (85% of planned outputs achieved) except for Arua district. There was a general delay to upload the GIZ funds into the OBT to streamline it with the main budget. Some districts (Nebbi and Zombo) had accounted while Maracha was soon submitting the accountability. The summary of performance is presented below.

a) Maracha District local government

[19] Adjumani, Alebtong, Amolator, Apac, Arua, Dokolo, Koboko, Kole, Lira, Maracha, Moyo, Nebbi, Otuke, Oyam, Soroti,Yumbe, and Zombo districts

The Chief Administrative Officer (CAO) signed the subsidy contract from the 1st September 2015 – 31st March 2016. The local government planned four activities in line with the GIZ guidelines and received Ug shs 5,636,600 to implement the planned activities in the first quarter which started in September and ended in December 2015. All the received funds were absorbed and the district registered very good performance. Table 6.28 shows the planned outputs and achievements by Q2 FY 2015/16.

Table 6.28: Planned activity and achievement between September-December 2015

Planned activity September – December	Achievement	Remarks
Planning workshop with DLG and Lower Local Government (LLG) staff for energy mainstreaming held	The workshop was held in October 2015 with the sub county, district officials. These were trained on mainstreaming energy issues in the district and sub county development plans and budgets	100% achieved
Stakeholder forum for energy mainstreaming	This was not achieved. The district focal person was overwhelmed with work and failed to attend such forum.	0% achieved
One-hour radio talk show to disseminate information about energy mainstreaming	This was held on 15th December 2015.	100% achieved
Radio announcements	These were made to sensitise the population about the energy issues.	100% achieved
Field trips for data collection and information gathering to be executed by the District Energy Focal Person	Data was collected on the type of energy used in schools, health centres, and restaurants in the districts. The focus was those along the grid power line.	100% achieved

Source: Field Findings

Challenges

- Increased workload without any allowance
- Less geographical coverage due to inadequate funding

b) Nebbi local government

The CAO signed the subsidy contract from 1st September 2015 – 31st March 2016. The local government planned four activities in line with the GIZ guidelines and received Ug shs 5,718,600 on 2rd October 2015. The funds were all absorbed to implement the planned activities. Overall performance was excellent. The summary of performance is presented in table 6.29.

Table.6.29: Planned activity and achievement between September-December 2015

Planned activity September – December	Achievement	Remarks
Planning workshop with DLG and	The workshop was held. Training was offered to the	100%

LLG staff for Energy Mainstreaming held	district and sub counties on how to mainstream energy issues.	achieved
Stakeholder Forum for Energy Mainstreaming	This was achieved. The Energy Focal Person (EFP) presented energy mainstreaming issues at independence celebrations in the district	100% achieved
One-hour Radio talk show to disseminate information about energy mainstreaming	This was held	100% achieved
Radio announcements on energy mainstreaming	This was concluded.	100% achieved
Field trips for data collection and information gathering to be executed by the District Energy Focal Person	Data was collected on the type of energy used in schools, Health Centres, sub counties, Restaurants in the districts	100% achieved

Source: Field Findings

Challenges

- Lack of transport means to facilitate mobilisation and awareness.
- Low rate of transport refund to the attendants of the workshops regardless of the distances to the training venue.
- Rigidity in activity implementation which allows limited delegation and when permitted it is very tedious. It was reported to take at least a month to obtain clearance for delegation.

c) Zombo District local government

The CAO signed the subsidy contract from 1st September 2015 – 31st March 2016. The local government planned four activities in line with the GIZ guidelines. The LG received Ug shs 5,242,000 to implement the first quarter activities of. All the received funds were expended on the planned activities. A summary of progress is presented in table 6.30 below.

Table.6.30: Planned activity and achievement between September-December 2015

Planned activity September – December	Achievement	Remarks
Planning workshop with DLG and LLG staff for Energy Mainstreaming held	The training workshop was held on 5th November 2015 for the district and sub counties on how to mainstream energy issues in the district and sub county development plans and budgets.	100% achieved
Stakeholder Forum for Energy Mainstreaming	This was achieved. The Energy Focal Person (EFP) presented energy mainstreaming issues at independence celebrations in the district.	100% achieved
One-hour Radio talk show to disseminate information about	The radio talk show was held and was held and lasted two hours sharing pertinent energy concerns,	100% achieved

Energy Mainstreaming	opportunities and possible solutions.	
Radio announcements	This was concluded.	100% achieved
Field trips for data collection and information gathering to be executed by the District Energy Focal Person	Data was collected on the type of energy used in schools, Health Centres, sub counties, Restaurants in the districts. A total of 25 institutions along the grid extension were visited to collect the data.	100% achieved

Source: Field Findings

Challenges

- Lack of dedicated transport means for the energy focus person.

Conclusion

Efforts have been made to mainstream energy at the district and lower local governments in addition to developing the energy mainstreaming guidelines. Implementation has been commendable despite challenges such as; delays in the access of funds from the district; and inadequate transport to effectively mainstream the energy issues. Over 80% of the planned outputs have been achieved.

Recommendations

- The MEMD should lobby GIZ and other development partners to fund the rolling out of the Energy Mainstreaming component throughout the country.
- The MEMD, GIZ and implementing local governments should provide a fund to cater for allowances for the energy focal person.

b) Dissemination of Energy Saving cook stoves

The GoU in partnership with GIZ is committed to improved access to modern energy services. This is achieved through dissemination of household and institutional cook stoves.

Starting 2012, the GIZ provides support to the dissemination of Energy Saving stoves through a market-oriented strategy. The strategy focuses on; skills development of the stoves builders, raising awareness about energy saving technologies, creativity and marketing of energy saving products. This has been done country wide with an aim that the energy service providers take up stove building as a business. Special attention has been given to northern and western Uganda. GIZ implements a partnerships approach to meet the stove dissemination objective.

- **Partnership with the United States Aid for International Development (USAID) Community Connector (CC)**

Background

The Memorandum of Understanding was made between the USAID Community Connector and GIZ. The MoU constitutes the legal grounds for the partnership support and joint implementation of activities aimed at promoting access to improved cook stoves by vulnerable communities in the sub-counties of: Parombo, Kuchini and Pakwachi Town Council in Nebbi district.

The Community Connector Project aims to enhance nutrition and livelihoods. It aims to reduce the workload of pregnant and lactating mothers through building the capacity of community promoters to construct, market and upscale improved energy efficient cook stoves through a sustainable sales based model[20].

Physical performance

Total energy service providers trained were 260 in Nebbi district. The trained ESPS were provided moulds, training manuals and stationery. Three beneficiaries were interviewed to establish the status of project implementation and service delivery. An excerpt is presented in box 6.1.

Box 6.1: Case study of beneficiary interviews in Pakwach Town Council , Nebbi District

The beneficiaries one of whom was a user and a maker (Ms. Margret Akello) of energy saving stoves acknowledged receipt of training and moulds from GIZ. She was very happy with the intervention. As a maker of the energy saving stoves she noted that her income had been enhanced as she sells each stove at Ug shs 6,000. As a user of the stove just like the other two interviewees mentioned the following benefits.

- Reduced energy consumption
- Very little/negligible smoke emission
- Cooks faster

The challenge mentioned was:

- Cracking of the energy saving stoves immediately after moulding due to hot weather in Packwach

Source: Field finding

Conclusion

Over the past years, promotion of the efficient use of energy through dissemination of energy saving stoves has generated positive effects to the users especially in the Northern Uganda where the project is implemented on a large scale. The energy saving stoves are associated with a number of benefits such as reduced fuel consumption, reduced smoke emissions while cooking and ability of the stove to cook faster. This was conceived to be taken up as a business approach by the stoves builders. However, not many stove builders have taken advantage of this initiative. The stoves are also affected by hot weather and as a result, crack.

Recommendations

- The MEMD should continuously lobby GIZ to roll out the energy saving technology in other parts of the country on a larger scale as is in Northern Uganda.

[20] MoU signed between the GIZ and USAID Community Connector

- The MEMD in partnership with GIZ should enhance support to the stove builders to equip them with skills in stove building and provision of storage facilities.

Energy saving stoves under use; beneficiary touches the stove to confirm that the stove remains cool even while cooking

Analysis

Link between financial and physical performance

The project received 29% and expended 76% of funds to Q2. The poor financial performance also led to poor physical performance. On the other hand, outputs supported by the GIZ performed well as their funding was adequate.

Achievement of targets

Achievement of targets for the PREEEE GoU component was below average. Close to 60% of the planned outputs were not achieved majorly due to funding constraints.

Conclusion

Physical performance for the GoU component of the PREEEP was poor majorly due to funding constraints while the GIZ performance was on a high side (over 80%). Given the limited resource envelop from the MFPED, other projects such as the development of infrastructure projects are prioritised yet the PREEEP is also key for improving access to modern energy.

Recommendations

- The MEMD should source for alternative funding such as developing partnerships with the private sector or fully seeking donor funding.

Vote Function 0302 Large Hydro power Infrastructure

The vote function is intended to support development of large hydropower generation facilities in the country. The fund is geared towards meeting government's endeavors to developing large power projects on a public/private partnership in the medium term. The vote function took 83.40% of the total sector budget. The funds were majorly allocated for Karuma Hydropower Project. Projects monitored during FY 2015/16 were; Isimba Hydropower Plant, Karuma Hydropower Plant, and Nyagak III.

6.2.6 Isimba Hydroelectricity Power (Project: 1143)

Introduction

This is one of the hydropower projects earmarked under the National Development Plan II for development by the Government. The purpose of this project is to: increase power generation capacity and supply the local and regional market. The project is being developed under a bilateral arrangement with the Government of the Republic of China.

The EPC contractor for the HPP and the Isimba-Bujagali interconnection line is China International Waters and Electric Corporation (CWE). The contract was signed in September 2013 and the groundbreaking ceremony was held on 5th October, 2013. The contract sum for the project is US$ 567 million for a period of 40 months.

Expected outputs by 2016 are:

- Constructed 183MW Isimba Hydro power plant
- Constructed 4X45.8MW Isimba Hydro power plant
- Constructed 132kV Isimba-Bujagali, double circuit steel tower power transmission line (approximately 41km)

Planned outputs for FY2015/16

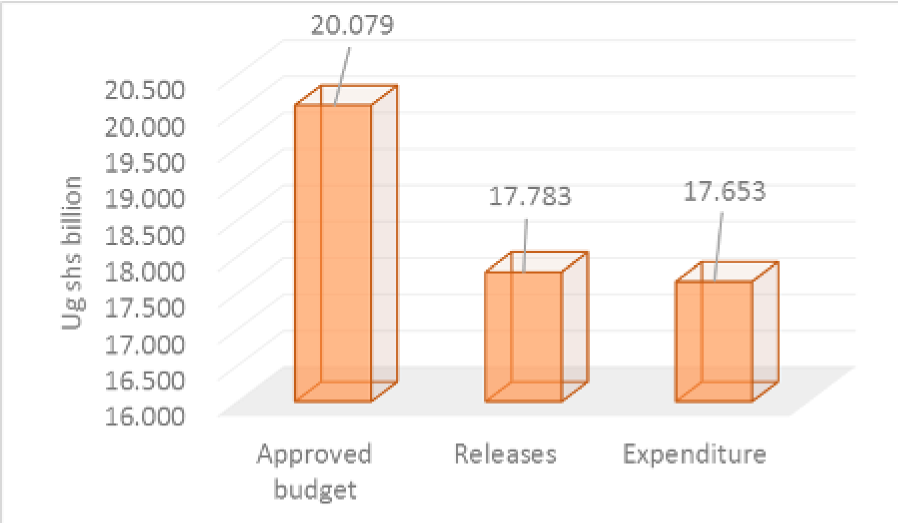
- Supervision of works for Isimba HPP (UEGCL & UETCL)
- RAP Implementation for Isimba
- Continue with EPC works

Findings

Financial performance

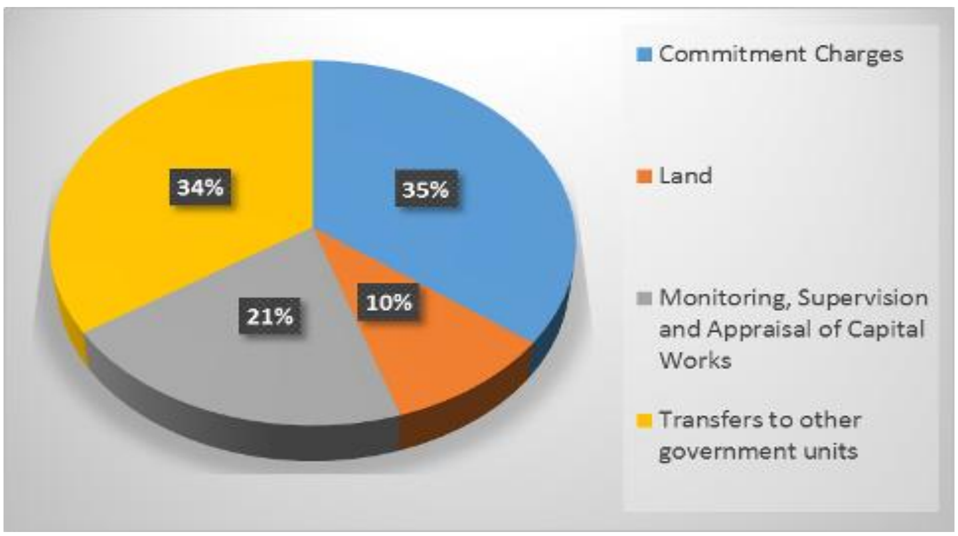
The release and expenditure performance was excellent rated at 88% and 99% respectively. (Figure 6.9). Majority of expenditure (34%) was made on transfers to other government units while the least expenditure was for land acquisition (Figure 6.10).

Figure 6.9: Financial performance of Isimba Hydroelectricity Power project



Source: IFMS (December 2015)

Figure 6.10: Percentage share of expenditure by line items Isimba Hydroelectricity Power project



Source: IFMS (December 2015)

The China EXIM bank financing

The contract sum for the project is US$ 567,738,993.33. The financing agreement between GoU and China EXIM bank was signed in November 2014. The loan disbursements had however not yet been made as the contractor had not fulfilled the conditions such as repayment terms, and power purchase agreements among others. By 31st December 2015, GoU had disbursed US$ 85,160,849.00 (15% of contract sum) as advance payment to the contractor in 2014. The 5%

from the China EXIM bank (US$ 28,386,949.67) was disbursed to contractors in 2015. The contractor had received payment of two Interim payment certificates (Table 6.31).

Table 6.31: Summary of payments to contractor by 31st December 2015

Interim Payment number and Date certified	Amount (US$)
First part of Advance Payment in August 2014 (15% GoU contribution)	85,160,849.00
Second part of Advance Payment in August 2015 (5% contribution from the loan amount)	28,386,949.67
Total advance payment	113,547,798.67
IPC1: Certified in August, 2015	72,126,626.59
IPC2: Certified in November, 2015	16,593,182.00
Total disbursements	**202,267,607.26**

Source: Field finding

Physical performance

The progress of engineering include; submission of drawings of various components in a phased manner by the contractor to the consultant for review and possible approval before placement of orders. The procurement of equipment is done in accordance with the EPC contractor's phased mobilization plan. By 14th January 2016, the EPC contractor placed orders for manufacture of hydro mechanical and electromechanical equipment and some were due for delivery while others were on site for use. The project physical progress was at 18% ahead of financial progress which was 16% excluding the advance payment. The percentage of the contract sum disbursed at 14th January 2016 was 36%. The detailed performance is presented in the tables 6.32 and 6.33.

Table 6.32: Summary of project achievement as at 31st December 2015 for Isimba HPP

Annual planned output	Achievement	Remarks
Supervision of works for Isimba HPP (UEGCL & UETCL)	Works were supervised. There are staff at the project site who engage in supervision works.	100% achieved
RAP Implementation for Isimba	Compensation was at three main areas: Dam site area was 96% acquired Reservoir area was 83% acquired Transmission line corridor was 49% acquired Overall RAP implementation was 76%	76% achieved. Remaining areas were awaiting revaluations for disputed PAPs and clearance of the valuation report from the CGV
Continue with EPC works	Works continued. Details are presented in table 7.28 below.	

Auxiliary components completed.	The site clinic was complete with installation of equipment. The screening and profiling of the workforce was ongoing.	80% achieved

Source: Field findings

Table 6.33: Detailed physical performance of Isimba Hydropower project

Component	Progress as at 14th January 2016
Main works	
Power house	Foundation excavations were complete for the four units of the power house. Construction of the base slab and installation of draft tube piers was in advance stages for unit 4 and 1 of the powerhouse. The form work for the spiral casing was under assembly for the same units(1 &4) Concreting works for the units 1,2,3,4 were ongoing at the tailrace elbow foundations and lateral wall. The concreting works had been completed for units 1 and 4 ; while works in Units 2 and 3 were about 40% complete. Generally works in units 1 & 4 were ahead of 2 &3 as electro mechanical works had commenced in the former.
Spill ways Spill ways(SP- 1 &2)	Foundation excavations for the spillways were complete. Civil works were ongoing at the upper and lower spill way. The works at SP1 included; foundation consolidation grouting, recasting of rail beams and deck slab of temporary bridge. Installation of anchor bars was ongoing in the spillway-stilling basin
Guide wall and Gravity dam	Foundation excavations were complete. Concreting works was ongoing for the guide wall. The concreting works for gravity dam 1 and 2 had not yet commenced completed making this component behind schedule by about 4 months. This was attributed to the rainy weather condition which affected pouring of the blinding concrete. The contractor had just completed Plain Cement Concrete works in gravity dam 1 while the civil works were to commence at gravity dam 2
Cutoff wall	Trench excavation for the cutoff wall was ongoing. Concrete casting and grouting had also commenced in some sections.
Left bank embankment dam	Civil works were ongoing. Excavations were in advanced stages and placement of anchor bars in accordance with the approved drawings. Curtain grouting was ongoing to create a curtain wall as at 14th January 2016.
Right bank embankment dam	The works were due for commencement.
Ancillary facilities	
Access road	The works on the temporary road construction was at 95% for the left embankment access roads. The works on the access roads from Kayunga had not commenced yet the modifications for the various sections on the road are urgently needed to have them executed to enable convenient delivery of long and wide loads. A meeting was planned between UNRA and other stakeholders to determine the viability of the various proposals for the works on the roads.

Component	Progress as at 14th January 2016
Ice plant	The works were completed. Pressure tests for the cooling system were completed. The plant was under use.
Aggregate processing plant	The concrete batching plant is currently operational.
Hydro mechanical and electromechanical facilities construction and installation	The construction works were in advanced stages.
Fuel reservoirs	These are operational. The first filling station has capacity of 100,000 liters of diesel and 30,000 liters of petrol while the second filling station has a capacity of 300,000 liters of diesel.
Water supply and sewerage treatment	The construction of the water supply system has been completed.

Source: Field findings

L-R: Form, steel and other civil works ongoing at the powerhouse site at Isimba Hydro power plant in Kayunga district

Analysis

Link between financial and physical performance

There was a good link between financial and physical performance. The release and expenditure performance was excellent at 88% and 99% respectively with over 80% physical progress. The project EPC progress was at 18% ahead of financial progress which was 16% excluding the advance payment.

Achievement of targets

The project scored high in achievement of targets. The construction of the Hydropower plant was ahead of schedule. On the part of GoU, works were supervised on a daily basis as there were staff on site from MEMD. The RAP implementation also progressed at 76%. However, there were delays on commencement of the construction of the access road from Kayunga to enable convenient delivery of wide loads.

Conclusion

Development of Isimba Hydropower Plant is a critical project to increase on the power generation capacity and supply the local and regional market. Implementation of the project is ahead of schedule. However, the MEMD needs to address the hiccup of the delayed construction of the access road to enable convenient delivery of equipment on site.

Recommendation

- The MEMD and UNRA should plan for the fasttracking the access road from Kayunga to Isimba Hydropower Plant.

6.2.7 Karuma Hydropower Plant (Project: 1183)

Background

The GoU is developing Karuma HPP as a public investment to generate 600MW of electricity. The medium term objective of the project is the ultimate development of Karuma Hydropower Plant and its associated transmission line interconnection. The hydropower plant will contribute to increasing the power supply in the country, and possibly in the East African region.

Increasing power generation capacity through development of large hydropower plants and building new transmission lines to evacuate power from new generation plants and improving power service delivery to different areas of the country, are key areas of focus in the National Development Plan II (NDP II).

The project was scheduled to start in July 2011 and expected completion date was June 2016. The EPC contract was awarded to M/s Sino hydro Corporation Limited on 16th August 2013 at a contract sum of US$1.398 billion. The preliminary works commenced on 16th September 2013 with an expected completion of 2018. The supervision consultant is M/s Energy Infratech Private Limited (EIPL)

Expected outputs by June, 2018

i) Constructed 600 MW Karuma Hydro power plant- 6turbinesX100MW
ii) Constructed 220kV Karuma- Kawanda, double circuit steel tower power transmission line

Planned outputs for FY2015/16 include

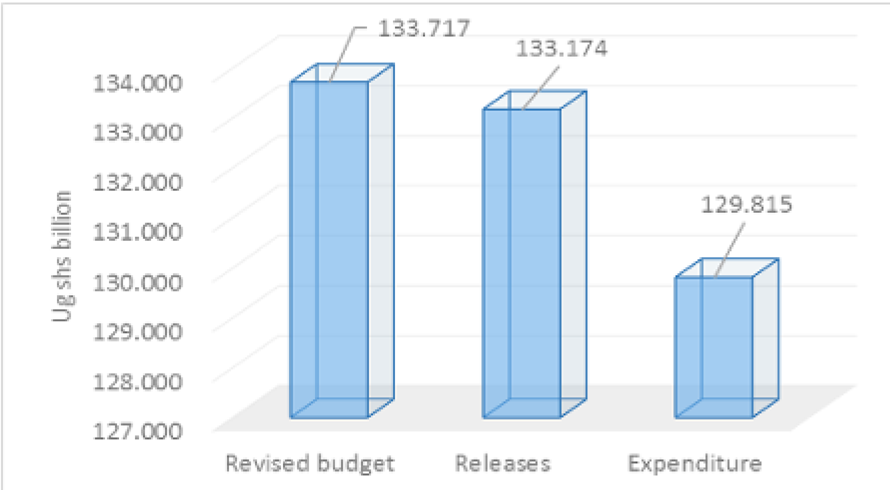
- Supervision of works for Karuma HPP (by UEGCL and UETCL)
- RAP Implementation for Karuma
- Continue with EPC works
- Construction of the Resettlement houses

Findings

Financial performance

A total of 99% of the revised Ug shs 133.717 billion GoU development budget was released for the project. Expenditure performance was 97% indicating excellent financial performance as shown in figure 6.11.

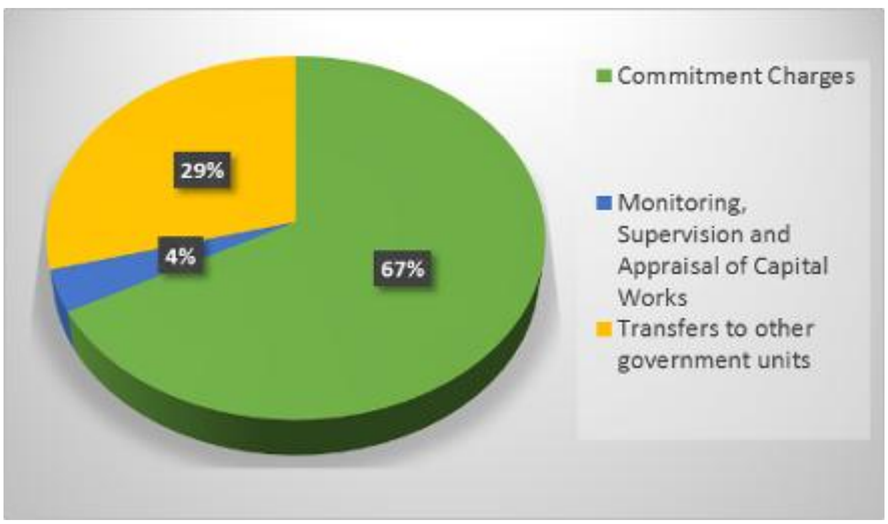
Figure 6.11: Financial performance of Karuma HPP as at 31st December 2015



Source: IFMS (December 2015)

The line item that took up the largest share of the expenditure was commitment charges while monitoring, supervision, and appraisal of capital works took up the least share (Figure 6.12).

Figure 6.12: Percentage share of expenditure by line item for Karuma HPP as at 31st December 2015



Source: IFMS (December 2015)

Financing from the China Exim bank

The percentage disbursement excluding the advance payment for the Karuma HPP was 12.4% of the contract sum. The EPC contractor also received the advance payment for the Karuma Interconnection project (KIP) (Table 6.34).

Table 6.34: Contract Details and payments to 31st December 2015 for KHPP and KIP

Project	Contract sum (US$)	Advance payment (US$)	IPC issued and certified (US$)	Date of Interim Payment Certificate
KHPP	1,398,516,760.00	209,777,514.00	51,298,383.00	January 12 2015
KIP	289,905,170.00	43,485,783.00	55,205,868.00	June 30 2015
			33,006,839.00	October 7 2015
			17,183,841.00	October 28 2015
			16,851,746.00	November 18 2015
Total	**1,688,421,930.00**	**253,263,297.00**	**173,546,677.00**	

Source: EPC consultant; field findings

Physical performance

The project was on schedule as the key activities on the critical path (Powerhouse and Tailrace Tunnel Works) were progressing well. The river diversion works were all complete. All the adits and access tunnels were completed. Concrete works of the dam is at 7%. Excavation works at the power intake was at 99%. Excavation works at the tailrace tunnel out fall was at 84%. Other works at the powerhouse, crane beam concrete, and main transformer cavern were ongoing. The financial progress excluding the advance payment was 12.4% against the 15% physical progress. Table 6.35 presents the planned outputs and achievement by end of December 2015.

Table 6.35: Planned output and achievement as at 31st December 2015 for KHPP

Annual planned output	Achievement	Remarks
Supervision of works for Karuma HPP (UEGCL & UETCL)	The Supervision works for Karuma HPP Continued. Availability of staff on site to oversee implementation of the project.	100% achieved
RAP Implementation for Karuma HPP	Overall RAP implementation was 98%. The outstanding cases are under court for settlement.	98% achieved
Continue with EPC works	Works continued. Details are presented in table 7.31 below.	15% achieved
Construction of resettlement houses	The MEMD was still negotiating with the landowner on the price of the land. The designs for the resettlement houses had been completed by 31st December 2015	12% achieved
Relocation of institutions (Churches mosque and Karuma Primary school).	The designs for the institutions were complete and the procurement of the contractor had just been initiated at contract committee stage.	10% achieved

PAPs sensitized within the affected and host communities	These continue to take place.	100% achieved
Implementation of the Community Development Action Plan (CDAP) and the Environment and Social Management Plan (ESMP) supervised and Monitored	Implementation of the CDAP had not commenced. This was because there is an agreed need to harmonize this plan and the Corporate Social Responsibility (CSR) for the EPC contractor to ensure optimal use of the resources.	10% achieved

Source: Field findings

Table 6.36 shows the detailed status of construction works for Karuma Hydropower Plant. Overall progress was 15% against 17% time progress.

Table 6.36: Detailed progress of works at the Karuma Hydro power plant

Component	Progress as at 14th January 2016
Main works	
Main Access Tunnel	This was completed and utilized for transportation of various resources like human labor, machinery, constriction materials to the underground work sites and disposition of the excavated materials from the underground structures to the dumping sites.
Escape and Ventilation Tunnel	This was completed and was utilized for transportation of various resources like human labor, machinery, constriction materials to the underground work sites and disposition of the excavated materials from the underground structures to the dumping sites.
Surge chamber access and ventilation tunnel	This was completed and utilized for transportation of various resources like human labor, machinery, constriction materials to the underground work sites and disposition of the excavated materials from the underground structures to the dumping sites.
Adits 1-10	Adits were completed and were utilized for access to the various components of the power plant.
Dam	Foundation excavations were completed and concreting works was in advanced stages in blocks 1 to 15. The tower crane foundation was completed in December 2015. Erection of the tower crane had commenced to facilitate concreting works in the dam. The concreting works for dam block 16 had been completed to facilitate construction works for the dam, power intake and Tail race tunnel structures(TRT)
Power intake	Excavation and slope protection works had been completed. Concreting works had commenced.
Power house	Excavation works were ongoing. Excavation works for first and second bench of the powerhouse was complete while the third bench of the powerhouse had commenced. The casting of concrete for the crane column beam and ceiling bracket was ongoing. The cavern is under monitoring to know the rock mass behavior with three sections of geotechnical instruments installed in the excavated benches. The instruments were exhibiting stable readings.
Main transformer cavern	Civil works were ongoing. Excavation of the cable tunnel from the transformer cavern completed and excavation of the fourth bench had commenced.
Surge chamber	Excavation works were ongoing. The second bench of the surge chamber is also complete. The rock support was also nearing completion. The stability of the surge

Component	Progress as at 14th January 2016
	chamber was being monitored.
Tail race tunnel(TRT) 1 & 2	Excavation works were ongoing. The encountered rock was of good quality. The key mile stone was the complete see through that was achieved in the TRT.
Tail race tunnel outfall	Excavation works were ongoing.
Ventilation shafts	Excavation works for the three number of ventilation shafts were ongoing.
Ancillary facilities	
Aggregate processing plant	The aggregate system was complete.
Concrete batching plant	The construction works for one of the plants were ongoing in advanced stages. Completion was 75% while ones of No. 2-4 were completed.
Generator station	This was completed.
Site laboratory	Completed
Karuma complex	Completed
Employer camp	The employer camp no. 1 to 4 were nearing completion.
Karuma market	Completed and operational
Oil depot	Complete and functional

Source: Field finding


L-R: Form, steel and concreting works at the dam area in Karuma HPP in Kiryandongo district

Analysis

Link between financial and physical performance

There was a good link between financial and physical performance. By 31st December 2015, the release and absorption of GoU funds was excellent. Physical performance for half of the outputs for the project was complete while the other half was slightly behind schedule. The financial progress of the construction works was 12.4% against the 15% physical progress.

Achievement of targets

Project performance was good. A number of outputs had achieved close to 100% progress such as; supervision works (100%), sensitization of the PAPs; and the RAP implementation (98%) while the construction works were on schedule. However, a number of outputs were slightly behind schedule such as; construction of resettlement houses; relocation of social institutions, and implementation of the Community Development Action Plan (CDAP)

Conclusion

Large hydropower infrastructure specifically the development of Karuma Hydropower Plant takes the largest share of GoU funds in the energy sector. This is due to its anticipated strategic importance to contribute to increased power supply in the country, and possibly in the East African region. Overall, project performance is on schedule.

6.2.8 Nyagak III Hydro Power (Project 1351)

Background

The Government of Uganda represented by Ministry of Energy and Mineral Development (MEMD) signed agreements with KfW to implement Efficient and Sustainable Energy Supply Programme (ESESP). The MEMD implements the ESESP based on mainly four Financing Agreements that were signed between 2008 and 2011. Uganda Electricity Generation Company Ltd (UEGCL) is designated as the project-executing agency for Nyagak III projects which have been packaged as a Public Private Partnership (PPP) between a consortium comprising of Hydromax and Dot services and GoU. The PPP type is Build-Own-Operate and Transfer (BOOT) after 20 years. Procurement of the private partner for Nyagak III is expected to be concluded during the 3rd quarter of FY 2014/15.

Expected outputs

- Constructed 5.5MW Nyagak III Small Hydro Power Plant
- Constructed 2x2.75MW Nyagak III small hydropower plant
- Constructed 5km of 33kV interconnection line terminating at Nyagak I switch yard.

Planned outputs for FY2015/16

- RAP for Nyagak III continued
- Supervision Works for Nyagak III

Findings

Financial performance

The project cost is 17.1 million Euros funded as follows. Eight million Euros is a grant from KfW of which two million Euros is for the project consultant and the balance of 11.1 million

Euros will be privately financed. Ug shs one billion is GoU contribution for RAP implementation.

Figure 6.13 shows the GoU financial performance for the project. The approved budget for the project in FY2015/16 is Ug shs 0.910 billion of which 23% was released representing a fair release performance compared to the expected 50% release by the same period. The MEMD transferred all the released funds to the UEGCL for project implementation.

Figure 6.13 Financial performance of Nyagak III Hydro Power project as at 31st December 2015

Source: IFMS (December 2015)

Physical performance

Progress of works was in preliminary stages. The financing agreement was soon to be concluded but the contractor was on site under taking works. The summary is presented in table 6.37.

Table 6.37: Annual planned output and achievement for Nyagak III Hydro Power Plant

Annual planned output	Achievement as at 31st December 2015
RAP for Nyagak III continued	The RAP implementation process for 310 Project Affected Persons was ongoing. Inadequate funding to the UEGCL slowed down payments to the PAPs. A total of Ug shs 100 million had been received of the required Ug shs 630 million currently. The reported funds received however contradict with what was observed on the IFMS as transfer to the UEGCL.(Figure 6.13 above)
Supervision Works for Nyagak III	Major works hard not commenced. The project started on 26th November 2015 with an expected completion of November 2019. Preliminary works had commenced with opening up of access road. By the 12th January, an access road clearance of 4 Km long and 10 meters wide was ongoing. The contractor

	was yet to complete the first phase of clearance to the location of the powerhouse, which was 250 metres away.

Source: Field findings

L-R: Ongoing excavation works; Cut for filling in some sections on the road under construction at Nyagak III, HPP in Paidha Town Council

Analysis

Link between financial and physical performance

There was a weak link between the physical and financial performance. Release performance for the project was fair while absorption of funds was excellent. On the other hand, RAP implementation was slow conforming the weak link between financial and physical performance. The financing agreement for the EPC works was yet to be concluded as the contractor was undertaking initial works.

Achievement of targets

Performance of the project was fair. The RAP implementation was ongoing. Although no major works had started on site, preliminary works had commenced with the contractor using own resources.

Conclusion

Development of small hydropower plants such as Nyagak III contributes to the enhancement of sustainable energy supply. Its development will increase the supply of power to the main grid. The hydropower plant is being developed as a Public Private Partnership. With increased budget cuts, there is need for more private developers to get on board to invest in generation to enhance the energy supply.

Vote Function 0303: Petroleum Exploration, Development and Production

The vote function effectively monitors all petroleum operations in the country for the exploitation of the petroleum resource in an economically and environmentally conducive manner. The Directorate of Petroleum (DP) in the MEMD is responsible for promoting and regulating the petroleum upstream (exploration, development and Production) subsector in the country. The directorate is also handling the development of the country's petroleum midstream subsector, which involves planning for the development of the refinery and pipelines in the country. The vote function took up 4.18% of the total sector budget for FY2015/16.

The DP implements three development projects namely; Construction of the oil refinery (Project 1184); Midstream Petroleum Infrastructure Development (Project 1352) and. Strengthening the Development and Production Phases of Oil (Project 1355);

6.2.9 Construction of the Oil Refinery (Project 1184)

Background

There was a significant exploration success in 2006 which determined that the Albertine Graben contained sufficient oil reserves. The discoveries are currently estimated at 3.5 billion barrels of oil in place and about 1.2 billion barrels of recoverable oil[21].

Following the exploration success in Uganda, MEMD formulated a Refinery Development Program (RDP) to guide the development of the refinery and its associated infrastructure. As a step towards implementing the RDP, GoU undertook a feasibility study for the development of an oil refinery which was completed in August 2010. The study determined that it is feasible to develop an oil refinery. The Public Private Partnership project commenced in July 2011; and is expected completed on 30th December 2016.

The main objectives of the project are to;

i. Develop an appropriate legal and regulatory framework for crude oil refining and related infrastructure
ii. Plan for the development of the refinery, pipelines, storage facilities and related midstream infrastructure
iii. Contribute to capacity building in new emerging areas of crude oil valuation and midstream petroleum operations
iv. Develop an appropriate modern institutional framework for crude oil refining and related midstream petroleum operation
v. Promote private sector participation in the development, operation of refineries and related infrastructure
vi. Promote regional and international cooperation in development of refineries and related infrastructure.

The MEMD planned outputs for FY2015/16 include;

- Regulations for midstream petroleum operations developed and issued.
- Standards and codes for midstream petroleum operations and facilities developed and issued.

[21] MFPED; Public Investment Plan FY2015/16- 2017/18

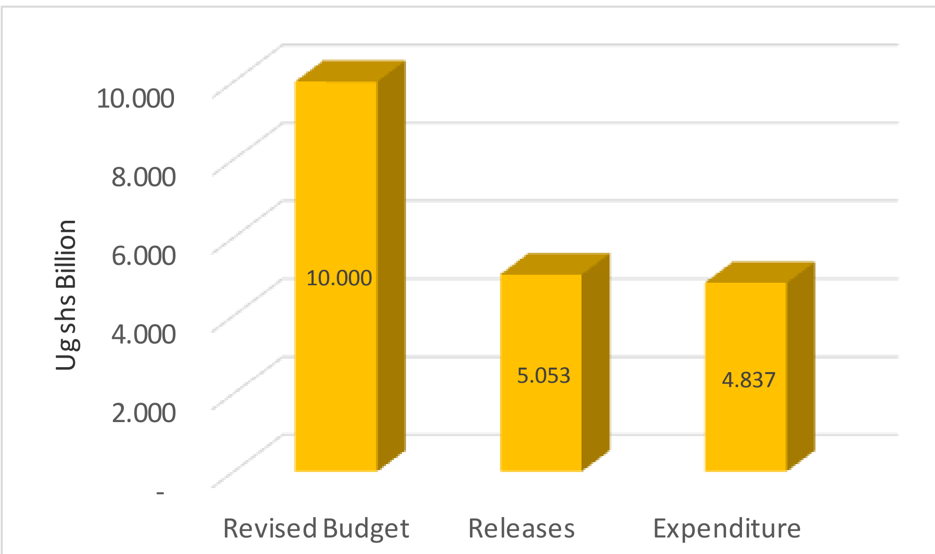
- Investment in midstream activities promoted including petrochemical and energy based industries.
- All property owners from the refinery land full compensated and resettled.
- Develop a Master plan for the Kabaale Industrial Park and Refinery Complex Area.

Findings

Financial performance

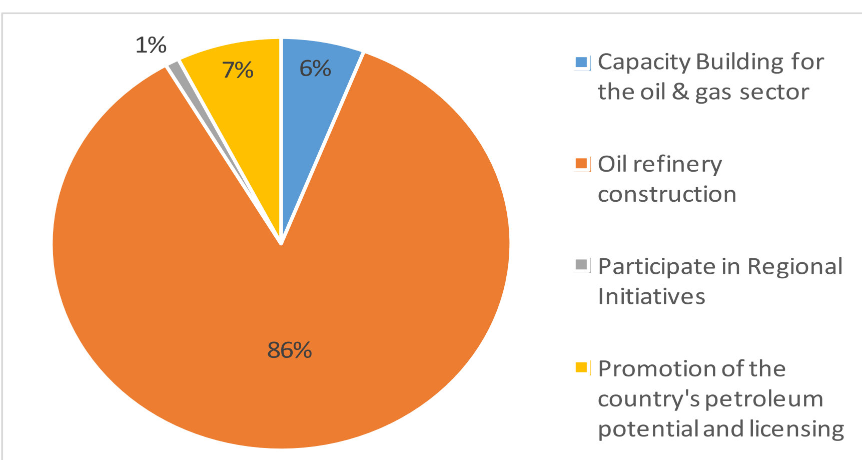
Figure 6.14, exhibits excellent release performance at 51% of the revised development budget compared to the expected 50% by 31st December 2015. Expenditure performance was similarly excellent as 96% of the released funds was absorbed. The project exhibited good allocative efficiency as 86% of expenditure was made on output ‘oil refinery construction’. The remaining 14% was shared among outputs such as promotion of country’s petroleum potential and licencing, capacity building for oil and gas sector as shown the figure 6.15.

Figure: 6.14: Financial Performance of Refinery construction project



Source: IFMS data

Figure 6.15: Percentage share of expenditure by output category for oil refinery project



Source: IFMS (December 2015)

Physical performance

Table 6.38 shows the physical performance of the project. Excellent performance was observed on five out of seven outputs. The two outputs that had not commenced were waiting for the formation of the Special Purpose Vehicle. The selection of the lead investor, a key output of the project was in advanced stages at 98%.

Table 6.38: Planned outputs against performance for construction of the oil refinery July - December 2015

Annual Planned output	Physical performance as at 31st December 2015	Remarks
Promotion of the Country's Petroleum Potential and Licensing		
Regulations for midstream petroleum operations developed and issued	General Midstream regulations, and Health Safety and Environment (HSE) regulations finalized and submitted for Minister's signature. This was at 98% The minister signed the National Content regulations and was ready for gazetting. This was 100%	99% achieved
Standards and Codes for midstream petroleum operations and facilities developed and issued	40 draft standards approved by the National Standards Council	100% achieved
Investment in Midstream activities promoted including petrochemical and energy based	Participated in 2 meetings/workshops with potential investors at both National and International level held. On 17th September 2015, four officers participated in the Uganda International Oil and Gas Conference at Serena, Kampala where a presentation on investment opportunities in the Midstream sub-sector was made	100% achieved
Capacity Building for the Oil and Gas Sector		
Capacity building and skills development for midstream petroleum pipelines and storage facilities	Engagements with Universities and technical institutions on the need for incorporating midstream aspects in their curricula continued such as Kyambogo University, Makerere University, Ndejja University, Uganda Petroleum Institute, Kigumba, Nakawa Vocational Institute among others 7 short term training courses attended by officers in	

	the Department 3 officers continue long term training at Masters level in disciplines of Pipeline Engineering and legal aspects, oil and gas chemistry Two interns trained in the Department. The Department also continues to give support to the various institutions in terms of supervision of final projects for the students	100% achieved
Participate in regional initiatives		
Participate and continue the promotion of investment in refinery, pipelines and other Midstream infrastructure at regional level.	The Department participated in discussions on refinery development under the Northern Corridor Integration Projects (NCIP) Participated in 2 Northern Corridor Integrated Projects summits in October and December 2015	100%
Oil Refinery Construction		
Special Purpose Vehicle (SPV) for the refinery development formulated.	Negotiations between lead investor(RT Global Resources Consortium) and GoU progressed and project agreements being finalised	98% achieved.
Under take Pre-FID activities for refinery development	The studies did not commence and await conclusion of the formation of the special purpose vehicle.	0% achieved
All property owners from the refinery land full compensated and resettled	Cash compensation progressed to 97%. The progress of in-kind resettlement for the vulnerable and physically displaced PAPs was at 60%. The land was acquired, the physical plans approved and construction works had commenced. (*See details below after table 6.38)*	78.5% achieved
Master plan for Kabaale in Hoima developed.	Master plan for the airport at Kabaale developed at 100%. Works on detailed designs for the airport at 65% complete	82.5% achieved
Develop a Master Plan for the Kabaale Industrial Park.	The Master Plan completed and submitted however the Master Plan is a living document and can be updated if conditions change. 65% of the detailed design of the phase 1 of the airport completed. Procurement of a consultant to develop a Master Plan for the Industrial Park is underway and the	82.5% achieved. The works were on schedule

	interested bidders submitted the Expressions of Interest. These were evaluated and the eight (8) successful firms were invited to submit their proposals for evaluation	
A strategy and plan for petrochemicals and other energy based industries formulated.	Draft strategy and plan for the petrochemical and other energy based industries awaits input from the refinery FEED studies which will be conducted by the Special Purpose Vehicle (SPV). Expression of Interest for procurement of consultant evaluated and preparation for issuance of Request for Proposals underway for development of oil and gas industrial park.	Implementation is expected in the second half of FY2015/16

Source: MEMD, Midstream Department; Field findings

Resettlement Action Plan Implementation for Oil refinery Construction

The RAP forms the basis for compensation for property affected by the project including structures, graves, trees, and land. It is structured into those considered for cash compensation and those considered for in-kind settlement/construction of houses.

1) Cash compensations

The land required for the refinery development is 29 sq Km in Kabaale parish, Buseruka Sub County. The total number of PAPs is 2,615. By 31st December 2015, 2,537 PAPs (97%) had been paid. The outstanding payments of 3 % (78 PAPs) belong to various categories such as those in supplementary valuation report IV which is pending approval by the Chief Government Valuer while others are absentee PAPs who have not received disclosures. An excerpt of the discussion held with each of these categories of PAPs is presented in Box. 6.2

Box 6.2: Disputed Compensation Values

a) Case study one

Mr. Kasangaki Fred, from Kyapoloni village, Kabaale parish, Buseruka sub-county in Hoima district is one of the PAPs who have not been compensated.

He is 44-years- old with 20 household members. His primary occupation is farming. Kasangaki Fred learnt about the refinery project in 2012. The project affects 151 acres of his land of which 136 acres is titled. The MEMD disclosed the compensation amount in 2013 of Ug shs 1.011 billion which was perceived low by the PAP. Kasangaki disputed the amount prompting revaluations and verifications by the CGV. The CGV verifications were completed mid-2015 but the process of revaluation had not been concluded 20th January 2016.

Mr. Kasanagaki decried the low compensation values that the government disclosed asserting that he had in 2014 after valuations sold 15 Acres to a private investor in the neighbourhood of the refinery land at a cost of Ug shs 23 million per acre. He notes that the value of between Ug shs 4 to 6 million per acre that government wants to pay is less than the true market value. He added that the time taken between valuations and actual compensations up to six years is too long of waiting to be paid. He mentioned that because of the delays in the CGV providing a response on the status of compensation he was planning to put up other developments on the land.

Mr. Kasangaki recommended that:

- Government projects should use 'willing buyer, willing seller principle' during land acquisition given that, the land belongs to the people.
- Government should use update property rates during valuations.
- The time lag between property valuations and payments should be shortened given the time value of money.

b) Case study two

The 27-year-old Hapi Peter is a resident of Kyapoloni village, Kabale Parish in Buseruka Sub county. He learnt about the project in 2011. He has nine household members and depends on peasant agriculture for livelihood. The project affected land measures 1.48 acres having both house and plants. The disclosed value in 2013 was Ug shs 9 million that he disputed. This was due to omission of some property (house and trees). Upon disputing the values revaluations were made but the value did not change. Hapi complains that the valuation of his mud and wattle at Ug shs 200,000 is too low as the cost if he hired people to construct at the moment would demand ug shs 700,000; he added that the cost of relocating the graves in his land is far expensive than the funds provided. He asserted that he is willing to sign agreement on fulfilment of two conditions:

1. True value of his house, land and other property used
2. An agreement on the actual time to expect the funds as he says a number of his friends agreed to the payment and took so long to receive their money.

Source: Field Findings

Box 6.3: Absentee PAP

a) Case study one

Herbert Jakisa aged 28-years-old has land totaling three acres that the refinery project requires. He is a peasant and fisherman having five household members. He learnt about the project in 2013 but spends most of his time near Bugungu at the shores of Lake Albert. His failure to attend the disclosure meetings and accepting the compensation amount was due to his schedules that could not coincide with that of the consultant. He mentioned that the compensation value of over Ug shs 10 million was good and was very happy with the project. He said he would use the funds to purchase land in another location and build a house.

Source: Field Findings

2) In-kind compensation/ construction of houses and attendant infrastructure

The category of PAPs that are planned for in-kind houses include; widows and the elderly as identified from the social economic impact assessment that was carried out for the project. These are considered vulnerable and are not likely to be able to construct their own houses once given cash compensations.

The total number of PAPs for in kind settlement is 86 down from 93 PAPs. The 7 PAPs later opted out and requested for cash compensation instead of land that they were to be given. Of the 86 PAPs, 46 qualify for houses, as they are both vulnerable and also had their residences in the affected land with the 40 qualifying for land.

Land totalling to 533 acres was acquired in Kyakaboga village, Buseruka sub-county, in Hoima district. The land boarders Kabaale parish where the refinery will be constructed. The purchased land will be used to construct housing units and other amenities for the PDPs, provide additional land for agriculture and establish other amenities, and to give the 40 PAPs who did not have houses on the affected land and preferred land to cash compensation.

The housing settlement was designed by Ministry of Lands, Housing and Urban Development and is to compose; Access roads, social service centres water sources, community centres, church among other amenities. Development of the site is a collaboration of the ministries of; Energy and Mineral Development, Works, and Transport, Education and Sports, Lands, Housing and Urban Development, Health; due to the nature of facilities to be established. So far, the contractors on site are to implement part of the amenities that were planned to be established in the settlement. The status of contract execution is presented as follows.

Physical performance

The consultant undertaking the consultancy services for the design, review and construction supervision of the houses and social infrastructure is **New Plan Ltd, Consulting Engineers and Planners.** The contract was signed on 24th September 2015 at a sum of Ug shs 999,058,800. The progress of works was slow majorly due to the non-provision of advance payment to the contractors who do not have adequate financial capacity. The progress of work as at 29th January is presented in table 6.39.

Table 6.39: Status of Construction of Houses and Social Infrastructure

Scope of works	Physical performance
Establishment of housing units	
Kyakaboga Housing site (46 housing units) (3 bedrooms with an external kitchen, 2 stance pit latrine, bathroom and rainwater harvesting system)	The contract for housing estate was awarded to Sumadhura Technologies Limited at a contract sum of Ug shs 4,380,966,347. The contract start date was 23rd September 2015 with an expected completion date of 3rd July 2016. The contractor is to establish 46 housing units. Preliminary works of site clearance commenced in October 2015. During the January 2016 monitoring, the contractor was on site and works were ongoing at a slow pace. The slow pace was in part due to the inadequate financial capacity of the contractor exacerbated by non-provision of advance payment to the contractors. By 29th January 2016, foundation works for the 24 (52%) of the 46 houses had commenced. Of the 24 foundation works that were ongoing; 10 foundations were substantially complete (Concrete works and block work for the plinth wall complete) while the 14 foundations were at excavation level.

	Other works done included excavations of 10 pit latrines, setting out the excavation sites for additional houses. However, both the consultant and contractor paid little attention to health and safety issues. For instance, some workers were executing work without the Personal Protective Equipment (PPE). This exposes the labourers to injury.
Construction and rehabilitation of schools	
2 new schools constructed: Nyahaira Primary School (Nzorobi Village) Kyapaloni Primary School(Katooke Village) Scope of works for construction include; construct and furnish; 7 blocks x three streams/class rooms; 1adminstration block, construction of teachers' houses, and VIP latrine blocks. General scope of works for rehabilitation include; replacement of windows, iron sheets, plastering, working on the floors of 3 class room blocks and an administration block at Buseruka Primary School	The contract was awarded to Build Base Contractors Limited at a contract sum Ug shs 4,464,994,684. The contract start date was 23rd September 2015 with an expected completion date of 30th July 2016. Construction works: By 29th January 2016, the contractor was on site for construction of Nyahaira Primary school. Foundation excavations for three classroom blocks had just commenced and works were moving at a slow pace. The safety and health issues were similarly neglected as workers were engaged in excavations without the PPE. Construction of Kyapoloni primary school had not commenced. The location of the school had to be agreed on in collaboration with the MoESTS. Rehabilitation works - The contractor was on site and works had commenced at Buseruka Primary School. The works ongoing included; chipping of the walls and veranda in preparation for recasting. The works to be completed include; replacement of wooden with metallic windows, roof, renovation of walls and floors.
Rehabilitation of Health Centres	
Health Centre: Construction of a new maternity ward, a general ward, , staff houses, pit latrines, tanks for rain water harvesting, fencing facilities and renovation of existing buildings as well as supply and installation of an assortment of HCIII equipment at Buseruka Health Centre III and Kabaale Health Centre III	The contract for the rehabilitation of Kabaale and Buseruka HC III was awarded to Trans Action International at a contract sum of Ug shs 3,303,817,752. The contract start date was 1st October 2015 with and expected completion date of 30th July 2016. During the monitoring exercise, the contractor was onsite at Buseruka Health Centre and absent at Kabaale HCIII. The foundations excavations were ongoing at Buseruka HCIII for the General and Maternity ward.

Source: Field Findings

Challenge

- Inadequate financial capacity of contractors worsened by the non-provision of advance payment.

L-R: Completed concrete and block work for the plinth wall for some houses and ongoing excavation work at the Kyakaboga Housing site for the PDP from the refinery land in Kabaale Sub-County

Analysis

Link between financial and physical performance

Release and expenditure performance for the project was excellent. Funds were spent on a key project output of "Oil Refinery Construction". Excellent physical progress was also realised on seven out of 5 outputs for the project, indicating a good link between financial and physical performance.

Achievement of targets

Project performance was good. A total of 97 PAPs that opted for cash compensations had been paid. The selection of the lead investor for the refinery was in advanced stages at 98%. Construction of in-kind houses for PDPs and attendant infrastructure had commenced.

Conclusion

Following the exploration success in Uganda, the development of the development of the refinery and related infrastructure was necessary to facilitate the processing of crude oil. The project performance is commendable in achievement of its set outputs such as the 97% cash compensation to the PAPs, construction of houses and social infrastructure; and the great progress in the selection of a lead investor. Efforts to fast truck project activities were underway to ensure Uganda's readiness for petroleum refining is achieved.

6.2.10 Midstream Petroleum Infrastructure Development (Project 1352)

Background

As the Oil and Gas Sector in Uganda continues to evolve, the need for a targeted development of midstream petroleum infrastructure is of great importance. The Midstream law (Petroleum Refining, Gas Processing and Conversion, Transportation and Storage Act of 2013) provides for, among other aspects, the development and operation of midstream petroleum infrastructure, especially bulk transportation pipelines and storage facilities.

Currently, activities regarding the planning for midstream pipelines and storage infrastructure are being handled as auxiliary functions to the refinery development project. As the country moves forward into actual development of this infrastructure, however, it is critical that deliberate approaches are taken to firm up and implement the framework under which bulk transportation and storage infrastructure will be developed and operated.

Project Objective

The main objective is to establish processes and build human resources and institutional capacity for the planning, development and operation of bulk petroleum pipelines and storage infrastructure to enable the realization of the country's plans for commercialization of its oil and gas resources.

Annual planned outputs FY2015/16 include:

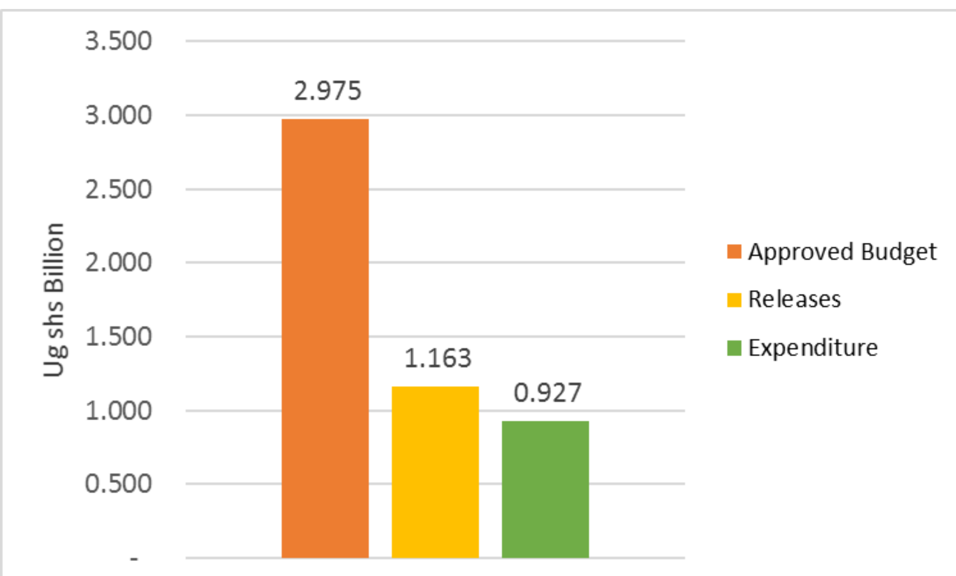
- Investments in petroleum pipelines and storage facilities promoted in Uganda and regional level
- A framework for Infrastructure corridors integrating pipelines with other infrastructure, starting with Hoima-Kampala infrastructure corridor put in place
- Undertake the RAP study and its implementation for the Multiproduct pipeline from the refinery to the Buloba Terminal

Findings

Financial performance

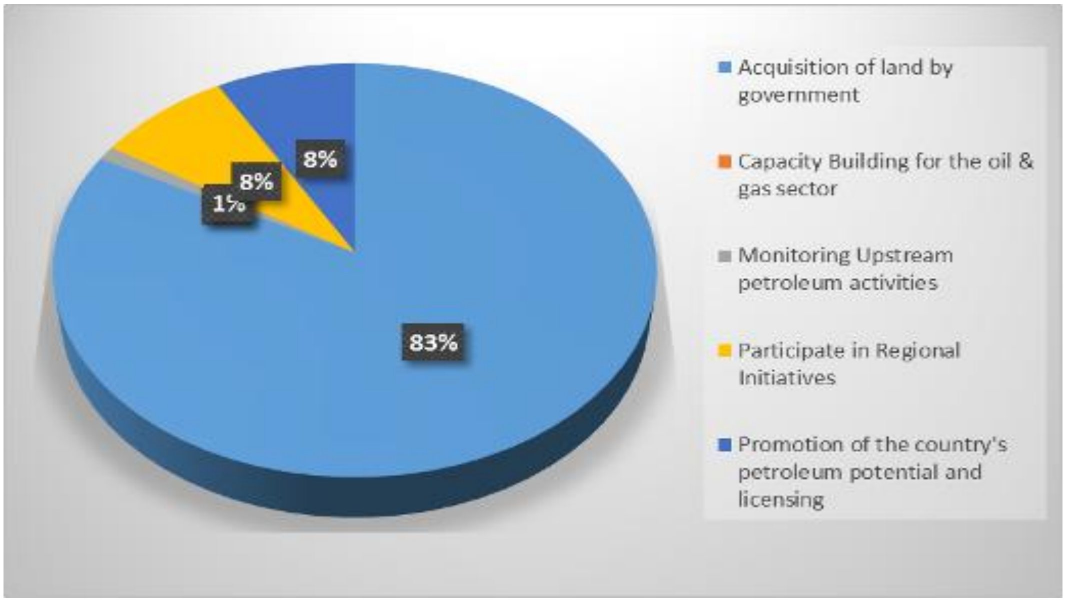
Figure 6.16 shows the financial performance of the Midstream Petroleum Infrastructure Development Project. It demonstrates very good release and expenditure performance. Figure 6.17 exhibits good allocative efficiency as over 80% of expenditure were on the processes of acquisition of land by government. Expenditure on promoting country's petroleum potential and licencing and participating in regional initiatives each took up a share of 8%.

Figure 6.16: Financial Performance of Midstream Petroleum Infrastructure project



Source: IFMS (December 2015)

Figure 6.17: Percentage distribution of expenditure by output category for Midstream Petroleum Infrastructure project



Source: IFMS (December 2015)

Physical performance

Table 6.40 shows the physical performance of Midstream Petroleum Infrastructure Project. Performance of outputs was below average majorly due to funding constraints.

Table 6.40: Annual outputs and achievements for Midstream Petroleum Infrastructure project

Annual Planned output	Physical performance as at 31st December 2015	Remarks
Promotion of the Country's Petroleum Potential and Licensing		
Investments in petroleum pipelines and storage facilities promoted in Uganda and regional level.	Additional analysis on the Hoima-Lockichar-Lamu route for the crude export pipeline under taken. A Joint Technical team comprising of GoU (MEMD), CNOOC, TOTAL and Tullow was formed to conduct a comparative analysis for the three routes.	Slow progress due to the Prolonged discussion on the routing for the crude oil export pipeline among the EAC Partner States and Upstream Licensees
Capacity Building for the Oil and Gas Sector		
Capacity building and skills development for midstream petroleum pipelines and storage facilities	The achievement already captured under construction of the oil refinery project	The department used funds from the different projects to achieve the output.

Monitoring midstream infrastructure activities		
Monitoring, Evaluation and supervision of field project activities carried out.	Preparatory activities to monitor the detailed routing survey and Environmental Baseline survey commenced. Field observations as part of the topographic surveys were carried out One sensitization meeting held.	Fair performance
Participate in Regional Initiatives		
Participate in regional initiatives to develop the infrastructure under the Northern Corridor Projects	The Project Steering Committee meeting on the crude export pipeline held in August 2015 Nairobi Kenya. Participated in the Detailed Comparative Analysis for the proposed Hoima - Lokichar - Lamu Crude Oil Pipeline from 1st- 3rd July 2015 in Nairobi, Kenya. The Department participated in the bilateral meetings between GoU and Tanzania to discuss the possibility of Hoima-Tanga route. Participated in the 11th and 12th summit under Northern Corridor Integrated projects (NCIP) in Kenya and Rwanda	Prolonged discussion on the routing for the crude oil export pipeline among the EAC Partner States. 80% achieved but there is Need to conduct a comparative analysis of all the three routes to select the least cost/tariff route which is still on-going.
Acquisition of land by government		
A framework for Infrastructure corridors integrating pipelines with other infrastructure, starting with Hoima-Kampala infrastructure corridor put in place.	Development of Cabinet memorandum on infrastructure development is ongoing Final conceptual design report for the infrastructure corridor submitted.	Inadequate funding to pay consultancy fees
Rights of ways for the pipelines and storage facilities acquired.	Consultant Strategic Friends International (SFI) contracted to undertake RAP Study and its Implementation. The RAP study for the utility corridor commenced. Inception report for the RAP and expected to take 24 months.	10% achieved. Funding constrained progress of activities
Implementation Plan for the National Strategy and Plan for Petroleum Transportation and Storage facilities developed.	National strategy and plan for petroleum transportation and storage structured	Fair progress
Undertake route survey and Environmental baseline study for the Multi-products pipeline	The interim report for the detailed route survey and environmental baseline study presented. Training workshop on detailed route survey and	Progress affected by funding constraints

from the refinery to Buloba terminal.	environmental baseline held. Progress is at 60%	
Develop and execute an inter-governmental agreement for the crude export pipeline	Discussions ongoing. the status is in line with what was achieved under participating in regional initiatives. The Final report submitted by Toyota Tsusho Corporation consultant await conclusion of the selected route.	Progress is at 80%

Source: MEMD; Midstream department; Field Findings

Challenge

Funding constraints affected progress of activities. The contracted consultant could not be paid to complete the works.

Analysis

Link between financial and physical performance

Financial performance for the project was very good. However, this was not translated into good physical performance indicating a weak link. This was partly because the funds were not adequate to complete the required payments.

Achievement of targets

Performance for the project was below average. Acquisition of land by government, a major expenditure line item was not achieved due to inadequate funding.

Conclusion

Establishment of processes and building of institutional capacity for the planning, development and operation of bulk petroleum pipelines and storage infrastructure helps in the realization of the country's plans for commercialization of its oil resources. However a number of outputs that contribute to the realisation of the project objective were not achieved; including land acquisition which took up 83% of the funds.

Recommendations

- The MFPED should release funds to the project timely

6.2.11 Strengthening the Development and Production Phases of Oil and Gas Sector (Project 1355)

Background

The purpose of the project is to put in place institutional arrangements and capacities to ensure well-coordinated and results oriented resource management, revenue management, environmental management and HSE management in the oil and gas sector in Uganda in order to contribute to the achievement of the objectives of the National Oil and Gas Policy (NOGP).

The objectives of the project are:

- Complete the putting in place of the legal and regulatory framework for the oil and gas sector and harmonize the regulations, guidelines, standard, and codes of practice for the Oil and Gas Sector including Health Safety and Environment compliance.
- Complete the development of the licensing strategy, plan and support the first licensing round.
- Completion of the third and final phase of construction and development of a Data Repository Centre and Laboratories for the oil and gas sector.
- Implementation of the Strategic Environment Assessment (SEA).
- Institutional development and capacity building, specifically supporting the development of the new institutions.
- Support the development of national and local capacity to adequately participate in the sector, specifically, supporting the implementation of the National content Policy and Strategy.
- Support resource assessment.
- Support the designing of an M&E database for the NOGP.

Annual planned outputs for FY2015/16 include:

- Licensing of the unlicensed and relinquished areas in the Albertine Graben undertaken
- EIA for speculative (nonexclusive) seismic survey in the Albertine Graben undertaken
- New Regulations and guidelines for the upstream activities developed

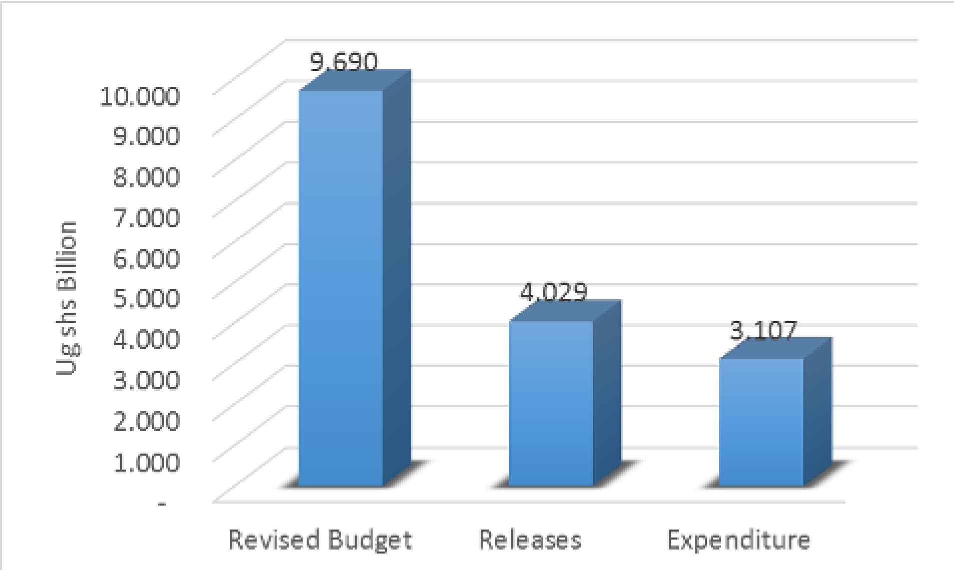
Findings

Financial performance

The GoU development budget for the project is Ug shs 18.190 billion which was revised to Ug shs 9.690 billion. Figures 6.18 and 6.19 present the financial performance of the project. Figure 6.18 shows an excellent release performance against the revised budget. Expenditure performance was very good at 77% of the releases. Whereas some outputs didnot receive funds (Government Buildings and Service Delivery Infrastructure) those that received didnot fully absorb the funds. The works on the data centre/ office building at Entebbe stalled due to lack of funding.

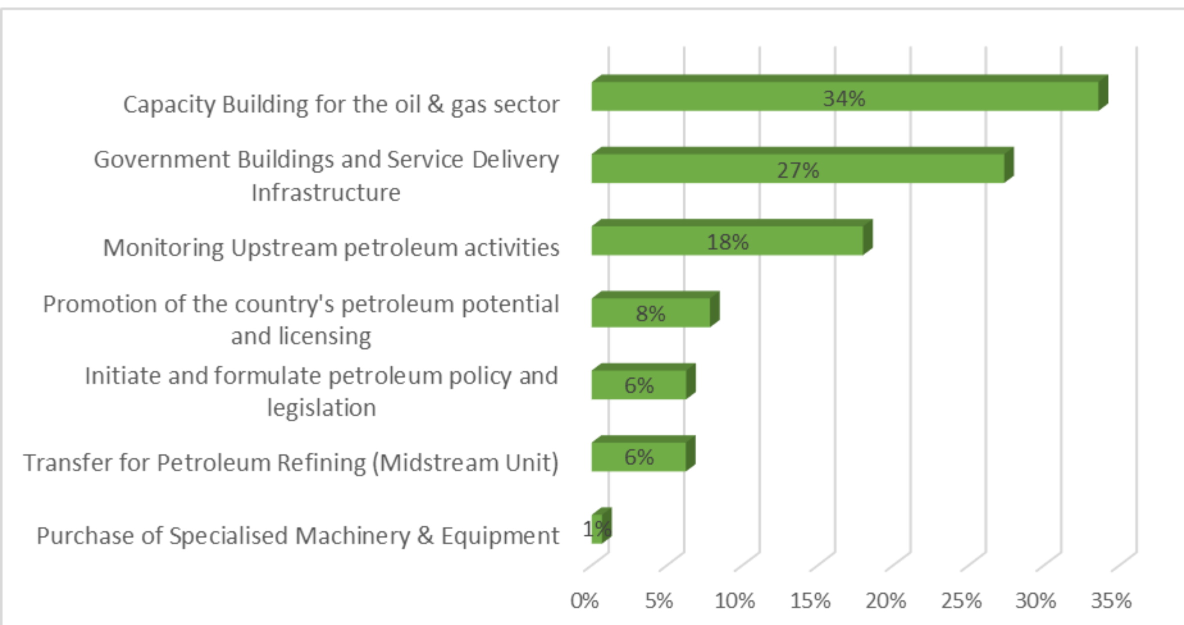
Figure 6.19 exhibits fair allocative efficiency as 27% of the expenditure was on government building and service delivery infrastructure. Whereas capacity building is critical in the new oil and gas sector, during times of rationalising expenditure, it is recommended that more development expenditure ventures are given more funding.

Figure 6.18: Financial performance of Strengthening the Development and Production Phases of Oil and Gas Sector project



Source: IFMS (December 2015)

Figure 6.19: Percentage share of expenditure by output category for Strengthening the Development and Production Phases of Oil and Gas Sector project



Source: IFMS (December 2015)

Physical performance

Table 6.41 presents the physical performance of "Strengthening the Development and Production Phases of Oil and Gas Sector" project. Overall performance for the project was 72% with funding constraints majorly affecting performance of the "Government Buildings and Administrative Infrastructure" which scored 20% progress.

Table 6.41: Progress of "Strengthening the Development and Production Phases of Oil and Gas Sector" project

Annual Planned output	Physical performance as at 31st December 2015	Remarks
Promotion of the Country's Petroleum Potential and Licensing		80% achieved
Licensing of the unlicensed and relinquished areas in the Albertine Graben undertaken	The Department interpreted data from one Basin (Lake Edward basin) and produced Petroleum Systems models using Petromod software Updated promotional brochures, the manuscript of investment opportunities in upstream and Midstream sub sectors and maps showing hydrocarbon potential and investment areas in the Albertine Graben. Due diligence is planned for the next part of the financial year and the following were accomplished with regard to licensing the unlicensed areas:- - Setting up of the data room - 19 Expressions of interest received from the launch of the 1st competitive licensing round were evaluated out of which 16 were shortlisted -The bidding documents comprised of the RFP, Model PSA 2015 (MPSA), Model Confidentiality Agreement for sale of data, Petroleum (Exploration, Development and Production) (Data Sale) Regulations, 2014 and Petroleum (Exploration, Development and Production) (Data Sale) (Amendment), Regulations 2015 were issued to qualified companies -A bidders' conference to answer bidders queries was held	
EIA for speculative (non-exclusive) seismic survey in the Albertine Graben undertaken	Started on the procurement process for the consultant to undertake the EIA including the preparation of the ToR which are under discussion	
Stratigraphic Framework for the Albertine Graben in place	Publication of stratigraphic framework for the Albertine graben progressed	
The country's petroleum potential and investment opportunities presented	Two staff members attended the American Association of Petroleum Geologists' (AAPG) Conference in Melbourne, Australia, where the country's petroleum potential was promoted.	

at international Conferences	-The department was represented at the global investments summit in London	
030302 Initiate and Formulate Petroleum Policy and Legislation		80% achieved
New Regulations and guidelines for the upstream activities Developed	Drafting and consultations on the upstream regulations was completed, signed by the Minister and due for gazetting Data sale regulations were amended, gazetted and fully operational	
Monitoring and Evaluation (M&E) strategy for the National Oil and Gas Policy (NOGP) implemented	The national content policy was completed awaiting a certificate of financial implication from ministry of finance before submitting to cabinet	
Development of the National Content Policy and Strategic Plan for oil and gas sector concluded	The national content policy was completed awaiting a certificate of financial implication from ministry of finance before submitting to cabinet	
Continue to update the Model PSA	Drafting of the MPSA was concluded and the Model Production Sharing Agreement (MPSA) was approved by cabinet on 23rd September 2015.	
National expertise for the oil and gas developed and maintained.	• 4 staff enrolled in Msc petroleum studies outside Uganda • Paid Retention Allowance for the Professional staff • Undertook a field visit to the Albertine Graben for oil and gas training institutions in Uganda • Participated in a workshop on national content monitoring at CNOOC offices • Participated in a workshop on enhancement of local participation in the oil and gas sector in Kasese • Participated in a workshop on National Content development by the African Canter of Media Excellence • Participated in a workshop on the development of the National Supplier database by CNOOC • Undertook a study visit to the Ghana industry enhancement centre and supplier development enterprise. • Skills requirement study was completed • Visited Kigumba and Kichwamba Technical institutes with the Ministry of Education and the Directorate of Industrial training • Reviewed the Base Project by WEB students a Norwegian based company • 5 Staff continued to be supported in local universities. • Short training courses undertaken: • Practical Aspects of Well Planning and Costing (2staff) by IFP in Paris • Storage Tanks Design, Construction and Maintenance by Petrol knowledge in Dubai (2staff)	

	• Instrumentation, Control and Data Acquisition System in Fluid Flow in Process and Petroleum Engineering by Fluid Control Research Institute, Kerala, India (2staff • NEBOSH International Technical Certificate in Oil and Gas Operational Safety by Fleming Europe (3staff) • Petroleum Policy and Resource Management under, Norway, (1staff) • National Management of Petroleum resources, Norway(1staff)	
Que$tor – A Cost monitoring tool and database procured.	Procurement did not commence due to funding constraints.	
National Oil and Gas Database Established.	Continued the development of the crane reference database	
Stable IT/IVT Infrastructure established	Progress was affected by financial constraints.	
Capacity of staff built in cost monitoring, records and data management	Trainings held.	
Monitoring Upstream Petroleum activities		80% achieved
Continued monitoring development operations in areas with production licenses	• Monitored construction of the access road over the escarpment to Buhuka, by the Ministry of Works together with CNOOC as detailed in the recurrent budget report above • Monitored waste removal operations as detailed in the recurrent budget report • Monitored the Rapid Asset Survey study for the KFDA and FEED (Front End Engineering and Design) pipeline route from Buhuka (KFDA) to the refinery. • Reviewed addenda to three (3) Field Development Plans (Kaiso-Tonya, KNNN & KW)	
Transfer for Petroleum Refining (Midstream Unit)		80% achieved
Administrative functions of the new (transitional) units and of new institutions adequately supported	• The Boards of the National Oil Company and that of the Petroleum Authority commenced work • Inaugural workshop for the NOC and PAU was held	
Petroleum Authority of Uganda, the National Oil Company and the Petroleum Directorate in place and running.	• Procured and engraved furniture for Head Offices of the new institutions, PAU and UNOC • Filling of the approved structures under the Directorate of Petroleum and departments therein continued to be undertaken	
Three (3) GPS sets, one (1) Gravity meter and laboratory equipment procured	• Procurement of one (1) Gravity meter and laboratory equipment commenced. • Paid for servicing of LECO Laboratory equipment.	
Government Buildings and Administrative Infrastructure		20% achieved
Construction of Phase-3	The payments made were relating to works of phase II. Works for the phase III did not	

of the new Data Centre at Entebbe commenced;	commence due to funding constraints
Maintenance of existing buildings and related infrastructure undertaken	Works did not commence due to funding constraints

Source: PEPD, Field Findings

Challenges

- Funding constraints affected progress of activities. Questor for instance which helps in cost monitoring was not procured. Some promotional activities such as the SEG 2015 conference held in New Orleans, USA October 2015 was not attended
- Inadequate staffing amidst competing assignments. Geophysical data acquisition; geological and geochemical mapping the field was not undertaken. Priority was given to the preparation for the 1st licensing round.

Analysis

Link between financial and physical performance

Expenditure performance was good at 77% against physical progress of 72% representing a good link.

Achievement of targets

Performance for the project was good. Five out of six outputs scored over 80% in achievement of targets. Government Building and Administrative Infrastructure scored 20% as works didnot commence due to constrained budget.

Conclusion

Project performance was good towards achievement of its intended Purpose of putting in place institutional arrangements and capacities to ensure well-coordinated and results oriented resource management, revenue management, environmental management and HSE management in the oil and gas sector in Uganda. However, funding constraints and inadequate staffing slowed down project implementation

Recommendations

- The MFPED should release funds to the Strengthening the Development and Production Phases of Oil and Gas Sector project
- The Ministry of Public Service should equip the project with more staff.

Vote Function: 03 04 Petroleum Supply, Infrastructure and Regulation

This vote function inspects and monitors the operations of private oil companies with respect to volumes, prices, product quality, safety of operation, technical and environmental standards. It manages and ensures that the country has sufficient national strategic reserves to act as a reserve buffer when there is a supply outage and stabilize the supply of petroleum products in the country. It also implements the Petroleum Supply (General) Regulations, 2009. The vote function took up 0.49% of the sector budget for FY2015/16.

6.2.12 Downstream Petroleum Infrastructure (Project 1258)

Background

Oil exploration is going on in western Uganda and commercial oil and gas discoveries have been made in the Albertine Graben of Western Uganda in Hoima and Buliisa Districts. Uganda depends entirely on imported petroleum products for its requirements at the moment. The major bottleneck in accessing imports into the country is that Uganda is a landlocked country and hence sources more than 90% of its supplies through Kenya and the balance through Tanzania. According to Petroleum Supply Act, 2003 (PSA) and Petroleum Supply (General) Regulations, 2009 (PSR), the government should have a minimum stock of 20 days and Oil Marketing Companies should maintain 10 days to meet the 30 days stock for the national requirement. Petroleum products are distributed inland by fuel tankers mainly from central region where depots are mainly located. This mode of distribution has a number of challenges such as road accidents involving fuel tankers and HIV/AIDS spread are coupled by lack of contingency plan, Health, Safety and Environment standards, codes of practice and knowledge of handling petroleum products by the population.

Project objectives

- Development of Kenya-Uganda Refined Petroleum Products Pipeline
- Development of Uganda-Rwanda Refined Petroleum Products Pipeline
- Development of regional storage infrastructure for petroleum products.
- Strengthen capacity of the department to manage the activities of the downstream petroleum subsector.
- Develop a modern National Petroleum Information System (NPIS) to effectively monitor the subsector.
- Develop and operationalize codes of practice for the Petroleum downstream subsector.
- Develop operational health, environment and safety standards (HSE) for activities within the supply chain of downstream petroleum sub-sector.
- Development of downstream petroleum Policy

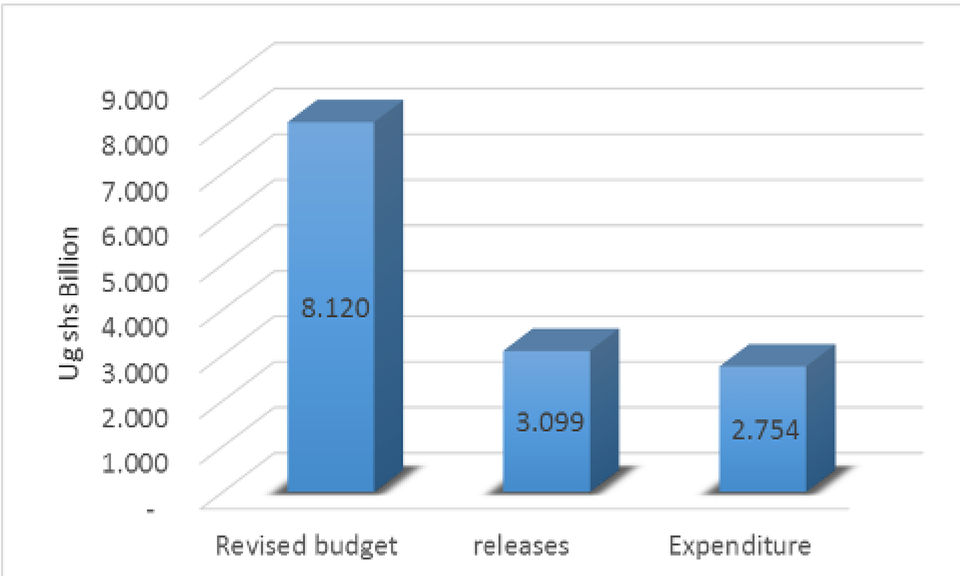
Findings

Financial performance

Figures 6.20 and 6.21 show the financial performance of the project. The GoU approved budget was revised from Ug shs 12.500 billion to Ug shs 8.120 billion (Figure 6.20). It reveals very good release and expenditure performance. The figure 6.21 exhibits very good allocative efficiency as 58% of expenditure was made on acquisition of land by government, which is critical given the expected outputs of the project.

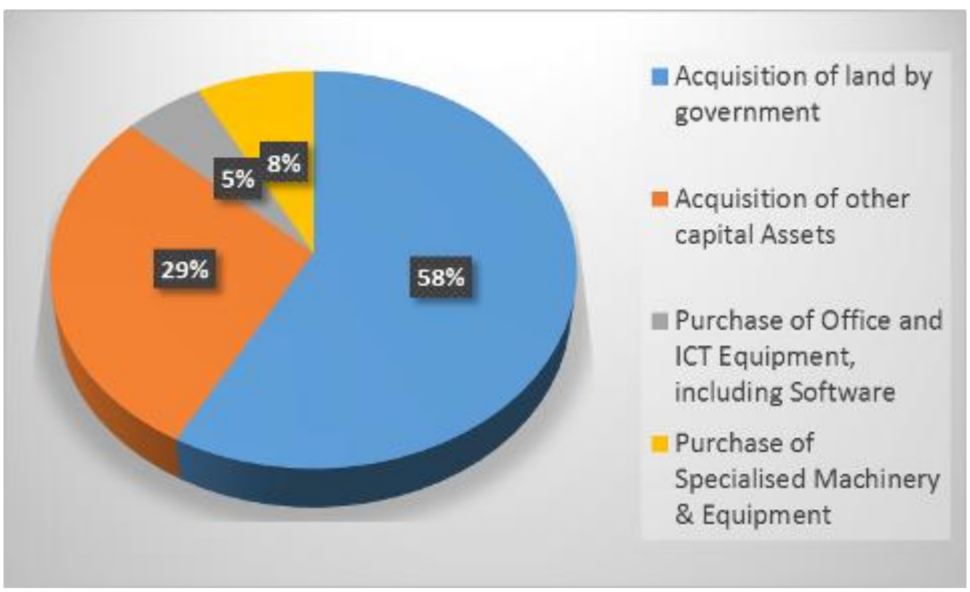
The output category that received the least expenditure was purchase of office and ICT equipment including software. The details of the percentage share for other output categories are presented in the figure 6.21.

Figure 6.20: Financial performance of downstream petroleum infrastructure project



Source: IFMS (December 2015)

Figure 6.21: Percentage share of Expenditure by output category for downstream petroleum infrastructure project



Source: IFMS (December 2015)

Table 6.42: Physical performance of project - Downstream Petroleum Infrastructure

Annual Planned output	Physical performance as at 31st December 2015	Remarks
Acquisition of Land by Government		30% achieved. Funds inadequate
Eldoret-Kampala petroleum products pipelines constructed	The consultant submitted an Interim Report on RAP for review and update.	The MFPED has not confirmed funding for these outputs. These two pipeline projects are dependent on one another.
Kampala-Kigali products Pipeline constructed	30% Payment for Buloba Multi User Terminal land made	
Purchase of Office and ICT Equipment, including Software		
National Petroleum Information System Upgraded	The equipment was procured and installed. NPIS operationalized and old data migration continued	Good performance
Subscription to PIS agencies maintained	Update not provided	Poor performance
NPIS maintained	The system was maintained	Good performance
Purchase of Specialised Machinery & Equipment		30% achieved. The planned outputs were not in line with the output category
Downstream petroleum policy put in place	Procurement of a consultant to develop the Downstream petroleum policy on going. The shortlist for the consultants that expressed interest had been made and request for detailed proposals was under way.	Procurement delays
Technical regulations (standards and codes of practice) reviewed and implemented.	Technical regulations (standards and codes of practice) reviewed and implemented.	Good performance
Acquisition of Other Capital Assets		15% achieved
Nakasongola strategic reserves facility completed and operational	No works were implemented. The tanks are not operational	Funding constraints
Jinja storage tanks (JST) restocked and operations monitored	• Quantity of fuel in reserves monitored and inspected regularly. • 10% JST fuel reserves restocked by the private operator. • 70% construction of JST fence completed. The construction started in July 2015 was still ongoing. • Sewerage water spillage into JST compound contained • Ug shs 115 million collected as hospitality fee from M/s Hared as NTR to consolidated	Fair progress key constraint is contribution from GoU to restock the 30million litres storage tanks. The private operator upgraded the fire fighting system from manual to automated, automated the fuel metering system. They also restocked 3,000,000 million litres

	fund	
Plans for Buloba Multi User Product terminal produced	The plans were not ready. Works affected by financial constraints	Funding constraints

Source: Field Findings

L-R: Completed and incomplete section of the wall fence at the Jinja storage tanks

Challenge

Inadequate funding to implement the project components.

Analysis

Link between financial and physical performance

Financial information from the IFMS shows good release and expenditure performance as well as good allocative efficiency. However, physical progress is below average due to inadequate funding to implement the project component.

Achievement of targets

Project performance was below average. Land acquisition, which was the most prioritized output, achieved 30% progress due to inadequate funding. Nakasongola strategic reserves facility, which received part of the second largest share of the budget, was not implemented

Conclusion

Local oil production and refining in Uganda has not commenced. Therefore, the downstream petroleum Infrastructure project plays an important role in ensuring that the country has sufficient national strategic reserves to act as a reserve buffer when there is a supply shortage and stabilize the supply of petroleum products in the country. Smooth implementation is majorly affected by funding constraints and limited commitment on part of MEMD and MFPED. The limited commitment could be due to the parallel flag bearer projects such as refinery development and construction of the standard gauge railway.

Recommendations

- The MEMD should lobby for donor funding for the project to enhance government funding
- The MEMD and MFPED should redefine the downstream project to maximise synergies with the other projects that share the objectives.

0305 Mineral Exploration, Development & Production

The vote function is responsible for the functions under the mineral sector. This involves mineral Exploration and Investment promotion to achieve this objective the sub-sector undertakes collecting, collating, processing, analysing, archiving and disseminating geodata, monitor and assist small scale miners and also enforce regulations in the sub-sector. The vote function also undertakes airborne geophysical surveys to acquire airborne magnetic, radiometric and some electromagnetic covering the entire country. The vote function took up 0.45% of the sector budget for FY2015/16.

6.2.13 Mineral Wealth and Mining Infrastructure Development (Project 1353)

Background

After restructuring of Ministry of Energy and Mineral Development in 2012/13, mineral sub-sector is now a Directorate of Geological Surveys and Mines that is composed of three (3) departments as follows: Geological Surveys Department, Mines Department and Geothermal Resources Department. These new institutions have been created to solve part of Uganda enduring challenges which are compounded in poverty and unemployment arising from huge growing young population and their expectations are many. Thus mineral-subsector must deliver socio-economic transformation with inclusive economic growth in the development process. The sub-sector can employ both directly and indirectly since in 2011-2014 at least 26.5% of the population was employed in the mineral sub-sector more especially as Artisanal and Small Scale Miners (ASM) and quarrying industrial minerals, such as salt, clay, sand, aggregates stones and slates (UBOS 2011, NDP-1).

Project objectives

- To complete aeromagnetic and radiometric map coverage of Karamoja region.
- Establish and operate mineral certification infrastructure in Entebbe to increase mineral products trade in the great lakes region gain global competitiveness.
- To implement the activities not accomplished in NDP I objectives 1-6, deliver their outputs and targets.
- To establish the mineral wealth reserves for infrastructure development and industrialisation.
- To construct and restore earthquake research facilities, monitoring network stations.
- To link mineral rich corridors to business centres through infrastructure and mineral development to enable industrialisation for social and economic transformation.

- To construct four (4) mineral beneficiation pilot canters and strengthen institutional research capacity in geosciences, mining and develop mineral value addition skills of the youth to fully participate in extractive industry.
- To improve mineral laboratories for value addition tests.
- To strengthen Mineral Wealth Management.
- To put in place a new legal, fiscal and regulatory framework for extractive industry and a country mining vision.

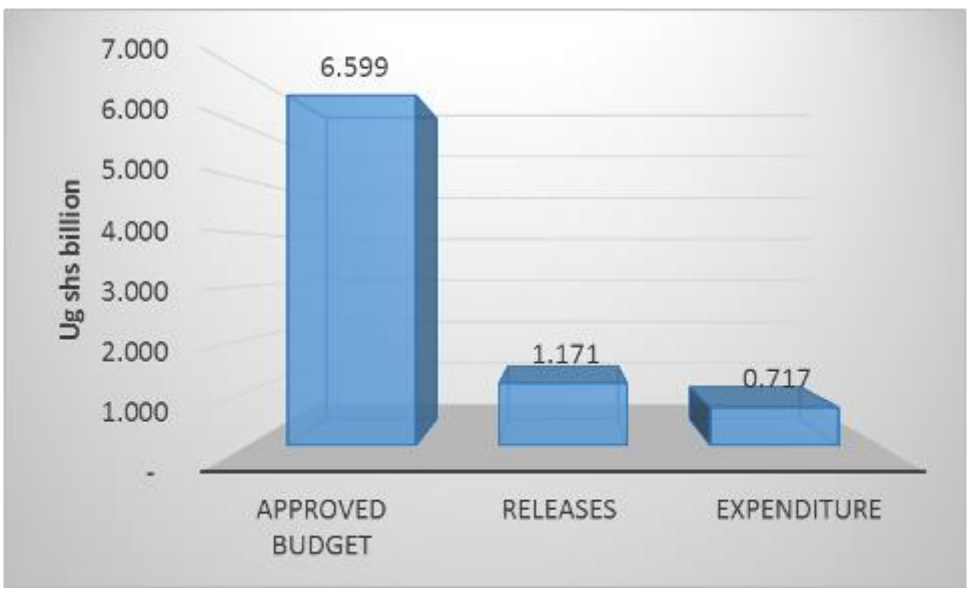
Findings

Financial performance

Figures 6.22 and 6.23 present the financial performance of the project. Release performance to the Mineral Wealth and Mining Infrastructure Development was below average at 18% compared to the expected 50%. The expenditure performance was similarly not satisfactorily at 61% of the released funds (Figure 6.22). The expenditure share was dominated by licencing and inspection (42%) and least dominated by Government Buildings and Service Delivery Infrastructure; (2%) (Figure 6.23).

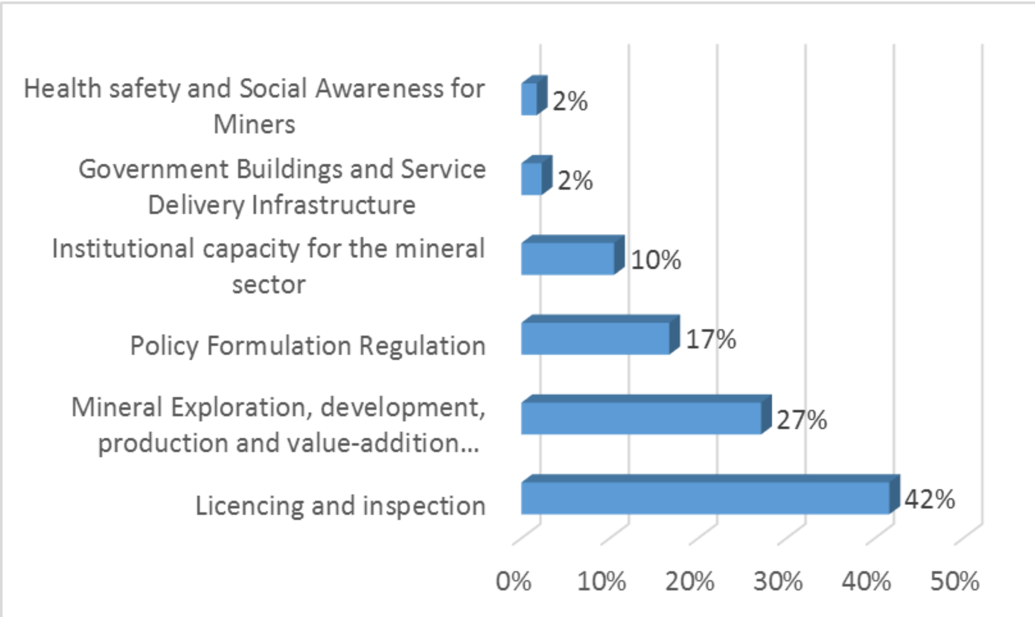
A number of outputs were not expended upon. These included; Acquisition of land by government, Acquisition of other capital Assets, Purchase of Motor Vehicles and Other Transport Equipment, Purchase of Office and ICT Equipment, including Software, and Purchase of Specialised Machinery & Equipment. The very low and no expenditure on these output categories were attributed to procurement delays.

Figure 6.22: Financial performance for the Mineral Wealth and Mining Infrastructure Development



Source: IFMS (December 2015)

Figure 6.23: Percentage share on expenditure by output category for the Mineral Wealth and Mining Infrastructure Development



Source: IFMS (December 2015)

Physical performance

Table 6.43 presents the physical performance of performance for the Mineral Wealth and Mining Infrastructure Development project. Achievement of targets for the project was below average (32%) majorly due to funding constraints and the delayed initiation of the procurement process.

Table 6.43: Physical performance of the Mineral Wealth and Mining Infrastructure Development project

Annual Planned output	Physical performance as at 31st December 2015	Remarks
Policy Formulation and Regulation		
A new legal, fiscal and regulatory framework developed	Inter-ministerial committee members held consultative meeting to discuss and review the draft mineral policy and mining legislation. Principles of mineral policy to be embodied in the Mining act were discussed Stakeholders' sensitization and consultative meeting on the draft mineral policy were held in Mubende district. Internal workshop was held to finalise the draft green paper on the minerals and mining policy.	20% achieved

Mineral Laboratory Policy developed	The procurement of a consultant for the formulation of a mineral laboratory policy was an initial stages. The policy is expected to harmonise the operations of the Mineral Laboratory towards ISO certification	5% achieved
Mineral Value Addition Policy developed	Procurement for the consultant for policy development did not commence.	0% achieved
Earthquake Administration Policy developed	Procurement for the consultant for policy development did not commence.	0% achieved
Institutional capacity for the mineral sector		
Staff trained	Various trainings were provided to the Ministry staff. These included; training on occupation health and safety at workplaces; exploration techniques for Uranium, procurement process and techniques, budgeting, planning process and accountability.	100% achieved
Mineral certification infrastructure established in Entebbe.	Procurement had not been initiated.	0% achieved
Mineral laboratories improved for value addition tests	This was not done.	0% achieved
Youth trained in mineral beneficiation technical skills	Trainings of DGSM staff on extension services to Miners was conducted in October 2015. Extension services were provided to youth engaged in mineral exploitation in Moroto, and Mubende districts.	100% achieved
Mineral Exploration, development, production and value-addition promoted		
Mineral reserves of established for development (Iron Ore, Rare Earth and Uranium).	The project facilitated explorations on Uranium target at Ndale Volcanic field in Fort portal. Preliminary results indicated that Ndale volcanic field was rich in radio active minerals with an average concentration of Thorium(Th)-120ppm, Uranuim(U) -55ppm and Potassium (K)-1.5%. A team of 20 geoscientist undertook exploration of iron ore at Rutenga in Kabale district. A total of 104 stream sediment samples and 29 rock samples were collected for analysis. Geophysicist in the field conducted geophysical Surveys over graphite anomaly in Kitgum district. The Survey is expected to delineated boundaries associated with graphite mineralization.	50% achieved. Explorations in other areas not completed.
Geological and geochemical maps coverage increased	Through explorations done, the maps coverage increased.	50% achieved
Mineral reserves determined	A map was updated with additional information.	50% achieved

and mapped		
Health safety and Social Awareness for Miners		
Artisanal and Small scale miners (ASM) mainstreamed	There was an effort through sensitization. A base map showing areas of active Artisanal and Small Scale Miners was updated. Supported field trip to build capacity of ASM Communities in Morulem, Abim to address environmental, social and gender and best mining practices. A term Of Reference (TOR) is being prepared for a consultant to undertake registration for ASM	50% achieved
Health safety and social awareness provided	This was conducted in the mining communities.	100% achieved
Licencing and inspection		
Monitoring and inspection of Mines	Mining areas in Mubende, Karamoja were monitored and inspected. A number of mining operations including; Guangzhou Dong Song for phosphate; Greenstone Resources for gold, Tibet Hima mining company for cooper. The team noted environmental degradation concerns, lack of PPE for some miners.	100% achieved
Acquisition of Land by Government		
Land for seismological acquired and surveyed	Procurement was an initial stages	5% achieved
Government Buildings and Administrative Infrastructure		
Earthquake research and monitoring facilities designed Contractor for works procured	Procurement was initiated for a consultant to design and procure the contactor to contractor to construct the facility. The completion of design works and procurement of the contractor was partially done. This was attributed to the delays from the Ministry of Works and Transport (MoWT) to provide their input in the RFP. The MEMD submitted the RFP to MoWT to have their input and finalization of the RFP on 15th July 2015. By the 6th January 2016, no response had been received. The MEMD could not proceed with works.	10% achieved
Four (4) mineral beneficiation centres constructed Karamoja, Fort-portal, Ntungamo and Tororo	Construction of Karamoja regional office and the mineral beneficiation centre in Moroto was initiated. In Fort portal, the land was identified and procurement of a consultant to survey the land was to commence.	15% achieved

	In Ntungamo and Tororo, the land was yet to be secured	
Purchase of Motor Vehicles and Other Transport Equipment		
Four Field motor vehicles procured	The project initiated procurement for vehicles. Awaiting minutes from the contracts committee to forward the report to the Solicitor General for clearance. There was a general complaint of the changes in specifications by the procurement department and Ministry of Works, and Transport. This leads to purchase of vehicles less suitable for the work the project intended	10% achieved
Purchase of Office and ICT Equipment, including Software		
Seismic data display systems, screens, Security cameras, Softwares procured and installed	These were still under procurement	5% achieved
Purchase of Specialised Machinery & Equipment		
Specialised equipment for earthquake monitoring	Procurement had just been initiated.	5% achieved
Acquisition of Other Capital Assets		
Mineral certification infrastructure assets acquired	Procurement had just been initiated. Awaiting authorisation from the accounting officer.	5% achieved

Source: Field Findings

Challenges

- Inability to undertake airborne geophysical surveys for Karamoja due to lack of funding (totals to US$38 million)
- Lack of contract to maintain the information system equipment and software.
- Staffing gaps; reducing efficiency in the execution of work.
- Access to surface rights that affects mineral rights holders to access land for mining projects.

Analysis

Link between financial and physical performance

Both financial and physical performances were below average. By the end of December, Three outputs scored 0% because of procurement delays. These included; Mineral Laboratory Policy developed; Earthquake Administration; and Mineral certification infrastructure established in Entebbe Policy developed. In addition, no reason was given for the 0% performance of output, “Mineral laboratories improved for value addition tests”.

Achievement of targets

Performance for the project was poor majorly due to delayed initiation of the procurement process and low release of funds. Over 50% of the outputs scored less than 15% progress by 31st December 2015.

Conclusion

The minerals subsector is aimed at delivering socialeconomic transformation with inclusive economic growth in the development process. However, the funds released to the project were low compared to the bulk of outputs to be achieved, coupled by late initiation of procurements and long procurement processes. Also, failure for the Ministry of Works to respond to its mandate of providing its input in the Request for proposals under the "Government Buildings and administrative Infrastructure" slowed down progress. The MEMD has not prioritized funding to the mineral subsector its importance not withstanding

Recommendations

- The MEMD should lobby for donor funding to complement government efforts
- The MEMD should initiate procurement processes early enough and speed up the procurement process
- Coordination between implementing agencies should be improved to fast track implementation of government projects
- MEMD should prioritise the minerals subsector and provide funding in a phased manner

6.2.14 Uganda Geothermal Resources Development (Project 1199)

Background

Uganda still has unmet energy demand characterized by low access to electricity and load shading. The low access to cheap energy has effects like deforestation, which affect the natural habitat. Exploitation of the geothermal resources (hot water springs areas) is a good alternative to increasing the energy mix for Uganda. Geothermal power is generated using steam to turn a turbine-generator set to produce electricity. Geothermal energy can be used for heating buildings, industrial processes, greenhouses, aquaculture (growing of fish) and resorts.

The project started in FY2011/12 with the aim of surface and sub-surface mapping to ascertain the areas with springs which have potential to generate power. The project has so far identified and selected four sites of: Kibiro in Hoima district; Katwe Kirongo in Kasese; Panyimur in Amuru district; and Bunywamwara in Budibugyo district.

The objectives of the project are

i) To carryout additional geophysical studies at Katwe, Buranga and Kibiro using Transient Electromagnetics (TEM), Magneto-tellurics (MT) and Gravity methods to probe deeper and identify the heat source and targets for deep drilling.
ii) To carryout detailed geological, geochemical and geophysical (MT, TEM and Gravity) surveys at Panyimur to delineate geothermal anomalous areas identify the source of heat and targets for deep drilling.
iii) To carryout additional hydrological and hydro geological surveys to study in detail the structures that control the fluid flow mechanisms in the four areas.
iv) To update the current surface models based on geology, geochemistry, and geophysics; with additional geophysical surveys (TEM and MT), and hydrology and hydrogeology

results, to come up with integrated models that will be a basis for locating deep exploration wells.

v) To carryout sociological and environmental baseline studies and infrastructure assessment in the four areas.
vi) To select the most promising area for the feasibility study.
vii) To carryout Environmental Impact Assessment for drilling in a selected prospect
viii) To drill 3 deep geothermal exploration wells in one selected prospect with the aim to discover a geothermal reservoir.
ix) To install the first geothermal power plant.
x) To purchase equipment for geothermal exploration and well testing
xi) To train Ugandans in exploration and resource testing, project design, operation and financing
xii) To put in place adequate Policy, Institutional and Regulatory frameworks for geothermal energy development

Annual planned outputs FY2015/16 include:

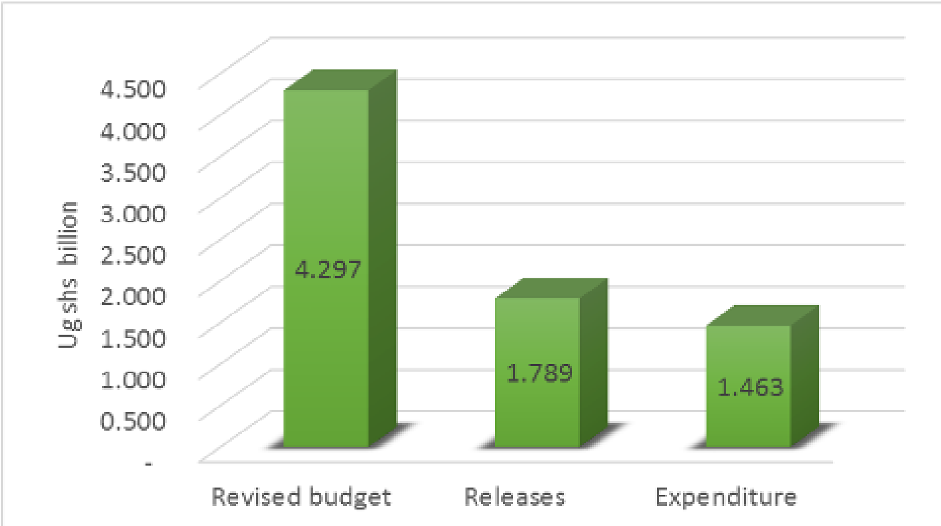
- Geothermal legal and regulatory framework put in place
- The establishment of Geothermal Resources Department continued.
- Geothermal exploration, data acquisition and management done.
- The health and safety of staff during field work ensured.

Findings

Financial performance

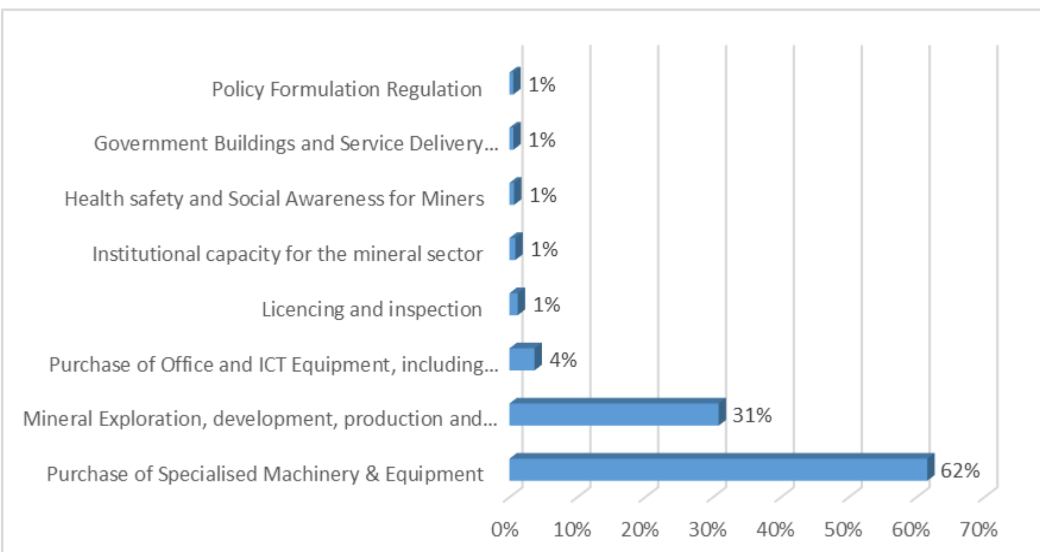
Figure 6.24 and 6.25 present the financial performance of the project. The release and expenditure performance was very good as 42% of the revised budget was released against the expected 50%. The absorption rates were rated at 82%. Allocative efficiency was good as majority of funds (62%) were spent on purchase of specialised machinery and equipment, while the lowest was on policy formulation (1%) (Figure 6.25). The failure to fully absorb the funds was attributed to procurement delays.

Figure 6.24: Financial performance for Uganda Geothermal Resources Development project



Source: IFMS (December 2015)

Figure 6.25: Percentage share of expenditure by output category for Uganda Geothermal Resources Development project



Source: IFMS (December 2015)

Physical performance

Achievement of outputs was at 71%. Purchase of Specialised Machinery & Equipment, which took up 62% of the funds, was fully achieved. Output, "Mineral Exploration, Development, Production and Value Addition Promoted" which took up 31% expenditure scored at 75%. Detailed performance of other outputs is indicated in table 6.44.

Table 6.44: Physical performance of Uganda Geothermal Resources Development project

Annual Planned output	Physical performance as at 31st December 2015	Remarks
Policy Formulation Regulation		
Geothermal Legal and regulatory framework put in place	Climate Technology Centre and Network (CTCN) finalized the Response plan for Geothermal Energy policy in Uganda, which details the implementation Action plan and timeline, inputs, experts, budget, outputs, monitoring plan and expected outcomes. CTCN is developing tender documents after which they will launch a tender for an institution to undertake policy formulation process to produce a geothermal energy policy for Uganda.	40% achieved
Institutional capacity for the mineral sector		
The Establishment of a Geothermal Resources Department Continued.	The structure has been established. Some staff are to be recruited upon availability of funding.	80% achieved
Develop a Communication and community awareness programme.	There is a communications programme where there is information sharing. Information and Awareness field trip - 33 DGSM support staff undertook an information and awareness field trip to eastern Uganda to mitigate information and awareness barriers Sensitisation: Hoima District Local Government officials were sensitised about geothermal energy, its applications and benefits as a primary focus. They were also briefed about on-going Kibiro Geothermal Exploration Project in the District which will involve UNEP and its high level experts, GDC consultants and local technical people.	80% achieved
Geothermal Technology: Undertake R & D to support geothermal industry.	The department continues to undertake R and D for the industry	50% achieved
Technology Transfer: International partnership for geothermal technology (to provide framework for international cooperation in geothermal technology, policy and model development).	On 25th November 2015, Vincent Kato (AC/Geology) attended a meeting in Naivasha, Kenya preparing for the Western Rift Valley technical workshop to be held on 9th to 11th March 2016 in Gishenyi Rwanda. East African Geothermal Facility (EAGER) is working on a MoU for technical assistance to Uganda geothermal industry. On 30th November 2015, UNEP Representative (one), GDC Consultants (three) and DGSM staff (seven) had a technical review meeting to review work so far done, data gaps and areas to cover in future exploration surveys at Kibiro. BGR has expressed interest to assist Uganda in MT data	100% achieved

	acquisition and processing under its on-going GEOTHERM II programme.	
Mineral Exploration, development, production and value-addition promoted		
Geothermal exploration. Data acquisition and management done	From 1st to 22nd November 2015, staff from Geothermal Development Company (GDC) of Kenya and Directorate of Geological Survey and Mines (DGSM) undertook detailed geothermal exploration surveys at Kibiro. The prospective geothermal resource was identified but is yet to be confirmed by exploration drilling. Test drilling will confirm its temperature, size, productivity and fluid chemistry.	70% achieved
Acquire accurate and reliable information on geothermal resources in Uganda.	2D MT resistivity cross sections for Kibiro were produced showing a resistive basement rocks and low resistive basin fill was undertaken. Geophysical data processing and interpretation is being undertaken by UNEP ARGeo hired consultants and DGSM staff. From 30th November to 5th December 2015, three experts hired by UNEP, three consultants from GDC and 8 local DGSM staff undertook a field verification programme at Kibiro to validate data collected and identify data gaps and plans for future exploration surveys. DGSM staff together with UNEP ARGeo hired consultants designed a data filling profiles which are to be filled in next quarters. DGSM staff together with UNEP ARGeo hired consultants is integrating reflection seismic data from oil companies to improve and up-date the geological model of Kibiro prospect.	80% achieved
Health safety and Social Awareness for Miners		
The health and safety of staff during field work ensured	A report “Environment Impacts and Mitigation” by Kevin Brown (Geothermal Institute, University of Auckland, New Zealand) and Jenny Webster Brown (Environmental Science, University of Auckland, New Zealand) 2003, was acquired. The report outlines the principal environmental effects associated with geothermal development and exploitation; the link between the nature of the geothermal field and type of power generation system, and the type of environmental impacts.	80% achieved
Licencing and inspection		
Continue the administrative reviews for compliance and geothermal inspections and	All Geothermal Exploration Licensees performance was reviewed as requested by PS/MEMD and a report was submitted to PS/MEMD.	100% achieved

monitoring.		
License new investors	M/s Pawakom International Limited Geothermal Exploration Licence (EL 1060) expired and the company has applied for renewal. This is under review and will depend on previous performance of the licensee. M/s Cozumel Geothermal Exploration Licence expired and the company has applied for renewal. This is under review and will depend on previous performance of the licensee.	10% achieved. No new licences issued.
Government Buildings and Administrative Infrastructure		
Initiate Procurement Process for Design of Geothermal Resources Department	Procurement process for the design of the Geothermal Department ongoing	10% achieved
Purchase of Office and ICT Equipment, including Software		
Continue the procurement of computers and Software and accessories.	These were not procured. The equipment received some donations from UNEPI	100% achieved
Purchase of Specialised Machinery & Equipment		
Continue the procurement of Deep subsurface geothermal exploration equipment and laboratory consumables	Completed the Procurement of MT specialized equipment for geothermal exploration (Petro-physics & age Dating). The equipment was procured and in use. The final payment was made in FY2015/16. UNEP donated 10 seismic equipment (US$ 271,835) to the Ministry under the UNEP-ARGeo Kibiro Geothermal Exploration project. These included five short period sensors, five broad band sensors and ten seismic recorders. The equipment was delivered to DGSM stores in Entebbe. UNEP settled 100% of the Trimble invoice for goods, freight and insurance	100% achieved
Purchase of Office and Residential Furniture and Fittings		
Office furniture for geothermal Unit	Procurement still ongoing. In the initial stages	10% achieved

Source: Field Findings

Challenges

- Small base of experienced professional and equipment.
- Staffing gaps; reducing efficiency in the execution of work.

- Delays in transfer of funds to the department from the MEMD.

Analysis

Link between financial and physical performance

There was a fairly good link between financial and physical performance with 82% of the funds absorbed against physical progress of 71%.

Achievement of targets

Project performance was good at 71% progress. The core output of the project scored over 75% progress. Purchase of specialized materials which took 62% of the project funds was completed while achievement on the second priority component (Mineral Exploration, development, production and value-addition promoted) which took 31% of the budget performed at 75%. Slow progress on the other components was caused by; delays in transfer of funds from MEMD to the department; and staffing gaps.

Conclusion

The exploitation of geothermal resources as a good alternative to the unmet energy demand had good performance. The project is promising if due focus is given to it. However, a number of challenged associated with the project such as small base of experienced professionals and equipment, staffing gaps, delays in transfer of funds need to be addressed.

Recommendations

- The MEMD should speed up transfer of funds to the DSMD.
- The Ministry of Public Service should recruit officers in the GSMD.

6.3 Rural Energy Electrification Agency (REA) - Vote 123

Background

The REA was established as a semi-autonomous agency by the MEMD through Statutory Instrument 2001 No. 75. It seeks to operationalize government's rural electrification function under a public-private partnership. In FY2013/14, the agency was upgraded to a vote status.

Mandate and Mission

The REA is mandated to facilitate provision of electricity for socio-economic and rural transformation in an equitable and sustainable manner. The medium term goal of REA is to achieve 26% rural electrification by June 2022. Its mission is "*To facilitate provision of electricity for socio-economic rural transformation in an equitable and sustainable manner*"

The vote has three key projects. These include; Energy for Rural Transformation (ERT) II-Rural Electrification (project: 1332), Rural Electrification (Project 1262) and West Nile Grid Extension Program- Global Partnerships on Output Based Aid (GPOBA: Project 1261). In FY 2015/16, half-year performance review, focus was on the two projects which had achieved some tangible outputs.

Overall Performance

Financial Performance of the Vote

The approved budget for REA in FY2015/16 including donor and GoU is Ug shs 59.308billion. By 31st December 2015, Ug shs 49.170 billion was released. Detailed financial performance is presented in table 6.45.

Table 6.45: REA Financial Performance as at 31st December 2015

Rural Electrification Agency						
Component		Approved budget (Ug shs billion)	Release(Ug shs billion)	Expenditure (Ug shs billion)	Percentage releases	Percentage spent
Recurrent budget	Wage	0	0	0	0	0
	Non wage	0	0	0	0	0
Development budget	GoU	46.976	28.463	28.436	61	100
	Donor	11.904	20.707	20.707	174	100
	Arrears	0	0	0	0	0
	Taxes	0.428	0	0	0	0
Totals	Grand total	59.308	49.170	49.143	83	100

Source: REA Q2 Performance report

6.3.1 Global Partnerships on Output Based Aid - Grid Extension Program (Project 1261)

Background

The Global Partnership on Output-Based Aid (GPOBA) through the World Bank (IDA), the Government of the Federal Republic of Germany and the European Union (EU) through the German Financial Cooperation (KfW), and the GoU funds the Uganda grid-based Output Based Aid (OBA) Project.

The objective of the OBA project is to provide improved access to electricity to poor households throughout Uganda. The project subsidizes the full cost of connections to poor households within the low voltage network who need no pole service and are able to pay for internal house wiring and the energy consumed.

Eligible Customers

Under the project, criteria for eligibility for the OBA subsidy are:

- Household location within License Area of the Licensed Distribution Company (LDC), but not in list of excluded urban areas.
- Household application for connection and ability to be serviced by a no pole connection from the nearest distribution line.

- Household's completion of internal wiring at the time of application for a connection or application for a load-limited ready-board solution.
- Household's ability to pay the cost of inspection and the security deposit (for post paid meters only).
- Eligibility of poor households identified by the poverty mapping
- Unconnectivity of a household for at least 18 months after the distribution line was completed

Compliance with the household eligibility criteria was a precondition for subsidy disbursement and was to be verified by an Independent Verification Agent (IVA).

Service providers/Utility companies

Licensed Distribution Companies – LDCs, make the electricity connections under the OBA project namely; Umeme Limited, West Nile Rural Electrification Company (WENRECO), Ferdsult Engineering Services Limited (FESL), Kilembe Investments Limited (KIL), Bundibudyo Energy Cooperative Society (BECS), Pader – Abim Community Multi-Purpose Electric Cooperative Society Limited (PACMECS) and Uganda Electricity Distribution Company Limited (UEDCL). REA is in advanced stages of securing the participation of Kyegegwa Rural Electric Cooperative Society (KRECS) under the OBA project. The Rural Electrification Board approved the participation of KRECS under the OBA project. The Solicitor General approved the implementation agreement. The agreement was to be signed in January 2016 and connections would henceforth kick off in the KRECS service territory.

Project duration and factors for time overruns

The OBA project became effective in December 2012, and actual connections commenced in July 2013 after putting in place the necessary implementation structures, including the Independent Verification Agents (IVA). The project is now three years into implementation, and thus one and a half years remaining to completion, notwithstanding the fact that actual rollout of connections started two and a half years ago. The slow start in rollout was mainly attributed to:

i) Delayed start of connections due to the need to have an IVA in place to enable verification of connections made.
ii) Delays by the SPs to roll out the program mainly due to challenges of getting connection materials
iii) Delayed and slow commencement of project rollout by Umeme Limited, the major utility operator in the Country which, according to the project design, had been expected to contribute about 75% (87,000) to the total OBA target; and,
iv) Delayed commencement of the consumer awareness activities.

A combination of these factors affected the project progress in the initial stages, however, the Project has now stabilized and the trend of connections has grown positively as can be seen from the subsequent sections.

Financial performance

Donor financial performance

The original total project cost was US$ 19.75million as shown in table 6.46. It was envisaged that 132,500 household connections would be achieved in 4.5 years of implementation.

Table 6.46: Original OBA Project Budget breakdown

Development Partner	Committed funds (US$)	Share of total
GPOBA	4,750,000	24%
IDA (As part of ERT II)	4,750,000	24%
GOU	4,000,000	20%
KfW	6,250,000	32%
Total	19,750,000	100%

Source: REA and field finding

However, the anticipated funding from IDA (ERT II) did not materialize, but GPOBA increased funding from the original US$4.75 million to US$5.5 million. Additional funding of EUR3.95million (equiv. US$4.9375 million) was received from the European Union (EU) through KfW. The funding from the Germany Government/KfW was reduced by EUR0.95 million from the original EUR5 million to EUR4.05 million. Therefore, the total project funding became US$19.5million; US$ 4 million by GoU, US$ 5.5million by GPOBA/World Bank, €4.05 million (equiv. US$ 5.0625 million) by German Government/KfW, EUR3.95million (equiv. US$4.9375million) by EU/KFW. The funding has further reduced to due to fluctuation in the Euro. This has brought down the total project funding to about US$18.2 million as will be seen in table 6.47.

Table 6.47: The Current Oba Budget and Financing

Development Partner	Committed funds (Million)	Committed funds (US$)	Share of total
GPOBA	US$5.5	5,500,000	30%
EU/KfW	EUR3.95	4,291,675	24%
Germany Government/KfW	EUR4.05	4,400,325	24%
GoU	US$4	4,000,000	22%
Total		**18,192,000**	**100%**

Source: Field Findings

Note: Figures changed from Euros to US$ at the rate of; Euro 1 = 1.08

With an estimated US$1.4 million allocated to project consultancy, supervision and contingency, the available subsidy funds amount to US$16.8million. With this funding and the current average cost of connection, the OBA Project is now targeting about 115,700 connections by low-income Ugandan households to electricity grids throughout Ugandan rural and peri-urban areas. Considering an average occupancy of five members per household, the estimated project beneficiaries are 578,000. Table 6.48 details the breakdown of allocations for the various activities towards project implementation.

Table 6.48 Budget allocations for project implementation

Expenditure Category	Amount (US$)
Project Subsidy expenditure (A)	16,827,943
Consultancy	
Communication and Awareness (contract with Real Marketing Ltd)	702,107
Poverty Mapping (Running Contract with M&E Associates Ltd)	201,273
Subtotal – consultancy (B)	903,380.00
Supervision	200,000
Contingency	260,677.28
Subtotal – Supervision and contingency (C)	460,677.28
Subtotal – Consultancy (B+C)	1,364,057
Grand Total (A+B+C)	18,192,000.28

Source: REA and field finding

Note: Figures changed from Euros to US$ at the rate of; Euro 1 = 1.08. Note: Depreciation of the Euro has led to reduction in the project financing

Gou financial performance

The GoU approved development budget is Ug shs 1.5 billion of which 100% was released representing an excellent release. All the released funds were expended on the output category other structures representing a good allocative efficiency. The component for other structures include, materials for grid extension including electricity poles, transformers and wires (Figure 6.26).

Figure 6.26 Financial performance of the Global Partnerships on Output Based Aid - Grid Extension Program

Source: Field Findings

Physical performance

A total of 95,296 cumulative connections were reported to have been made by 31st December 2015, representing about 82% of the total target 115,000 (as per the available subsidy funding). Out of the 95,296 connections made so far, the IVAs have already verified 47,686. The 25,336 are undergoing verification process. The difference of 22,274 connections is yet to be submitted by SPs for verification and reimbursement.

By the end of December 2015, 55,662 customers were connected. The WENRECO, FESL did not make any connections during the half year 2015/16. This was due to lack of connection materials. This was compounded by the delays in the reimbursement by REA for the earlier connections made. UMEME made the most connections while PACMECS made the least connections (Table 6.49).

Table 6.49: Connections made by the service provider for Global Partnerships on Output Based Aid - Grid Extension Program

Service Provider	July- September 2015	October - December 2015	Totals
UEDCL	481	1,083	1,564
UMEME	33,842	18,172	52,014
PACMECS	101	82	183
WENRECO	-	-	-
FESL	-	-	-
BECS	627	848	1,475
KIL	392	34	426

Totals	35,443	20,219	55,662

Source: REA and Field findings

During the January 2016 monitoring, the focus was on KIL, BECs and Umeme. A summary of performance and excerpts from beneficiary interviews are presented below.

a) Bundibudyo Energy Cooperative Society (BECS)

Background

In 2007, the Bundibugyo Energy and Cooperative Society (BECS), a cooperative of over 2,000 members was launched to distribute power, maintain the power lines and manage revenue from consumers.

Currently, BECs has spread to the neighbouring districts of Kabarole, Ntoroko, and Bundibugyo, with another 4,000 connections due on the single phase (households) and 70 for the two phases (large scale consumption like heavy machinery). The cooperatives are community owned but run by an elected board that ensures that all users have a say in the usage and supply of electricity.

Physical performance

Connections made were 1,475 between July to December 2015. The requirements for connection were more than those prescribed by REA. The households had to purchase a special meter box costing Ug shs 70,000. Other beneficiaries mentioned that the company requested for Ug shs 140,000 for the same item. This was perceived prohibitive to the required connections.

Beneficiaries were interviewed to ascertain service delivery and client satisfaction (Box 6.4)

Box 6.4: Bundibudyo Energy Cooperative Society (BECS) beneficiary interviews

The fifteen interviewed beneficiaries acknowledged receipt of the connections. They highlighted the requirements for the connection as follows:

- Completed wiring and a wiring certificate costing Ug shs 20,000
- A plastic meter box costing Ug shs 70,000
- Other requirements as set by REA and development partners

Mentioned that the connection had a number of benefits such as:

- Improved lighting
- Ease to charge phones thus no longer pay money to have their phones charged
- Increased working hours and income from the electricity powered business
- Enhanced business expansion to trade in cold drinks, saloons, and bar for the individuals who use the same building as homes

The beneficiaries and interested clients mentioned the following challenges:

- Wiring costs are high for their premises
- The compulsory requirement of a plastic meter box costing Ug shs 70,000 was perceived high and

unfair.

- Some beneficiaries mentioned that they were required to pay an extra Ug shs140,000.

Source: Field Findings

Implementation Challenges

- Expensive connection materials worsened by the depreciation of the Ug shs against the Us Dollar.
- Inadequate labour specifically for OBA project.
- Limited awareness about the OBA project suggesting ineffective work done by the REA marketing consultant
- High cost of house wiring given the poor households that the project targets.

b) Kilembe Investments Limited (KIL)

Background

The operator serves in the districts of Kasese and Rubirizi. The contract to make the free OBA connections was made in December 2012 and connections commenced in August 2013 with an expected completion of December 2017.

Physical performance

Connections made were 428 between July – December 2015. The cumulative connections made from the project start were 4,076. The service provider mentioned that they ascertain whether clients are utilising the power every after six months to establish sustainability of the connections. There was noted delay in the reimbursement of funds that affects the cash flow of the service provider. By 21st January 2016, a total of Ug shs 176,812,578 incurred for the July to December connections had not been reimbursed.

The demand for connections was increasing but could not meet the requirement of existence of the power line for at least 18 months. These would be eligible under the new consideration for those considered poor from the poverty mapping study; but the report had not yet been fully concluded to implement its findings and recommendations.

To ascertain the performance of the project in Kasese district, 10 beneficiaries were interviewed and below is an excerpt of the discussion (Box 6.5)

Box 6.5 - Kilembe Investments Limited (KIL) Beneficiary interviews

The beneficiaries confirmed receipt of free connections from KIL. The incurred cost was for wiring and additional Ug shs 20,000 for a wiring certificate. All the beneficiaries were happy with the intervention and mentioned the following benefits.

- Improved lighting compared to the kerosene lamp used before.
- Ability to watch TV
- Ability to charge phones
- Ability to work longer hours in the shops

The beneficiaries however noted the following challenges:

- High power tariffs
- Those in Kasomoro village complained about absence of an office to purchase the power units requiring them to travel to Bwera

Source: Field Findings

Challenges

- The 18 months requirement is prohibitive to a number of qualifying poor households
- Wiring costs are high. The minimum cost was averaged at Ug shs 200,000.
- Low network distribution leaving out many who are more than one pole away from the network.
- Lack of connection materials compounded by the delays in the reimbursement of the funds.

c) UMEME Lira district office

Background

The office serves the districts of; Lira; Apac; and parts of; Kole district (Aboke Trading Centre (TC) and environs; Kole TC; Pader district (Puranga TC,) and Dokolo district (Agwata area).

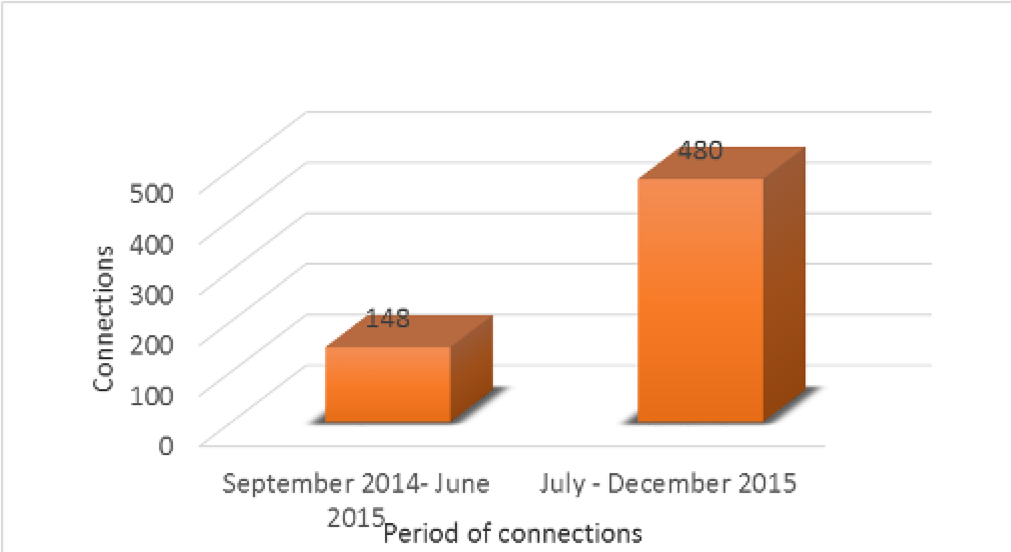
Physical performance

A total of 628 connections were done since September 2014. Between July to December 2015, 480 connections were done. The district suspended receiving the connection applications on 22rd December 2015 upon a directive from the UMEME head office in Kampala. This was in part on the account that Umeme (all district offices combined) was about to achieve its OBA target of 86,250 (75% of 115,000) connections.

Most of the UMEME connections so far made were in the urban and peri-urban parts of the country. This trend excludes some more deserving people in the rural areas who are likely to be poorer. UMEME noted that they intend to make the remaining connections in the rural areas; this is clearly late since UMEME has majority share of the distribution network. An example of the less deserving beneficiary connected in Lira is shown in the OBA picture below.

Majority of the connections in Lira office (480) were done between July-December 2015. (Figure 6.27). This was attributed to the change in the procedures for the connections. Before July 2015, all applications for the connections had to be verified from Kampala before the connections could be made thus making the process rather slow.

Figure 6.27: Number of clients and period of connections for Lira UMEME district office



Source: Field Findings

OBA beneficiary in Lira Municipality who could afford the connection cost

To ascertain knowledge and customer satisfaction, interviews were made with ten beneficiaries in Lira municipality where majority of the beneficiaries were located (Box 6.6).

Box 6.6: UMEME Lira district office beneficiary interviews

The beneficiaries acknowledged receipt of the grid connections. However, seven of them didnot know whether it was a free OBA connection. This was because they incurred the following costs:

- Ug shs 326,000 for a pole service

- Ug shs 50,000 for a wiring certificate
- Ug shs 41300 inspection fees

Whereas the OBA officer noted that the inspection fees was to be reimbursed in form of power units; None of the beneficiaries knew about it nor had any of them received 'free power units'. One beneficiary had paid for inspection twice, which she found unfair, yet this is a requirement by Electricity Regulatory Authority that once a client does not meet the required standards, he is charged afresh even when they simply rectify what was missing.

The beneficiaries mentioned the following benefits:

- Improved lighting
- Reduced burden of estimated bills that UMEME used before receiving the Prepaid meters
- Ability to observe on the consumption patterns for power
- The challenges highlighted included:
- Limited knowledge about the true design of the project(free connections upon wiring)
- High power tariffs

Source: Field Findings

L-R: OBA beneficiary operating a mobile money shop and phone charging business; Installed power meter in Kasese district

Analysis

Link between financial and physical performance

Expenditure performance for the project was good. By 31st December 2015, 82% connections had been made indicating a good link.

Achievement of targets

Performance for the project was good. By the end of December 2015; the connections made were 95,296 representing 82% connections made. However, some service providers such as UMEME and WENRECO stopped OBA connections due to lack of connection materials and delays in the reimbursement by REA for the connections made.

Conclusion

Efforts have been made by government to provide improved access to electricity to poor households throughout the country. However, given the business orientation of some service providers such as UMEME and WENRECO, the OBA is a liability on their part due to the conditionality attached to the project. For instance, the service providers are required to use their own funds to connect the customers and are then reimbursed by REA. This has not been well implemented as the REA delays to reimburse the service providers, in addition to lack connection materials. The project also seemed to benefit mainly urban and fairly well to do households who would afford the connection costs.

Recommendations

- REA should facilitate the service providers to enhance awareness of the OBA programme.
- REA should conclude the poverty mapping study to have the qualifying persons connected to the grid.
- REA should prevail on the IVA to timely complete the verification exercises and pay the service providers to enable smooth implementation of the project.

6.3.2 Rural Electrification (Project 1262)

Background

This project takes over from the old project implemented under Vote 017 that ended with the first Rural Electrification Strategy and Plan (RESP 2001 - 2010). The RESP II (2013-2022) will provide funding for undertaking rural electrification projects with the overall objective of achieving rural electrification access of 26% by June 2022.

The GoU and development partners jointly support the project. The projects, initiated by REA are aimed at achieving increased access to electricity by rural communities. Outputs include; 1,280,000 new connections by the end of the project in June 2022.
In the medium term, focus would be on; construction of 5,000 km of power lines, Connection of 20,000 customers, and installation of 7,000 PV systems.

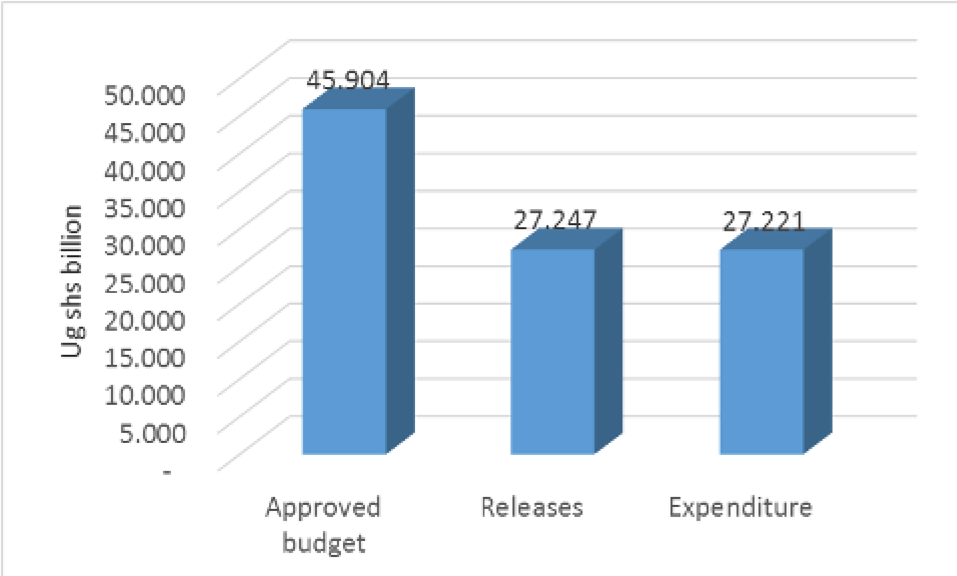
Performance review for the grid extensions was done in the districts of:

- Lot 7: Apac/Chegere-Kole/Akalo-baala
- Lot 8: Ntungamo/Rukungiri/Kabale/Mbarara/Kanungu/Kisoro
- Lot 3: Nakasongola/Luwero
- Lot1: Wakiso/Butambala

Financial performance

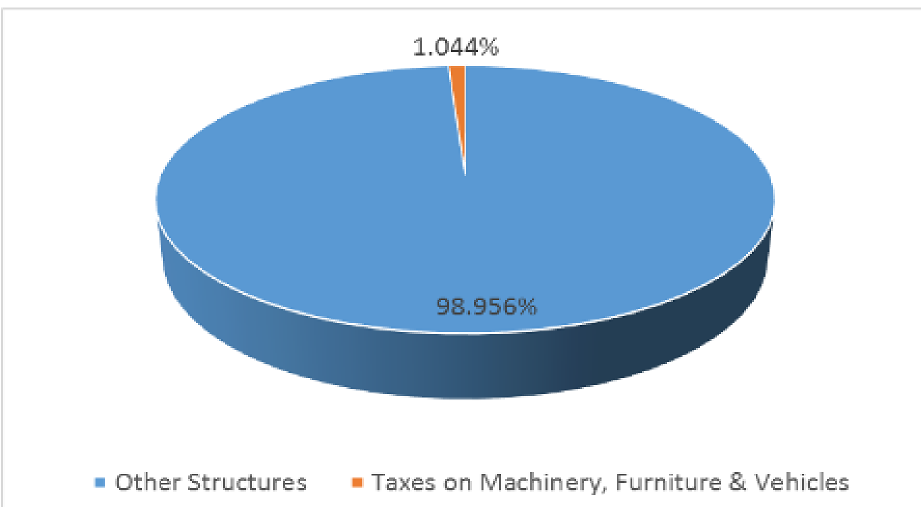
Figures 6.28 and 6.29 present the financial performance of the grid extensions project. The release and expenditure performance was excellent. Fifty-nine percent was released as at 31st December against the expected 50% for half year**. (**Figure 6.28). Expenditure performance was allocatively efficient as majority of expenditure was made on output line ‘other structures’ where electric poles and other equipment belong (Figure 6.29).

Figure 6.28: financial performance for Rural Electrification project



Source: IFMS (December 2015)

Figure 6.29: Percentage share of expenditure by output category for Rural Electrification project



Source: IFMS (December 2015)

Physical performance

A sample of power lines in the Western, Northern, Central and Eastern Uganda were monitored. Construction on the selected lines with majority in advanced stages of completion. The performance updates are presented below.

a) Completion of Apac-Chegere-Alemi - 75% completed

The project involved the construction of sections of High Voltage (HV) power networks in the districts of Lira, Apac, Kole and Soroti. The total line route length for the lot is 120km of HV power network and 104 km of LV network. The line requires installation of 45 transformers (Progress presented in table 6.50).

The contract was awarded to M/s A-Z Maintenance and Engineering Services Limited in June 2014. Construction works started in August 2014 with an expected completion date of October 2015. By 27th January 2016, the project was in advanced stages and one section in Soroti (7.6km) had been commissioned. M/s Multi Consult supervises the project. The contract amount for the lot was US$ 3,983,645.03 of which US$ 2,061,060 had been paid. The contractor requested a time extension to complete the outstanding works including some additional works for construction of 9.6 Km of HV and 6Km of LV.

BADEA (43%), GoU (15%), and Saudi Arabia (42%) jointly finance the project. By the end of January 2016, Overall progress was 93% against 52% financial progress.

Table 6.50: Performance of lot 7: Apac-Chegere-Alemi line

Scope of works	Observed physical performance by line section in January 2016
Akalo – Bala power line	
Apac/Kole districts 8Km of HV power network 13Km of LV power network Total number of Transformers 2X100kVA 1X50kVA 3X25kVA	The line section serves the districts of Kole and Apac districts. The line is to serve various social institutions in the two districts. These include: Akalo progressive technical institute, Sardis nursing school, Adyiang Primary school, Teobiya, Teobiya Catholic Church, Omuge Primary school (P/S), Bala HCIV, Bala P/S, Bala Catholic Mission and Fr. Aloysius Secondary school. By the 27th January 2016, the section was in advanced stages. Stringing, air break switches, laying of stay wires were ongoing. The only outstanding component was transformer installation due to the fear of vandalism of the transformer. The contractor plans to install and energise immediately.
Apac-Chegere power line	
Kole 40km of HV 44km of LV Total number of transformers 2x200kVA 2x100kVA 11x50kVA 2x25kVA	Construction works were in advanced stages. Pole excavation and erection was complete. While stringing, installation of switchgear was ongoing.
Soroti- Tuboi power line	
Soroti Section 56 km of HV line	The power line starts in Arapia sub county, Soroti district. The total route length is 60km.

44 km of LV line Total number of transformers 1x200kVA 2x100kVA 14x50kVA 2x25kVA	The line is expected to serve social facilities like Arapai Sub county, churches, health centre, and schools The progress in January was 100% and 7.6Km T- off had been commissioned in Atiriri; Katin

Source: Field Findings

L-R: Ongoing stringing works for the Low voltage power line; completed medium voltage power line in Kole district on Lot 7

Lot.8: Ntungamo/Rukungiri/Kanungu/Kisoro/ Kabale/Mbarara and Environs

The contract was awarded to M/s China Jiangxi International Uganda Limited in June 2014 and works commenced in July 2014 with an expected completion date of June 2015. This was not achieved due to delays in payments and additional scope of work. The contractor requested for an extension up to July 2016. Total contract sum is US$ 6,365,582.61. An advance payment worth US$ 1.2 million was paid to the contractor and by the end of January 2016, US$ 2,104,900 (33%) of the contract price had been paid.

The line covers the districts of Ntungamo, Rukungiri, Kanungu, Kisoro, Kabale and environs. Total route length is 160 km of HV and length of LV is 200km. Total number of transformers is 105 with specifications; 13x 25kVA; 75x50kVA; 17x100kVA, 1x500kVA. Works were ongoing in all the districts except Kisoro where they were to commence with some of them at substantial completion. Overall progress was 45% against the targeted 75%. Works were still ongoing at the different levels of completion (Detailed progress presented in table 6.51).

Table 6.51: Physical performance of Lot.8 Ntungamo/Rukungiri/Kanungu/Kisoro/ Kabale/Mbarara and Environs

Location and summary scope of works	Observed physical performance by line section in January 2016
Ntungamo district Total number of Transformers 5X100kVA	The line section serves Ntungamo. It is expected to serve Rwempiri village, Nyabulisa and, Kahangi Trading Centre

18X50kVA 8X25kVA	By 27th January 2016, the section was in advanced stages. Stringing, air break switches, transformer installation, laying of stay wires complete. The power lines had been energised.
Rukungiri district Total number of transformers 1x500kVA 3x100kVA 19x50kVA	The section is to serve Bangangari factory and environment. The construction works were in advanced stages. Pole excavation and erection was complete. While stringing, installation of switchgear was ongoing.
Kabale district Total number of transformers 3x100kVA 7x50kVA 1x25kVA	The section will serve Maziba HCII, Kabale Polytechnic school, Mgahinga tourist and Tangaza tours Pole erection was complete. Stringing was ongoing at 40% complete. In some sections electrical mechanical works was ongoing. Transformer installations was at 25%.
Kanungu Total number of transformers 2x100kVA 23x50kVA 4x25kVA	Works had commenced and pole erection and stringing was ongoing at 25%. Transformer installation and the switchgears were yet to commence.
Kisoro district. Total number of transformers 4x100kVA 6x50kVA	Works had not commenced.
Mbarara district	These were additional works to serve Igongo cultural center and a farm. The works were in advance cases of completion.

Source: Field findings

L-R: Completed pole erection and stringing and ongoing low voltage string in Ntungamo district for Lot. 8

b) Lot 3: Nakasongola/Luwero/Nakaseke/Hoima/Zombo/Arua/Paidha – 75% completed

The contract was signed in May 2014 and works commenced in the same month with an expected completion time in June 2015. This was not achieved due to payment delays and changes in scope. The contractor requested for additional extension and the new expected end date is May 2016.

The contract was awarded to M/s Ferdisalt Engineering Services Limited at a sum of US$ 3,315,507.16. An advance payment worth US$579,121.80 was paid to the contractor. By the end of January 2016, US$2,584,871.41 (78%) of the contract price had been paid/ approved. There were payment delays up to 382 days before the IPC could be approved and paid. This affects the financial cash flows of the contractor.

The line covers the districts of Nakasongola/Luwero/Nakaseke/Hoima/Zombo/Arua/Paidha and environs. Total route length is 110 km of HV and length of LV is 140km. Total number of transformers is 60 with specifications. Works were ongoing in all the districts. Survey and line clearance, pit excavations, pole erection were ongoing at various levels of completion (detailed progress is presented in table 6.52)

Overall progress was 80% against the targeted 75%. Works were still ongoing at the different levels of completion. The key constraint affecting the project was delays in payment and approvals of the scope variations as requested by the beneficiaries.

Table 6.52: Physical performance of Lot 3: Nakasongola/Luwero/Nakaseke/Hoima/ Zombo/Arua/Paidha

Location	Observed physical performance by line section in January 2016
Nakasongola district 31.3km of HV line 5.2 km of LV line Total number of transformers 1x50kVA 2x25kVA	The line section serves Migyera sub-county, trading centre and environs. By 27th January 2016, pit excavations, and pole erection was ongoing. Pole dressing and stringing was yet to commence.
Luwero district 27.3 km of HV line 36.75 km of LV line Total number of transformers 1x100kVA 14x50kVA	The section is to serve Dekabusa and Kikyusa trading centre and environs. The power line construction works were in advanced stages. Pole excavation, erection, stringing was completed. Installation of switchgear and transformer was the only outstanding work.
Nakaseke district 32.73km of HV line 43.27 km of LV line Total number of transformers 3x100kVA 11x50kVA 5x25kVA	The section is to serve Kalagala, Katale-Kamese, Kyabumba, and Bukakera Trading centres, villages and environs. Pole excavation and erection was complete. Pole dressing was ongoing and stringing had just commenced in Bukakera.

Hoima district 13.4 km of HV line 15.38km of LV line Total number of transformers 1x500kVA 3x100kVA 5x50kVA 1x25kVA	The section is to serve Kibingo, Kiswaza, Kabonesa and Kyantale trading centre, villages and environs. Works had commenced. Pit excavations and pole erection was ongoing. Stringing and other electromechanical works was yet to commence.
Zombo district 2.9km of HV line 22.45km of LV line Total number of transformers 3x100kVA 5x50kVA	Works were completed. The power lines energised and commissioned.
Arua district 0.1 km of HV line 6.09km of LV line Total number of transformers 1x200kVA 2x100kVA 14x50kVA 2x25kVA	Works were completed. The power lines energised and commissioned.
Nebbi district	Works were completed. The power lines energised and commissioned.

Source: Field findings

L-R: Completed stringing of Medium voltage line and transformer installation in Wabusana, Luwero district for Lot. 3

c) Lot 1: Wakiso/Butambala 75% complete

The contract was signed in May 2014 with M/s C & G ANDIJES GROUP. The line covers the districts of Wakiso/Butambala/Mpigi and environs. The project was substantially completed with majority of the sections already commissioned. Overall progress was 97% against the 75%. The project progress is presented in Table 6.53.

Table 6.53: Physical performance of Lot1: Wakiso/Butambala

Location and summary scope of works	Observed physical performance by line section in January 2016
Wakiso district	
Maya TC – Maya resort Total number of Transformers 1x200kVA transformer	The line section serves Maya Trading centre, Maya resort and environs. By 30th January 2016, the line was complete, energised and commissioned. Customers were yet to receive connections
Katende – Nsunjuwe 3.7km of HV 3x50kVA transformer	The line was substantially complete.
Kagaba- Sekyiwunga 1x25kVA transformer	The line was complete. The installed transformer was vandalised at Sekyiwunga making it the second transformer to be vandalised at the same location. The left transformer parts were kept at Nakilebe Police station.
Kololo Trading centre Total number of transformers 1x50kVA transformer	The section was complete. Powered. Customers were yet to receive connections.
Muyomba- Wakiso Total number of transformers 0.7km of HV network 1x50kVA	The line was completed and commissioned in December 2015 and seven customers were already connected.
Baka trading centre and environs Total number of transformers 300metres of HV power line 1x100kVA tranformer	The section is to serve Kibingo, Kiswaza, Kabonesa and Kyantale trading centre, villages and environs. Works had commenced. Pit excavations and pole erection was ongoing. Stringing and other electromechanical works was yet to commence.
Mende sub county, trading centre and environs Total number of transformers 0.8km of HV power network 2x50kVA	Works were completed. The power lines energised and commissioned.

Source: Field findings

L-R: Completed transformer installation and completed construction Low voltage network at Maya Resort in Wakiso district

Analysis

Link between financial and physical performance

Release and expenditure performance was excellent. Construction works through previously behind schedule were majorly in advanced stages of construction, indicating a link between physical and financial performance.

Achievement of targets

Performance for the project was fair. There was an improvement in the implementation of projects that had previously lagged behind. Progress of grid extensions; Apac-Chegere-Alemi; Ntungamo/Rukungiri/Kanungu/Kisoro/Kabale/Mbarara and Environs; Nakasongola/Luwero/Nakaseke/Hoima/Zombo/Arua/Paidha; Wakiso/Butambala were; 75%, 60%, 75%, and 75% respectively

Conclusion

There is an improvement in implementation of grid extension projects although they still lag behind. Delays are majorly cause by late payments. On the other hand, the financial capacity of the contractors is limited.

Recommendations

- Donors should execute due diligence in formulation of funding conditions to avoid project delays.
- The GoU should priorities the required counterpart funding to the grid extension projects**.**

CHAPTER 7: HEALTH

7.1 Introduction

The health sector is one of the National Development Plan (NDP II) investment priorities in the medium term[22]. Its main goal is to reduce morbidity and mortality as a contribution to poverty reduction, economic and social development of the people of Uganda[23].

The health sector comprises a number of spending agencies (votes); The Ministry of Health (Vote 014) as the central agency in charge of policy analysis and formulation, strategic planning, provision of nationally coordinated services like emergency preparedness, health research, monitoring and evaluation of the overall health sector performance.

National Medical Stores (Vote 116) responsible for procurement and distribution of medicines and medical supplies to government health facilities. Specialized services are provided by a number of semi-autonomous institutions namely; Uganda Cancer Institute (Vote 114); Uganda Heart Institute (Vote 115); Uganda Blood Transfusion Service (Vote 151); Uganda Aids Commission (Vote 107) and Health Service Commission (Vote 134).

Mulago and Butabika National Referral Hospitals (Votes 161 to 162 respectively) provide comprehensive specialist services, health research, training and all services at general and regional referral hospitals. A total of 14 Regional Referral Hospitals (Votes 163 – 176) offer specialized clinical services and higher level medical and surgical services[24].

Districts take primary responsibility for delivery of frontline healthcare services through provision of Primary Health Care (PHC) services. Districts are responsible for management of human resources for district health services, general hospitals and health center's (II, III and IV)[25]. The total number of general hospital was 43, HC IVs 182, HCIIIs 977 and 1,734 for HCII by December 2013.

During FY 2015/16, the sector's key areas of focus were:

- Human resource (attraction, motivation retention and development).
- Improvement of maternal and child health services including reproductive health.
- Control of HIV/AIDS, Malaria, Tuberculosis (TB) & Hepatitis.
- Improving Primary Health Care focusing on disease prevention, health promotion, nutrition, environmental sanitation, hygiene, and functionalizing lower level health facilities.
- Reduction of referrals abroad through equipping, training, recruitment of specialist, staff motivation and acquisition of specialized medicines.
- Enhancing blood collection under the Uganda Blood Transfusion Services.
- Control/preparedness for disease outbreaks including surveillance.

[22] NDP FY 2015/16 - 2020/21

[23] MoH Ministerial Policy Statement FY 2015/16

[24] Arua Regional Referral Hospital (RRH) Fort Portal RRH, Hoima RRH, Gulu RRH, Jinja RRH, Kabale RRH, Masaka RRH, Mbale RRH, Soroti RRH, Lira RRH, Mbarara RRH, Mubende RRH, Moroto RRH, and Naguru RRH

[25] Ibid

- Infrastructural rehabilitation and remodeling as well as constructing new facilities.
- strengthening the community health extension system

This chapter presents the half year performance of the health sector in achievement of set targets for selected programmes and projects contributing towards the sector's key areas of focus for FY 2015/16.

7.1.1 Scope

The chapter presents findings on; five MoH projects, three Regional Referral Hospitals and Primary Health Care grants in 14 local governments. Details are presented in Table 8.1.

Table 7.1: Projects and programmes monitored for Mid-year performance FY 2015/16

Vote	Program/Project	Institution visited/location
014 MoH	Health Systems Strengthening (Project 1123)	Aboke HCIV, Aduku HCIV, Budaka HCIV, Buyinja HCIV, Kikamulo HCIV and Nankoma HCIV.
	Rehabilitation of general hospitals	Apac, Bugiri, Kapchorwa, Kiboga Masindi
	Global Alliance for Vaccines Initiative	MoH headquarters and Local Governments
	District Infrastructure Support programmes	Kapchorwa Hospital
	Rehabilitation and Equipping of Health Facilities in the West (1314)	Hoima RRH
	Institutional support to Ministry of Health	Ministry of health headquarters, Kampala
Regional Referral Hospitals	Mbale RRH	Mbale district
	Hoima RRH	Hoima district
	Lira RRH	Lira district
Vote 501-850	PHC Development Grant	Apac, Budaka, Bugiri, Bulisa, Hoima Kapchorwa, Kayunga Kiboga, Kole Lira, Luwero, Masindi, Nakasongola, Oyam

Source: Author's compilation

7.1.7 Overall Financial performance of the Health sector

The approved budget for FY 2015/16 is 1,270.8billion of which 26% is wage, 31.22% is non-wage and 42.73% is development. The budget is inclusive of donor funding (41%) and exclusive of arrears and Appropriation In Aid (AIA).This allocation was 6.94% of the National

Budget. The Ministry of Health was allocated 42.89% of the health budget, 25.11% to local authorities and district hospitals, 17.2% to National Medical Stores,6.5% to Regional Referral Hospitals, 4% to national referral hospitals, and 4.2% for all other spending agencies in the sector.

Table 7.3: Budget performance of the central government votes (Ug shs) as at 31 December 2015

Vote	Name	Approved Estimate	Release	Expenditure	% of budget released	% of Release spent
014	Ministry of Health	109,859,159,984	49,958,462,669	43,006,710,683	45	86
107	Uganda AIDS Commission	7,747,968,117	3,753,440,358	3,296,099,205	48	88
114	Uganda Cancer Institute	13,119,466,472	6,625,831,699	3,553,821,192	51	54
115	Uganda Heart Institute	11,688,744,411	6,339,880,583	3,999,016,465	54	63
116	National Medical Stores	218,614,466,778	106,482,921,025	106,479,092,658	49	100
134	Health Service Commission	4,926,541,299	1,906,256,738	1,589,735,949	39	83
151	Uganda Blood Transfusion Services	4,849,741,937	1,941,780,111	1,670,259,490	40	86
161	Mulago NRRH	12,146,244,411	5,898,637,691	4,661,312,575	49	79
162	Butabika NRRH	9,659,071,597	4,878,042,660	3,950,160,010	51	81
163-176	RRH	89,924,577,449	46,153,556,630	34,818,832,868	51	75

Source: IFMS MFPED

7.1.8 Physical Performance

The overall physical performance of projects/programs of the health sector was at 61.2% of the half year targets. The implication is that the sector did not achieve the half year targets. Rehabilitation of Facilities in Western Region achieved 100% of its targets followed by the Global Alliance for Vaccines Initiative (98%) and the Uganda Health Systems Strengthening Project (80.9%). Rehabilitation of General Hospitals Project registered the worst performance with the project achieving only 12% of the half year targets, this was followed by the PHC development grant at 33.1% of the half year targets.

7.2 Ministry of Health (Vote 014)

The projects monitored under Vote 014 were; District Infrastructure Programme (Project 0216), Global Alliance for Vaccines Initiative (Project 1141), Uganda Health Systems Strengthening

(Project 1123), Institutional Support to Ministry of Health (Project 1027) and Rehabilitation and Construction of General Hospitals (Project 1243)

7.2.1 District Infrastructure Support Program (Project 0216)

The programme was established to enable government equip and rehabilitate selected health facilities for improved health care delivery. The current phase of the project started on 1st July 2015 and is expected to end on 30th June 2020. The main objective of the project is to improve infrastructure of the health system by purchasing essential equipment and undertaking rehabilitation of regional and district health facilities. Expected outputs by June 2020:

a. District health facilities rehabilitated /constructed
b. District health facilities equipped
c. Ambulance trucks and station wagons vehicles procured.

Planned outputs FY 2015/16:

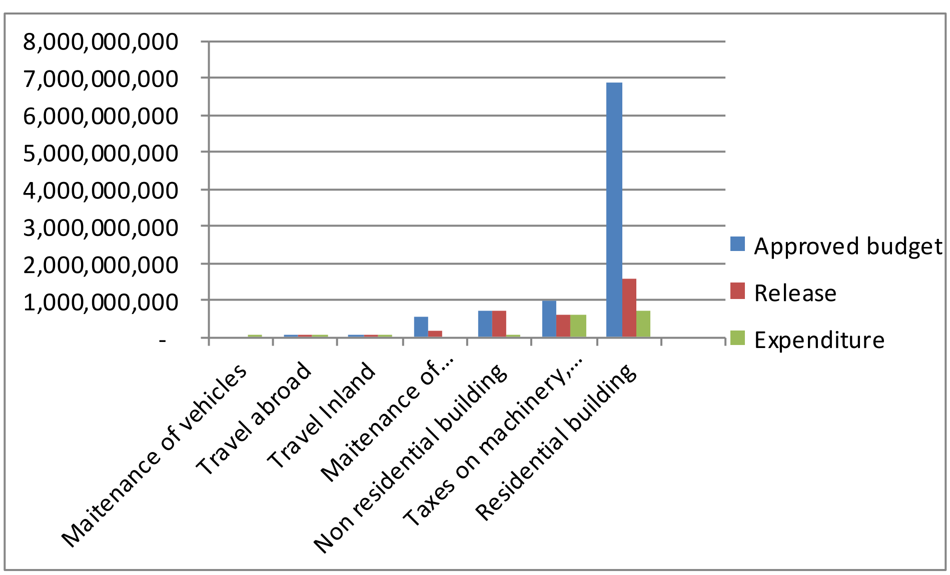
a. Retention for construction of Buyiga HCIII paid.
b. Monthly technical supervision for health infrastructure developments at 13 RRHs, 3 GH, and 20 selected district health facilities conducted
c. Detailed health facilities inventory and condition assessment for HCII-IV for the whole country conducted
d. Medical equipment and furniture for the health facilities procured and supplied.
e. Vehicles maintained.
f. Reports, inventories printed and bound

Findings

Financial performance

The project approved budget for FY 2015/16 was Ug shs 9.298 billion of which Ug shs 3.104 billion (33%) was released and 43.6% (1.355 billion) spent by 31st December 2015. The release and expenditure performance was very poor. Expenditure was mainly on residential buildings, non-residential buildings, and taxes on machinery. In FY 2015/16, Ug shs 700million was re-allocated from the PHC development grant to this project for purposes of procuring medical equipment and furniture for local governments.

Figure 1: Financial performance of the District Infrastructure Support Project by 31st December 2015



Source: IFMS MFPED

Physical performance

One out of the four planned outputs was achieved for the period under review. Targets for the two key project outputs i.e Partial construction of staff houses at Kapchorwa Hospital and procurement of furniture and medical equipment for health facilities were not achieved by half year. Overall performance of the project was rated at 35% of the half year targets. Table 7.4 indicates detailed project performance by output.

Table 7.4: Performance of Project 0216 by 31st December 2015

Output	Performance	Remarks
Kapchorwa Hospital partially rehabilitated by construction of four two bed room houses	0%	The tender for the construction of staff quarters at Kapchorwa Hospital was awarded and approved by the Solicitor General but not yet signed by 31st December 2015.
Payment of retention for the construction and Equipping of Buyiga Health Centre III	Not assessed	Works were completed and handed over in August 2015; the MoH was still monitoring the civil works before payment of retention to the contractor is made
Procurement of specialised medical equipment	0%	The bid evaluation report for the procurement specialised medical equipment and furniture was prepared and submitted to Ministry of Health Contracts Committee for review in December 2015. The best evaluated bid amount for the procurement was US$1,370,004.50 and it includes: 3,250 beds with mattresses, bed sheets & pillows and 235 bed side lockers.
Maintenance of imaging equipment	100%	Medical equipment maintained in all RRH, General hospitals and HC IVs. In addition, Negotiations are on-going to procure Philips Medical Systems to maintain imaging equipment under a framework contract.
Technical support supervision carried out for infrastructure development nationwide at regional referral hospitals and districts	42.9%	Technical support supervision carried out in three RRH out of the half year target of seven.
Average performance	35.7%	Below average.

Source: Field findings and Ministry of Health

Challenges to project implementation

Delayed procurement of equipment and medical furniture due to the need to carry out retendering after the first bidders didnot meet the required specifications. In addition, award of the contract to Philips Medical Systems to maintain imaging equipment under a framework contract delayed because the allocated budget of Ug shs 2billion is far below the minimum bided amount of 6,818,084,000[26] (US$1,948,02).

Recommendation

The MoH should expedite the procurement process and ensure that the medical equipment procured and distributed as planned.

7.2.2 Global Alliance for Vaccines Initiative (Project 1141)

Background

The Global Alliance for Vaccines Initiative (GAVI) was launched in 2000 to improve access to immunization services for children in Uganda. The project main objective is to contribute to strengthening Uganda's health system to deliver the Uganda National Minimum Health Care Package (UNMHCP), including immunization, in an efficient, equitable and sustainable manner for reduced morbidity and mortality in Uganda. The first phase of the project was expected to end in June 2015 however; the grant was given a no cost extension up to 30th June 2016. The MoH had started drafting a new project proposal for HSSII.

GAVI's renewed support to Uganda followed a Memorandum of Understanding signed between the GAVI secretariat and the GoU in June 2012. GAVI committed funds for two components; Health System Strengthening (HSS) amounting to US$19,242,000 and Immunization Support Services (ISS2) amounting to US$2,649520. Additionally GAVI granted approval to utilize the recovered funds of Ug shs 2,046,060,487 (US$818,424) that had allegedly been misappropriated on Immunization Support Services (ISS1). On 5th June 2013, the GAVI Secretariat disbursed a total of US$7,022,215 to MFPED of which US$ 4,372,695 was for HSS while US$2,649520 was for ISS2.

The objectives of the grant are:

I. To improve the delivery of UNMHCP including immunization by providing the necessary infrastructure, logistics supplies and management training
II. To support the participation of communities in health care delivery and decision making through scaling up of the establishment and training of Village health teams
III. To strengthen the capacity of the health workers at all levels of health care delivery at district level to manage and utilize their data
IV. To strengthen the capacity of the private sector to deliver immunization and other child health services by providing cold chain, training and other related issues.

Expected Outputs June 2016

1) Improve the delivery of UNMHCP, including immunization through provision of staff accommodation, vaccines and medicines storage space in selected districts, transport and logistics at all levels in the health sector. Improve coordination of GAVI supported activities through recruitment of additional staff.

[26] The exchange rate used was 1US$=Ugshs3,500

2) Support the participation of communities in healthcare delivery and decision making through establishment, training and equipping of Village Health Teams.
3) Train health workers at Health Sub-District (HSD) level to manage and utilize Health Management Information System (HMIS) data for decision making and equip 35 newly created districts with computers and internet connectivity.
4) Strengthen capacity of the private sector to deliver immunization and other child health services through training and provision of cold chain equipment.
5) Medicine and Vaccine Stores for UNEPI Constructed.
6) Workshop for maintenance of vaccine fridges constructed.
7) Vaccine storage and transfer equipment purchased and installed.
8) 95% of infants immunized against Diphtheria

Planned outputs for FY 2015/16

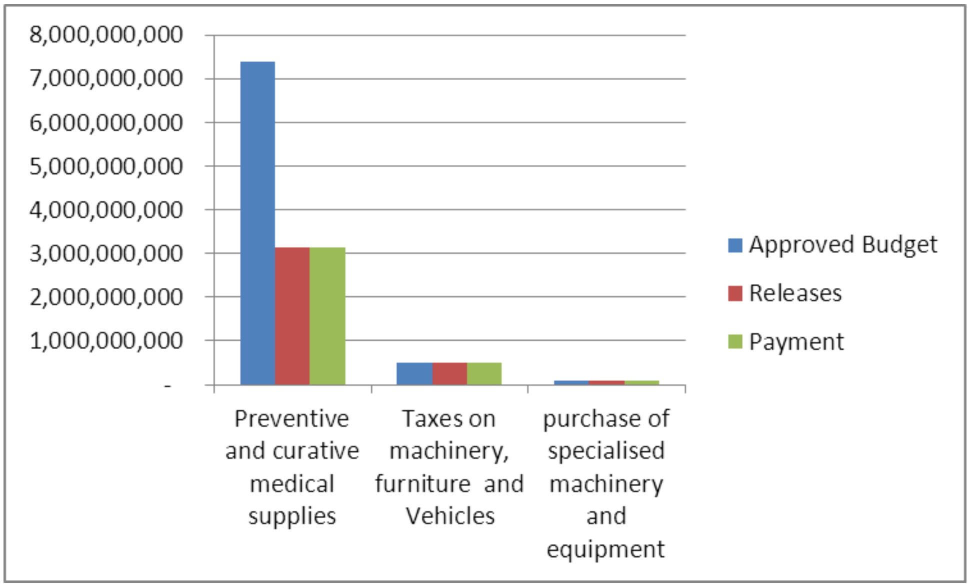
- Traditional vaccines (Pentavalent, Polio, TT, BCG, Measels vaccines), Pneumococcal Conjugate vaccine, Human Papilloma Virus (HPV), Inactivated Polio Vaccine, Rota Virus vaccine and immunization related supplies procured.
- Administrative costs for implementation of GAVI supported activities paid. Support Supervision and monitoring of GAVI supported activities by MoH HQs and districts, data validation, salary payment for accountant, M&E, cold chain staff and Admin officer to support GAVI grants paid.
- Internal audit activities, external audit, health workers for each of the functional HSD trained in health information software application (DHIS2).
- Supervision of construction of Central Vaccine Store and UNEPI Offices conducted.
- Medicines Stores in 20 new districts and 26 Staff houses in 13 districts with hard to reach areas constructed.
- 2 (50KVA) generators for the CVS, 8 (25KVA) generators for the regional hubs and solar energy in 26 new staff houses procured and supplied.
- Thirty five computers with all accessories and internet connectivity for new districts procured and supplied, administrative costs for implementation of GAVI activities paid, external firm contracted to audit implementation of GAVI project procured.
- Assorted cold chain equipment including, 22 cold rooms, 1 freezer room, 270 assorted cold chain equipment (refrigerators and freezers), 1000 vaccine carriers, assorted tool kits and spare parts for cvs, regional hubs and other HFs (public and private) installed.

Financial performance

The amount disbursed by GAVI Secretariat Geneva to UNICEF is US$8,286,982 of which US$7892364 was programmable and the balance of US$394618 was program support. UNICEF has spent/committed a total of US$7,753,824 which is 98% utilization of the programmable amount and 94% of the total funds disbursed by GAVI Secretariat in Geneva.

The GoU approved project budget for FY 2015/16 was Ug shs 10.03billion of which Ug shs8.01billion (79.9%) was released and Ug shs3.737billion (47%) spent by 31st December 2015. The expenditure on the Government of Uganda funds was as follows:

Figure 2: Expenditure of the government of funds by 31st December 2015



Source: IFMS MoFPED

Physical performance

The project had four components under the GAVI HSS grant and these were: a) construction of the central vaccine store, b) Construction of the district medical stores, c) Construction of health workers' staff houses and d) procurement of transport and cold chain equipment, and monitoring tools.

Most of the targets planned for the half year were achieved except for the civil works which have been delayed by prolonged procurement process. The project achieved 60% of its targets over the grant period. However, for the half year performance, the project achieved 90% of the planned targets. The table 7.5 summarises the overall performance for the project.

Table 7.5 Overall physical performance of GAVI by 31st December 2015

Planned out put	Performance	Remarks
Based on national population, procure the following vaccines; BCG 7,880,600; OPV 9 ,370,700; PENTA 6, 637,600; PCV 6,288,700; IPV 3,217,220;ROTA 3,318,764; MEAS LES 3,318,765; HPV 1 ,919,040;TT 9, 233,000	Target achieved	3,548,000 dozes of BCG, 7,753,000 dozes of OPV, 4,350,000 dozes of PENTA, 1121000 dozes of PCV, 1,204,000 dozes for Measles, 789,120 dozes of HPV and 1,285,400 dozes of Tetanus procured.
Construction of central vaccine store	Target not achieved	Discussions are ongoing for modalities of its formation. It was envisaged that instead of constructing only the central vaccine store, GAVI would contribute to the construction of a cold room at NMS

		stores in Kajansi, but this has not yet been approved by GAVI secretariat in Geneva.
Consultancy services for civil works procured	Target not achieved	Consultancy services were advertised to review the designs for the medicine stores.
20 district medicines stores constructed	Target not achieved	Designs for district medical stores not ready for the procurement of contractors
Two staff houses in each of the13 districts in hard to reach areas constructed	Target not achieved	Bids for constructing 26 staff houses had been finalized
Solar systems functional for the 26 houses	Target not achieved	Awaiting completion of civil works
Procurement of the transport equipment	Target partially achieved	Five Toyota Prado, 66 Hilux pickups, 1,500 bicycles, and 600 motor bikes were procured between April and December 2015.
Taxes paid for machinery and equipment	Target achieved	Taxes on machinery equipment made
Two generators for National Vaccine store procured	Target not achieved	Order was placed by UNICEF
One freezer room installed at National vaccine store	Target achieved	one freezer installed at the National medical stores,
35 new districts have email connectivity	Target partially achieved	35 computers, 35 UPS', and 35 Antiglare for standard monitor were procured for new districts but not connected to internet.
Procure and install assorted cold chain equipment including, 22 cold rooms, 1freezer room, 1000 vaccine carriers, 270 assorted tool for cold chain equipment (refrigerators and freezers), kits and spare parts for Central Vaccine Store, regional hubs and other HFs (public and private).	Target achieved (100%)	The Ministry procured the following items: Twelve walk in cold rooms were installed, one cold freezer room, 674 electric fridges, 355 solar direct drive fridges and 1000 vaccine carriers.

Source: MoH GAVI coordination office

L-R: Transport equipment supplied to Bugiri and Kapchorwa Districts

Intermediate outcomes of the project

Improved transport: 66 Toyota Hilux double cabin pickups were procured and distributed to local governments which has improved coordination of Immunization activities in the beneficiary local governments.
Improved vaccination programs due to the procurement of vaccination logistics such as the vaccine carriers, refrigerators, freezers, gas cylinders and Ice liners. The programmed was further improved by the training of 100 health workers in data capture and management.

Introduction of a new vaccines: during the period of implementation, two vaccines have been introduced i.e. the Pneumococcal Vaccine and the Human Papilloma Virus (HPV) vaccine. These have contributed to the reduction in pneumonia cases among children and infections by the papilloma virus among young girls respectively.

Improved management of vaccines: improved vaccine storage at the national vaccine store/ NMS stores as a result of the procurement and installation of 12 cold rooms and one freezer at the national vaccine store and procurement and installation of two generators for the national vaccine store.

Analysis

Link between financial and physical performance:
There was a good link between physical and financial performance as the funds spent were on the planned activities geared towards achievement of projects objects.

Achievement of set targets:
The grant achieved 60% of its set targets for the grant period and this was because of protracted procurement process for the civil works (component a – c in the background). The procurement of transport and cold chain equipment and monitoring tools (child health cards, vaccines, and injection materials, controls books, tally sheets, child registers and computers) achieved 74% of its targets with orders placed for the remaining 26% of the remaining items.

Conclusion

The project was on track towards achievement of outputs under the component of revitalizing immunization services. However, the procurement for the construction services has lagged behind and requires a new initiative to guarantee commitment of all planned funds. The GAVI secretariat in Geneva should pronounce itself on the date after which the GAVI funds cannot be committed further given that the project is meant to end on 30th June 2016.

Challenges to project implementation

I. Protracted procurement process which have delayed the implementation of the civil works (construction of vaccine store, district vaccine store and staff houses). Initially MoH agreed with GAVI secretariat to use her network of international collaborations to identify organizations that can manage the procurement on behalf of Ministry of Health.

However, the pricing of the identified contractor was too high and MoH did not agree to their cost estimates.

II. There is still a communication gap between the local governments and MoH GAVI coordination office regarding disbursements for GAVI activities at the districts. Funds are sent to the district general fund account without a narrative of what they are supposed to be used for, as a result, they are not utilized or they are utilized on incorrect activities. Local governments learn about such disbursement when the MoH GAVI coordination office wants accountability for the said funds.

III. Insufficient vaccines: whereas the MoH-GAVI coordination office had met targets for its vaccine procurement, there were incidences vaccine stock outs especially BCG antigens in local governments.

Recommendations

- The MoH should build the capacity of her staff in the procurement and disposal unit so that they are able to carry out procurements of this type.
- The MoH/MFPED should disburse funds with narratives to the local governments so that GAVI activities are implemented in time and that funds are spent on the planned activities.

7.2.3 Uganda Health Systems Strengthening (Project 1123)

Background

The Uganda Health Systems Strengthening (UHSSP) project commenced on 25th May 2010 and was expected to end on 31st July 2015. However, the project was extended for two more years (up to 2017) to facilitate completion of on-going works. It is aimed at reducing maternal mortality through renovation and infrastructure development of health facilities in Uganda. It is set to achieve the following objectives;

i) Strengthen human resource management and development.

ii) Enhance physical functionality of health facilities by renovating health infrastructure and provision of medical equipment.

iii) Strengthen provision of reproductive health services to reduce maternal and pre-natal death through provision of Emergency Obstetric and New-born Care (EmNOC) equipment.

iv) Strengthen the leadership and management of the health sector through training, performance, contracting, and client charters among others.

The project is financed by a World Bank loan worth US$130 million. It was expected to benefit two Regional Referral Hospitals (Mubende and Moroto RRHs), 17 General Hospitals and 27 Health Centre IVs. However, funds for civil works were insufficient thus the number of beneficiary general hospitals was scaled down to only eight while RRHs were reduced to one. These are; Anaka, Iganga, Entebbe, Nakaseke, Mityana, Nebbi, Moyo, Kiryandongo general hospitals and Moroto RRHs, The HC IVs are Kasanda, Kiganda, Ngoma, Mwera, Kyantungo, Kikamulo, Kabuyanda, Mwizi, Kitwe, Rubare, Aboke, Aduku, Bwijanga, Bullisa, Padibe, Atyak, Obongi, Pakwach, Buvuma, Budondo, Ntenjeru- Kojja, Buyinja, Nankoma, Bugono, Kiyunga, Kibuku and Budaka.

The project has four components namely;

(a) Improved infrastructure of existing health facilities: allocated US$85million (US$ 61million for civil works and US$24 million for medical equipment and furniture). Improved maternal health, new-born care, and family planning services allocated US$30 million.
(b) Improved management, leadership, and accountability for health service delivery allocated US$10 million.
(c) Improved health workforce development and management allocated US$5 million.

Expected outputs by June 2016

- Physical functionality of health facilities enhanced by renovation of health facilities.
- Leadership and management strengthened in areas of logistics, procurement, contracting, health communication and feedback management, accreditation of health facilities and training managers of health facilities.
- Systems for human resource development and management strengthened through offering scholarships to health workers and support to professional councils.

Planned outputs for FY 2015/16

- Construction works at the nine beneficiary health facilities monitored.
- Scholarships to health workers from hard-to-reach areas pursuing specialised courses awarded.
- Family planning supplies including mama kits procured.
- Leadership and management (a hospital accreditation developed and piloted, communication strategy developed, prescription habits study conducted, health sub district concept, business plans for professional councils developed and supply chain management for medicines improved).
- Construction works for nine hospitals undertaken.
- Another 13 hospitals and 26 HCIVs scheduled for rehabilitation.

Financial Performance

Cumulatively, the World Bank disbursed US$110,761,862.6 (85%) out of the signed loan amount of US$130 million. During the FY2015/16, a total of US$9,069,712.34 was spent which represents the highest level of absorption since project inception largely on account of finishing works that are ongoing for renovation of hospitals and works that have picked momentum at the rehabilitation of the 26 HCIVs.

The GoU approved budget for recurrent expenditure for FY 2015/16 was Ug shs 299.6 million; of which Ug shs 98million (33%) was released and 97million (99%) spent. Expenditures were mainly on fuel and lubricants 49% and travel inland at 51%.

Physical performance

The project achieved a cumulatively progress of 80.96% of its semi-annual targets. Construction works were ongoing in four hospitals and 26 HCIVs while other activities including procurement of ambulances and safe delivery kits were achieved. Table 7.6 shows detailed project physical performance as at 31st December 2015.

Table 7.6: Overall physical performance of UHSSP by 31st December 2015

Target	Performance	Remarks
Construction works at 9 beneficiary health facilities monitored	Achieved	The civil works were closely monitored on a daily basis by both the Clerk of Works appointed by MoH and clerks appointed by the consultant (Arch Design and ID Forum). Monthly site visits were conducted by MoH staff and engineers. Other stakeholders involved in the monitoring include; district technical and political officials as well as the administration of beneficiary hospitals.
Scholarships awarded to health workers from hard-to-reach areas pursuing specialized courses	Achieved	Cumulatively over 1,000 health workers have been awarded scholarships for specialized medical courses where there are few cadres, leadership and management and general courses for health workers from hard-to-reach and hard-to-stay areas. No new scholarships were awarded in FY 2015/16 and allowances and tuition fees are being processed to enable continuing students awarded scholarships to complete their studies.
Procuring family planning supplies and mama kits	Achieved	By end of the FY 2014/15, NMS had procured family planning supplies including gloves, contraceptives, implants and delivery kits worth US$6.7 million. These supplies were only meant for the government health facilities. The Uganda Health Marketing Group was contracted to procure for the private-not-for-profit facilities. By 31st December 2015, a total of 90,000 safe delivery kits were procured for distribution to the Private-Not-for-Profit (PNFPs) health facilities. The items were planned to be distributed within the 3rd quarter.
Supporting Village Health Teams (VHTs) to register mothers	Achieved	Procured and distributed 17,925 registers to villages in sub counties with registered VHTs. However, there are more than 55,000 villages in Uganda. This means that the intervention covered a third of the villages in Uganda[27]. The registers have pictorial guidance for further emphasis on specified issues. In terms of maternal and child health services, beneficiary VHTs were expected to register and follow up pregnant mothers, emphasize deliveries in health facilities, educate them about danger signs and immunization of children.

[27] Those were the only villages with registered VHTs in Uganda

Leadership and Management (a hospital accreditation and communication strategy developed. Health sub district concept, business plans for professional councils and improved supply chain management for medicines developed).	Achieved	A total of 98 health workers have been mentored in the provision of Emergency Obstetric and Neonatal Care, Post Abortion Care and Provision of Long Term Family Planning methods. 120 Mama Nattallie training kits for Post-Partum Haemorrhage and newborn resuscitation were procured and distributed to training schools and hospitals to support continuous professional development. The design and user training for an e-recruitment system at the Health Service Commission was completed during the second quarter and it is expected that the system will be commissioned for use by the health sector in April 2016. Hospital accreditation; strategies and tools to accredit hospitals and health centers were finalized. Business plans for professional councils completed and finalized. Communication Strategy was developed and it is expected to be implemented by MoH. Improved supply chain management for medicines was enhanced through procuring two trucks to NMS in order to enhance delivery of medical supplies to beneficiary health facilities.
Construction works for nine hospitals undertaken.	Partially achieved (88.6%)	Five out of nine hospitals were completed by 31st December 2015. Work at other hospitals was at varied stages of completion: Entebbe (98%), Iganga (95%), Nebbi (80%) and Moyo (70%). Performance at both Nebbi and Moyo has been slow but since the start of FY 2015/16, works have been accelerated at Nebbi while works have largely stagnated at Moyo. Works in Nebbi resumed after improvement in contract management by the contractor. The contractor for Moyo (PRISM construction company) was terminated because; his contract period expired, he did not have a qualified project manager, and he had poor cash flow to be awarded an extension. This contractor was therefore charged for liquidated damages and his security bond is going to be cashed. The MoH got clearance from the Solicitor General to re-tender the remaining civil works. The consultant Infrastructure Design Forum was also terminated and consultancy services awarded to Arch Design.
Another 13 hospitals scheduled for rehabilitation	Not achieved	The MoH was still looking for the alternative sources of funding for major rehabilitations. The funding terms from the Islamic Development Bank were too costly. However some of these hospitals were being given face lifts or minor rehabilitations under the rehabilitation and construction of general hospitals projects.

26 HCIVs scheduled for rehabilitation	69%	Six out of the 26 HCIVs were monitored; these were at different levels of completion ranging from 0% at Kikamulo HCIV to 45% in Budaka, Namayingo and Buyinja HCIVs. On average, physical progress was estimated at 40% against the time progress of 58% for for 26 HCIVs. Civil works are expected to be completed by June 2016. All the works in the three lots will cost a total of US$ 13,022,517.66. Lot one and two were awarded to M/s Excel Construction Limited at a contract sum of US$9,597,779.89. Nineteen health centers will be rehabilitated; Kitwe, Rubare, Kabuyanda, Mwizi, Kasanda, Kiganda, Mwera, Kyatunga, Kikamulo, Ngoma, Buvuma, Budondo, Ntenjeru Kojja, Buyinja, Nankoma, Bugono, Kiyunga, Budaka and Kibuku. Lot 3 was awarded to M/s Amugoli General Enterprises Limited at US$3,424,737.77. Seven HCs will be rehabilitated. These are; Bwijanga, Aduku, Aboke, Pakwach, Atiak, Padibe and Obongi.
Replacement of all substandard equipment supplied to health facilities.	Not achieved	Replacement of substandard equipment was not done because those that had been replaced were also substandard and was rejected. The ministry was therefore going to cash the performance and security bond to recover the money. The MoH was in the process of retendering for the procurement of this equipment using the national competitive bidding.

Source: MoH and Field findings

Field Findings

Six out of the 26 HCIVs where rehabilitation works are on-going were visited to assess level of implementation. Although these were termed as rehabilitation works, all works at the 26 HCIVs were new works. The following was established:

I)Rehabilitation of Aboke HCIV: M/s Amugoli General Enterprises Limited was contracted to undertake the civil works at a contract sum of US$322,406.23. The scope of works involved construction of the maternity ward, a walkway, pits latrine, placenta pit, and septic tank. M/s Arch Design Limited was contracted to supervise the civil works. By 12th January 2015, construction of the maternity block was estimated at 55% with construction of roof trusses, plastering and fixing of windows and door flames ongoing. Excavation of the pit latrine and septic tank had been completed. Construction of the walkway and septic tank had not started. The quality of civil works was good. Outstanding works included completion

Ongoing construction of the theatre block at Aboke HCIV, Kole district

of plastering, rendering, roofing, painting shuttering, construction of the walk way, construction of the septic tank and landscaping. The contractor was optimistic that by June the works would be completed.

II) Rehabilitation of Aduku HCIV: M/s Amugoli General Enterprises Limited was contracted to undertake the civil works at a contract sum of US$322,406.23. The scope of works involved construction of the maternity ward, a walkway, pits latrine, placenta pit, and septic tank. M/s Arch Design Limited was contracted to supervise the civil works. By 12th January 2015, construction of the maternity block was estimated at 55% with construction of roof trusses, plastering and fixing of windows and door flames ongoing. Excavation of the pit latrine and septic tank had been completed. Construction of the walkway and septic tank had not started. The quality of civil works was good. Outstanding works included completion of plastering, rendering, roofing, painting shuttering, construction of the walk way, construction of the septic tank and landscaping. The contractor was optimistic that by June the works would be completed.


L-R: **Ongoing construction of the Maternity block and Placenta pit Aduku HCIV, Apac district**

III) Rehabilitation of Budaka HCIV: M/s Excel Construction Limited was awarded the contract to construct the operating theatre as part of lot one works. The scope of works included construction of the theatre block, external works, construction of a walkway, mechanical reticulation, construction of a solar powered borehole, installation of a water tank, construction of a placenta pit, a 4 stance pit latrine and site works. Overall progress of works at this site was 58.6% against the time period of 58%. Outstanding works included finishes, glassing, ceiling works, plumbing, completion of plastering.

Ongoing construction works at the Operating theatre Budaka HCIV, Budaka district

IV) Rehabilitation of Buyinja HCIV: the contract was awarded to Excel Construction Company Limited. The scope of works included construction of an eight maternity ward, Placenta pit, four stance pit latrine, a 50 user septic tank, mechanical reticulations and site works. Civil works began in June 2015 and expected to be completed by June 2016. By January 2016, the super structure was complete and roofed doors and window frames fixed, walling of the VIP pit latrine was complete and plastering was complete. Estimated progress of civil works was at 55% of the estimated works. Outstanding works included fitting of shutters, glassing, floor finishes, ceiling finishes, completion of splash apron, plumbing works and electrical works. Instead of drilling a bore hole, it was agreed that a ground water tank of 40,000litres would be constructed.

The progress of works were affected by rainfall, and the need to relocate a placenta pit, latrine and soak pit which delayed the civil works.

L-R: Construction of the maternity block and a four stance VIP latrine at Buyinja HCIV

V) Rehabilitation of Namayingo HCIV: M/s Excel Construction Company was contracted to construct the maternity ward under lot one. The scope of works involved construction of the maternity ward block of eight beds, Placenta pit, four stance pit latrine, a 50 user septic tank, mechanical reticulations, electrical works, external works, splash apron works, land scaping, shuttering, drilling of a borehole painting. The supervision consultant was Arch design limited. The works at this site began on 17th July and are expected to be completed by June 2016. By January 2016, physical works were estimated at 48% against contract time period of 58%. The contractor was therefore behind schedule but was optimistic that works will be completed by end of March 2016. Outstanding works included completion of plastering, internal and external finishes, glassing, wiring, mechanical works, flooring, completion of the splash apron, completion of shuttering, pipe work for the bore hole, paving of the walk way to the operating theatre external work and painting.

Challenge

Hydrological problems: the site does not have sufficient water, two places have been drilled but the volume of water is too little. This hampered drilling of the borehole and piping works.
Too much rains during the months of October to December 2015, affected the progress of civilworks.

VI) Construction of maternity ward Kikamulo HCIV: the construction works had not started by 28th January 2016 because the district didnot have land where the facility would be constructed. Land was later identified and construction works commissioned but the contractor was yet to report on site.

Gender and Equity issues:

The project is aimed at reducing maternal mortality through renovation and construction of infrastructure development of health facilities, support to reproductive health services through provision of EmNOC equipment, and human resource management and development through training of health workers. The beneficiaries of these are both male and female.

In terms of civil works, all the constructed facilities had a provision for a ramp to enable access to health services of persons with disability. Most of the labourers on site were men, there was a female staff who was employed as an accountant by excel at Budaka HCIV.

In terms of equity, the project generally benefited the eastern, central and northern regions of Uganda. The western region did not benefit from this project because there was another project of Rehabilitation of Facilities in Western Uganda which was implemented at Kabale, FortPortal and Hoima RRHs.

Analysis

Link between Financial and Physical performance:

There was a good link between financial and physical performance as 73% of the donor disbursement has been used to deliver 80% of the project planned outputs. The project was also on course of completing the remaining works especially under the rehabilitation of HCIVs.

Achievement of set targets

Average physical progress of the project was 80.6% of the set targets. Five hospitals had been completed by half year while the rehabilitation of HCIVs 40% on average against the time progress of 58%. The rehabilitation of the HCIVs was therefore behind schedule by 18%. Safe delivery kits and other equipment were also procured. The project was on course of being completed within the extended time.

Comparative analysis
Works at all health facilities visited were of good quality and beneficiaries were optimistic that the investment would greatly improve service delivery. Apart from the five hospitals that had been completed, works at other general hospitals (Entebbe, Iganga, Nebbi and Moyo) were behind schedule. out of the six health facilities visited, works had not started Kikamulo HCIV, while those where works had begun physical progress ranged from 48% in Namayingo HCIV to 58.6% at Budaka HCIV.

7.2.4 Institutional Support to Ministry of Health (Project 1027)

The current phase of the project started on July 1st 2015 and is expected to end on 30th June 2021. This project aims to rehabilitate and retool the Ministry of Health Headquarters and the associated health councils offices, and to improve the capacity of the Ministry to raise Non Tax Revenues. This covers the renovation works on offices, provision of office space, and other service rooms adequate for availing a good working environment for staff. It is also intended to address the need to develop and install network systems to enable the ministry to fully utilize ICTs.

Expected outputs by June 2021

- Fully rehabilitated and retooled Ministry of Health Headquarters
- Additional office space and other service rooms created
- A fully equipped and staffed institutional clinic
- Office furniture, ICT equipment and motor vehicles for the headquarters procured
- Capacity building process for the effective monitoring of the ongoing works, projects as well as monitoring of the various health facilities in the country provided for.

Planned outputs for FY 2015/16:

- MoH building rehabilitated
- Motorvehicle for UVRI procured
- Station wagon for senior management MoH procured
- Office and ICT equipment including software procured
- Office and residential furniture procured
- Staff trained

Financial performance
The project total approved budget for FY 2015/16 was Ug shs 2,601,082,892 of which Ug shs 2,031,717,551(78%) and Ug shs 1,524,117,514 (75%) was spent by 31st December 2015. The release performance was very good and over shoot the half year target of 50% while the

expenditure performance was good. Expenditures were mainly on payment of taxes for project equipment, training of staff, procurement of office and ICT equipment.

Table 7.7 Financial performance of project 1027 by 31st December 2015

Line Item	Beneficiary/service provider	Amount paid
Training fees and travel expenses	sundry persons, Tours and travel center	70,710,900
Vehicle maintenance	NCM enterprises limited	7,595,000
Allowances	Sundry persons	1,380,000
MoH rehabilitation (Replacement of underground cables MoH Complex, Advance for painting the level 4 Board room, Advance to shift stores items from containers to Wabigalo	Inter Build Limited	21,517,800
Treasury single account operation cost		2,302,000
Purchase of office chair for the senior account	Footsteps Furniture Company limited	944,000
Supplying and fitting Flag posts on Vehicles	Toyota Uganda	23,229,567
Supply of Medical equipment to hospitals	Birungi, Barata and Associates	307,000,000
VAT refund on medical equipment supplied	Teruo Ishii	1,085,608,247
Office chair for ACHS EHD	Footsteps Furniture Company limited	1,700,000
Purchase of furniture (PDU furniture-1 work station with partitions, 5 chairs and 2 lockable book shelves,	Footsteps Furniture Company limited	22,200,000
Total		**1,544,187,514**

Source: Ministry of Health

Physical performance

Office and residential furniture procured: The ministry procured a workstation, five desktop computers, bookshelves, and five chairs for the procurement and disposal unit. The furniture was procured from footsteps Furniture Company. Four laptops were procured for the planning and finance division of the ministry.


I) Rehabilitation of MoH: this was not done because the bills of quantities for the required rehabilitation works were higher than the available budget. The value of the scope of works was Ug shs 1.05 billion yet the allocated budget was Ug shs 150 million. The MoH scaled down the rehabilitations into two manageable components i.e. remodeling of the reception and repair and servicing of the lift. Repairs for the electricity wiring for second floor wing B ministry was done.

Training of staff: two staffs were trained in the period under review. The contract committee staffs was also trained on how to improve procurement process.

Procurement of Motorvehicles: by 31st December 2015, the Ministry had got an advance payment guarantee from the service provider. Completion of the procurement process was expected in the third quarter of FY2015/16.

Challenges
VAT refunds: the tax refunds for items donated and in other projects normally distort the implementation of planned activities as they reduce the funds available for implementation.

7.2.5 Rehabilitation and Construction of General Hospitals (Project 1243)

This project is divided into two components: Component one involves the rehabilitation of Kawolo hospital using the Spanish Aid/debt SWAP and is directly managed by Ministry of Health while component two involves the rehabilitation and construction of general hospitals which is directly managed under the local government decentralized system. The semi-annual monitoring focused on component two.

Background
The project was necessitated on account of the slow progress in achieving the NDP, HSSIP and MDG targets, non-functionality of existing health facilities, the public outcry for delivery of quality and universally acceptable health care and the need to implement undertakings of the joint review mission and national health assemblies.

Since the inception of health sector strategic plan I (HSSPI) in FY 2000, delivery of health care services in the country had not improved significantly mainly due to constraints in the health systems of human resources, medicines and health supplies, leadership and management, and health infrastructure. Health infrastructure in the country has deteriorated due to inadequate budget allocations for maintenance activities. There has been total neglect of maintenance services leading to extensive deterioration of buildings, medical equipment and furniture, general purpose transport and ambulances. Health facilities lack essential equipment.

The project focuses mainly on health infrastructure improvement for the delivery of the minimum national health care package. It is further assumed that government and other development partners will ensure that the other areas of the health systems shall be addressed separately. The project is managed by the beneficiary local governments through the existing institutional arrangements of government

Project objectives

The main objective of the project is to improve the delivery of the Uganda National Minimum Health Care package (UNMHCP) through improvement of health infrastructure at 25 government-owned general hospitals. These are Abim, Adjumani, Atutur, Bombo military, Bududa, Bundibugyo, Busolwe, Bwera, Gombe, Gulu Military, Kaabong, Kalisizizo, Kagadi, Kambuga, Kapchworwa, Katakwi, Kiboga, Kitagata, Kyenjojo, Lyantonde, Masafu, Murchison bay Prisons, Nakasongola Military, Rakai and Tororo.

Planned Activities FY 2015/16

I. Consultancy report on the designs
II. Continue with the partial rehabilitation works
III. Undertake technical supervision and reviews
IV. Purchase of medical equipment and medical furniture- phase one
V. Consultancy report on the rehabilitation of the four general hospitals
VI. Technical supervision reports
VII. Construction works monitored.

Financial performance

The approved budget for the Rehabilitation of General Hospitals is Ug shs 8.2 billion of which Ug shs 3.75 billion (45.7%) was released. The allocated budget to each hospital varies depending on the need that was established by the infrastructure division of Ministry of Health.

Physical performance

I) Apac General Hospital

It was established in 1968 with a bed capacity of 100 beds, the hospital has a catchment population of 53,756 people serving Apac district, parts of Masindi, Kole, and Oyam districts. It offers in-and-outpatient services as well as specialist clinics. Majority of the hospital infrastructure is dilapidated and is in dire need of major rehabilitations.

Financial performance

The approved budget for the renovation of Apac Hospital in FY 2015/16, is Ug shs 500 million of which Ug shs 137 million (27.4%) was released by 31st December 2015. No funds had been expended by January 2016 on account that the contractor had not requisitioned for any payment.

Physical performance

The rehabilitation works were contracted to M/s Midnorth Company Limited at a sum of Ug shs 500 million. The scope of works involve demolitions of the maternity ward, removing the roofing and ceiling, breaking plaster in some parts, putting Terrazzo in delivery suits, tiling in toilets and private rooms, new electrical and mechanical works, replacement of some doors and windows. Civil works commenced on 2nd December 2015 and are expected to be completed 1st

April, 2016. Physical progress was estimated at 10% with most of the demolition works still ongoing at the maternity ward. All major works had not started.

Different rehabilitation works ongoing at the maternity ward of Apac Hospital

II) Bugiri hospital

Bugiri Hospital is a 100 bed district hospital built in 1967, situated along the Iganga –Tororo High way. It serves a population of 325,000 from Bugiri district, Namayingo districts and from the surrounding areas of Busia, Mayuge and Iganga districts. It offers in-and-outpatient services as well as specialist clinics. The hospital has never received major renovation since it was constructed although there have been minor repairs like painting, replacement of ceiling boards by the district.

Financial performance

The approved budget for Bugiri Hospital under the construction and renovation of general hospitals project was Ug shs 700 million of which Ug shs 320million was released by 31st December 2015 and Ug shs 319,320,898 spent.

Physical performance

Rehabilitation works were contracted to M/s Alliance Technical Services Limited at a contract sum of Ug shs 699,856,460. The scope of works involved carrying out minor repairs, painting, plumbing works, minor ceiling repairs, replacement of broken windows on the male ward, female ward, pediatrics ward, maternity ward, main theatre, mortuary, administration block, blood bank, dental clinic, kitchen, stores outpatient depart X-ray and Laundry. The works are being supervised by the district engineer. Civil works began in November 2015 were expected to be completed by August 2016.

By January 2016, 30% of the rehabilitation works had been completed and these included: patching the walls, scrubbing of louvers, making good of leakages, and papering, window glassing, rendering and plastering in some areas, and application of under coat. Major outstanding works included completion of painting, ceiling repairs, plumbing works, construction of the septic tanks, and fixing of some doors.

L-R: Ongoing painting at the maternity and children's ward and exaction of the septic tank at Bugiri hospital

III) Rehabilitation of Kapchorwa Hospital

Kapchorwa General Hospital was established in 1962 and currently has a bed capacity of 150 Beds. The hospital serves a population of 104,580 with patients coming from Kapchorwa, Kween, Bukwo, and Sironko districts. The hospital infrastructure is dilapidated and inadequate with rising number of patients.

Financial performance

The approved budget for Kapchorwa Hospital under the construction and renovation of general hospitals project was Ug shs 300 million of which Ug shs 137.2million was released by 31st December 2015. No payment had been made to the contractors by half year.

Physical Performance

By January 2016, the hospital had just completed the BoQs which were submitted to the district procurement and disposal unit to procure service providers. It was however, reported that all that was planned will not be under taken because of the extra work arising from last FYs activities worth Ug shs 104 million.

The following projects from last FY had just been completed. They were contracted to M/s Gali Technical Services Limited at a sum of Ug shs 786,959,499. The projects included renovation of the operating theatre; reconstruction of the TB ward, renovation of the maternity ward, rehabilitation of the drainage system, installation of the solar on the theatre, maternity and children's ward, and procurement of theatre operating lamp and table. These projects had been completed by January 2016 and the quality of civil works was observed to be good.


L-R: Renovated Operating theatre and procured operating light and table


L-R: Renovated TB ward and Children's Ward

Challenges to service delivery in the hospital

i. Insecurity at the hospital: the hospital land has been encroached upon and property is lost in the hospital due lack of a fence.

ii. The hospital lacks both beds and mattress for patients which has complicated admissions, cleaning and made treating patients very difficult.

iii. The hospital lacks transport facility to carry out both support supervision of the health sub-district activities and administrative work which is affecting service delivery.

iv. Inadequate staffing structure: although 83% of the established posts are filled. The established structure is too inadequate to meet the growing demand for services from patients. The hospital now serves patients from parts of Sironko, Amudat, Bukwo, Kween, and Bulambuli which also increase the consumption of medicines and medical sundries.

v. Inadequate allocation for PHC non-wage: the allocation for PHC non-wage is inadequate in light of the rising operation costs and demand for services.

Recommendations

i. The MoH should review the staffing structure of the hospital to increase the number of staff in the respective cadre categories.
ii. Using the development funds, the hospital should plan to fence and secure both the hospital land and property from the land grabbers and thieves.
iii. The MoH should review the allocation for the non-wage recurrent expenditure and consider increasing it in light of the rising population seeking medical attention.

IV) Rehabilitation of Kiboga Hospital

The rehabilitation works were awarded to M/s Amazon contractors at a sum of 570 million, the scope of works included removal of existing pipes of 300mm; laying of new pipes from the reservoir to the supply tank; excavation of the reservoir up to 3.6 mm deep; excavation, compaction and construction of the community well; installation of the water pump; installation of the dozing plant; fencing of the reservoir; back filling and planting of the grass. The contract was signed in July 2015 for works planned for FY 2014/15. A total of Ug shs 227,416,636 had been paid to the contractor, out of funds from last FY.

M/s Arch Design was contracted to carry out the design drawing and develop the BoQs for the rehabilitation of the hospital at a sum of Ug shs 100,754,300. By January 2016, physical works were estimated at 45% complete, the contractor had finished removing old pipes and laying new ones; and excavation of the reservoir and construction of the community well was ongoing. Outstanding works included construction of the reservoir, water source, installation of the pump, installation of the dozing plant, fencing the reservoir, and planting grass.

In FY 2015/16, the district planned to connect water from the reservoir to hospital, carry out the plumbing work, and piping work, and changing the entire piping system. By January 2016, the contract for these works had been awarded but not yet signed.

L-R: Excavation of the reservoir and construction of the community well at Kiboga Hospital

V) Rehabilitation of Masindi Hospital

The allocated budget for the rehabilitation of Masindi Hospital in FY 2015/16 was Ug shs 600 million of which Ug shs 228,684,000 (38%) had been released by 31st December 2015. No contractor had been paid any money by 14th January 2016.

Physical performance

The district planned to undertake the following rehabilitation works in the hospital: a) renovation of the male ward, b) renovation of the theatre, c) renovation of children's ward d) renovation of the drug store, renovation of the OPD, renovation of the isolation ward and renovation of them administrative building.

All the above projects were awarded to different contractors and three out of the ten contractors had reported on site and began construction works as highlighted below:

Ongoing rehabilitation of the maternity ward at Masindi Hospital

Renovation of the maternity ward: M/s Jaluuko Hardware & Contractors Limited was awarded the contract to renovate the maternity ward at a sum of Ug shs 73,462,935. The scope of works included: ceiling renovations, floor works, wall finishes, replacement of 5 steel doors, replacement of six door locks, replacement of 3 door flames, painting of the iron sheets, supply and installation of a 2000litre tank including the flame, painting of the ward, kitchen and lavatory, electrical installation, working on the external drainage, reconstruction of the splash apron.

By 14th January 2016, only 10% of the civil works had been completed. All the major works were outstanding but the contractors were optimistic that they will complete the rehabilitation within the stipulated timelines having assumed the site two weeks prior to the monitoring.

Renovation of the theatre: M/s Ssekago F Construction Limited was awarded this contract at a sum of Ug shs 63,888,800. The scope of works involved roofing, ceiling renovations, wall finishes, electrical installations, staffroom and lavatory renovations, ceiling repairs, shuttering, paint replacement of doors and windows, plumbing, and painting. By January 2016, about 10% of the civil works had been completed.

Ongoing renovation of the operating theatre at Masindi Hospital

Ongoing renovation of the Male Ward at Masindi Hospital

Renovation of the male ward: The rehabilitation works were awarded to M/s Pioneer Construction Limited at a sum of Ug shs 169,041,550. The scope of works include roofing, new soft board ceiling, new roof, floor finishes, wall finishes, changing doors and windows, installation of lightening arrester, reconstruction of the walls from ring beam, electrical installations, and rehabilitation of the lavatory. By January 14th 2016, the contractor had only completed 20% of the planned works with form work for the columns ongoing. Outstanding works included roofing, electrical works, plumbing works splash apron works, ceiling works, installation of the lightening protection, and painting.

All the other planned rehabilitations had not started but had been awarded as follows:

Table 7.8: Status of procurement at Masindi General Hospital as at 31st December 2015

Activity	Contractor	Contract sum
Renovation of the children's ward	M/s Lubra Contractors limited	92,269,200
Renovation of drug store	M/s Akabibamba Enterprises	33,333,825
Renovation of the Out patients department	M/s Kingstar construction limited	137,889,875
Renovation of the Isolation ward	M/s Pioneer Construction limited	43,141,350
Renovation of Administration Block	M/s Monaco Contractors limited	40,499,000
Emergency construction of a five stance pit latrine for the maternity ward	M/S Muzira GODDIES general AGENCIES	19,920,115
Emergency construction of 5 stance pit latrine at block 13-18 staff house in Masindi hospital	M/s Kamoga Enterprises	19,990,210

Source: Masindi DLG

7.2.6 Rehabilitation and Equipping of Health Facilities in the West (1314)

Background

The project commenced on 1st July 2014 and was expected to be completed by 20th June 2019. It is financed by Japanese International Corporation Agency (JICA) and its main objective is to improve functionality of the regional referral system through improved quality of primary health care services in Uganda.

Specific objectives include;

- Improve functionality of OPDs at regional referral hospitals.
- Improve per capita patient attendance at regional referral hospitals.
- Enhance management of medical logistics at regional referral hospitals.

Expected outputs by June 2019

- New OPD at Kabale and Hoima RRHs
- New operating theatre at Kabale and Hoima RRHs
- New maternity ward constructed at Kabale and Hoima RRHs
- Medical equipment supplied at Kabale, Hoima and FortPortal RRHs

Planned outputs FY 2015/16

- Operating theatre, maternity ward, OPD with causality unit constructed and equipped at both Kabale and Hoima RRHs.
- FortPortal RRH equipped.

Financial performance

During FY2015/16, the GoU approved budget of Ug shs 2 billion however, no funds were released to this project by half year. The full donor release and expenditure information could not be established by January 2016. However, the contractor had been paid Japanese ¥1,233,000, 000; the consultant had been paid Japanese ¥151,123,000 while the supplier had been paid Japanese ¥197,000,000,000 by November 2015. The contractor M/s Iwata Chizaki was paid all the VAT refund claims while the VAT claim from the supplier M/s Sirus Corporation was being scrutinized by both Ministry of Finance, and Ministry of Health.

Physical Performance

a) Civil works

M/s Iwata Chizaki Inc. was awarded the contract to undertake rehabilitation works at a sum of JPY 1,370,000,000. Works commenced in September 2014 and expected to be completed by 15th March 2016 (within 15 months) at the current sites of Hoima and Kabale. Scope of works involved; construction of OPD block, main operating theatre and maternity ward at Hoima RRH; construction of OPD, causality block and operation theatre, maternity ward at Kabale RRH.

The project was supervised by a Consortium of Yokogawa Architects and Engineers, Inc and INTEM, consulting Inc. M/s Sirus Corporation was also awarded the contract to procure, install and train equipment users about the equipment at a sum of JPY 199,990,000 within 8 months (8th August 2014-15th March 2016).

Construction works were completed in November 2015 and technically handed over to the hospital management for use in December 2015. All the three regional referral hospitals were equipped as planned. The quality of the civil works was noted to be of good quality.

Hoima Regional Referral

L-R: OPD with casuality and maternity ward and operating theatre at Hoima RRH

b) Equipping the three regional referral hospitals

Installation of medical equipment and its operation guidance was finished in October 2015 at FortPortal RRH, November 2015 at Hoima RRH and Kabale RRH. Completion certificate of equipment installation was issued on November 30, 2015. The equipment supplied and installed included, operating theater equipment, casuality, orthopedic, ultrasound, ENT equipment, CSSD and OBSY/GYN equipment among others.

The facilities had not been put to use at Hoima RRH on two accounts a) the hospital needs to pave the area around the buildings and b) official commissioning from Ministry of Health.

Conclusion

The project satisfactorily achieved its planned targets and outputs during the financial year and project period. The project will go a long way in increasing safe deliveries, reducing morbidity and mortality from the major causes of ill health and premature death in the beneficiary regions.

7.3 Regional Referral Hospitals (Vote 163- 176)

Background

Regional Referral Hospitals offer specialist clinical services such as psychiatry, ear, nose and throat (ENT), ophthalmology, higher level surgical, medical services, and clinical support services (laboratory, medical imaging, and pathology). They are also involved in teaching and research. The mission of these votes is to provide specialized and high quality health services, conduct tertiary medical health training, research and contribute to national health policy.

Half year monitoring focused on three out of 14 RRHs in Uganda. These were; Hoima, Lira and Mbale RRH. Analysis and verification of outputs reported in the Q1 FY2015/16 progress reports was done, with emphasis on the development grant-Rehabilitation of Regional Referral Hospitals (Project 1004). The current phase of project commenced on 1st July 2015 and is expected to end in June 2015. It was premised on the following objectives;

- Rehabilitation of old and broken infrastructure.
- Construction of vital infrastructure including staff accommodation.
- Adequately equip the hospitals with medical equipment, office equipment and furniture.
- Provide appropriate transport for the performance of hospital activities
- Provide alternative/backup power and water sources.

Financial Performance

During the FY2015/16, the allocate budget for the Rehabilitation of Regional Referral Hospital Project was Ug shs 12.95billion. By 31st December 2015, a total of Ug shs 8.07billion (62%) had been released and Ug 4.872billion (60%) spent. This was an excellent release performance, but the hospitals exhibited poor absorption capacities. Expenditures were mainly made on constructions/rehabilitation of the hospital infrastructure, and procurement of medical equipment. Detailed financial performance of the RRH is shown below.

Table 7.9: Detailed Financial Performance of Project 1004 in Ug shs by 31st December 2015

Vote	Approved Estimate	Release	Payment
Arua	750,000,000	502,500,000	47,516,038
Fort portal	600,000,000	275,000,000	269,603,500
Gulu	1,470,000,000	1,216,924,048	1,215,023,669
Hoima	1,400,000,000	600,000,000	555,827,120
Jinja	600,000,000	544,000,000	291,346,577
Kabale	600,000,000	290,638,138	128,969,592
Masaka	1,470,000,000	1,216,924,048	242,523,669
Mbale	600,000,000	347,600,000	176,776,031
Soroti	900,000,000	540,500,000	407,515,111
Lira	600,000,000	445,500,000	264,034,161
Mbarara	1,328,706,400	777,474,584	424,339,000
Mubende	1,800,000,000	570,000,000	570,000,000
Moroto	664,000,000	372,000,000	212,000,000
Naguru	170,580,000	67022870	67,022,870
Total	12,953,286,400	8,076,083,688	4,872,497,338

Source: IFMS

Findings

The monitoring team established the following;

7.3.1Rehabilitation of Hoima Regional Referral Hospital

The 320-bed hospital is located in Bunyoro sub-region and serves a population of more than 2 million people from the districts of Hoima, Buliisa, Masindi, Kibaale, Kyankwazi, and Kiboga among others. The hospital offers both general and specialized services including health training and research

Financial performance

The total budget allocated to Hoima RRH for the rehabilitation project is Ug shs 1,400,000,000 of which Ug shs 600million (42.9%) was released and Ug shs 571.7 million (95.3%) expended by 31^{st} December 2015. Both the release and absorption capacity were good. The expenditures were mostly in line with the planned outputs.

Planned outputs FY 2015/16

i. Administrative building completed
ii. The sewerage system overhauled and lagoon constructed
iii. Medical ward renovated

Physical performance

a) **Construction of the administrative building**: M/s Techno Three Limited was contracted to construct the administrative block at a sum of Ug shs 2.1 billion. The scope of work involved preliminaries, sub-structure, superstructure, roofing, mechanical and electrical works, shuttering and painting. By January 2016, the building was at 97% complete. M/s Joadah Consult was contracted to supervise the works. The outstanding works included partitioning, changing of electrical designs from tubes to flood lights, completion of painting, sanitary fittings, external paving of the parking area, fixing of some shutters and glassing. In FY 2015/16 the contractor was paid Ug shs 478, 806,572.

L-R: Nearly complete administrative building and the paved compound around the administrative building at Hoima RRH

b) **Renovation of the ward:** this output was changed to pave way for a compound around the JICA buildings and also construct a walkway. However, the new project had not started as the hospital was in the process of getting clearance from PPDA on the procurement method.

c) **Overhauling of the sewerage system and construction of the lagoon**: the design works for the overhauling of the sewerage system and construction of the lagoon is complete. The design works were contracted to M/s Joadah Technical Consult at a cost of Ug shs 47,567,000.

The hospital also undertook the following works which were not originally in their workplan but were necessitated by the completion of the JICA buildings and the need to functionalize them.

I. Drainage and water connection for the JICA project buildings. These works were carried out by M/s Metalock Engineering General Supplies Limited at a cost of Ug shs 9,272,400.
II. Relatedly, M/s Kikofu Civil Engineering and Construction Company Limited were contracted to supply and install three tanks of 10,000 litres each at a cost of Ug shs 26,128,298.
III. Meek Engineering Limited were contracted to carryout electrical connections for the JICA project at a cost of Ug shs 10,000,000.

L-R: Watertanks supplied to the Outpatient department and Maternity/Operating Theatre- JICA buildings at Hoima RRH

7.3.2 Rehabilitation of Mbale Regional Referral Hospital

Mbale Regional Referral Hospital (RRH) is located in the eastern part of Uganda with a bed capacity of 460 beds. The hospital serves the districts of Busia, Budaka, Bukwo, Butaleja, Manafwa, Mbale, Pallisa, Sironko, and Tororo, including several lower-level, government-run health centers, private not-for-profit health units, and patients from outside its catchment area.

Financial year performance

The allocated budget for the rehabilitation of Mbale RRH project is Ug shs 600M of which 347.6million (58%) was released. Although the IFMS indicated an expenditure of 176million under project 1004, information obtained from the hospital showed an expenditure of Ug shs114.99million (33%) of the release. The release performance was excellent while expenditure performance was poor.

Planned Activities

- Nutritional unit renovated
- Interns mess renovated
- Psychiatry unit renovated
- Car shed Constructed
- Hospital Minor repairs carried out
-

Doctors' Mess Renovated: M/s Namato Contractors limited was contracted to renovate the doctor's mess at a contract price of Ug shs 94,768,632. The scope of works included electrical installations, plumbing works, replacement of broken locks and glasses, repair of walls and verandah, reconstruction of one side of the perimeter fence and renovate the other side of the perimeter fence, and painting. Civil works began in September 2015 and were expected to be completed by December 2015. However, works delayed due to delays in relocating interns who were occupying the premises. By the time of the monitoring visit in January physical progress was estimated to be 65% complete. Civil works were observed to be good. Pending works included partitioning of the dining room to create accommodation, completion of plumbing and electrical works, replacement of some doors, completion of painting, completion of old terrazzo screeding, and external works. The contractor had been paid Ug shs 59.50 million.

Renovation works at the Interns Mess at Mbale RRH

Construction of the Car Shed: the construction works of the car shed was contracted to M/s Lab Plus (U) at a price of Ug shs 45,754,500. The scope of works involved the construction of the car shed to accommodate 10 cars, marking the car shed, marking the facer boards, guidance to the visitor's and attendants parking. By January 2016,

Nearly complete car shed at Mbale RRH

the works were 95% complete; pending works included guttering and installation of the water tank.

The nutritional unit renovated

M/s CLIN Consult and Engineers Limited was contracted to renovate the nutritional unit at the sum of Ug shs 141,480,382. The scope of works included reroofing the five units with pre-coated iron sheets, repair work on the shelves and walls, construction of the splash apron, construction of annex store attached, painting, pavement of the communal feeding place, electrical and plumbing works repair the floors and fencing. The civil works were estimated at 95% complete. Outstanding works included fixing of facer boards, door sign post, completion of painting, and reducing on the tree canopy. The completed works were noted to be of good quality and the contractor had been paid Ug shs 55.6million.

Renovation works at the nutrition unit at Mbale RRH

The psychiatry unit renovated: M/s Namugi Technical Systems Limited was contracted to renovate the psychiatry unit at a sum of Ug shs 28,745,100. The scope of works included breaking the surging ceiling and re-ceiling, repair of broken doors and locks, plumbing works, repair of broken glasses, replacement of four outdoors, electrical installation, working on the outer toilets, and opening up of the manhole covers civil works were estimated to be 60% complete. Outstanding works included plumbing works, replacement of some doors, replacement of the door locks, working on the outer toilet, electrical works and replacement of some cisterns.

Renovation works at the psychiatric unit at Mbale RRH

Hospital Minor repairs carried out: these included repair of the main theatre, pediatric ward, physiotherapy unit, and maternity. These had been planned to be undertaken in quarter four of the FY.

Challenges to service delivery

Static budget allocation for medicines: the budget allocated for the medicines and other medical supplies is too small that some patients are asked to buy their own medicines. The hospital is allocated Ug shs 998milion annually for medicines but requires over Ug shs 1.3billion. The clientele has grown over the last five years but the allocation has remained the same. The price of the medicines has also gone up which reduces the real value of the money allocated.

Reduction in IPFs for development: the funds allocated to development expenditure have been reducing over the years from Ug shs 1.8 billion in FY 2009/10 to Ug shs 597million in FY 2015/16 which cartels development projects. With this allocation the hospital cannot undertake major rehabilitation/construction works. As a result of this the surgical complex that had been condemned is now under use.

Dilapidated infrastructure: majority of hospital infrastructure is dilapidated and requires frequent repairs and renovations. This has caused space shortage for the delivery of clinical services. Condemned buildings like the surgical ward have been re-assessed to be used with all the safety risks to patients and health workers because of lack of patients' space and for the consultants.

High rate of equipment breakdown such as the oxygen concentrators, suction machines, patient monitors, theatre equipment, autoclaves and sterilizers all of which need replacement for effective service delivery.

Delay in filling the vacant posts: There has been a delay in filling the vacant posts in the hospital by the Health Service Commission. The hospital in April 2015 recruited staff and forwarded successful candidates to Health Service Commission for appointment but January 2016, the commission was yet to approve them.

Lack of waste management equipment: the hospital incinerator has broken down making it difficult to manage hospital waste. The contract with a service provider under MoH ended and has since not been renewed.

7.3.3 Lira Regional Referral Hospital

The hospital is a 400-bed hospital established in 1920. It serves over 4 million people in the lango sub-region comprised of the districts of lira Oyam Kole, Amolatar, Alebtong, Dokolo and Apac.

Financial performance

The approved budget for Lira RRH under the project was Ug shs 600 million, of which Ug shs 445,500,000 (74%) was released and Ug shs 216.89 million spent by 31st December 2015. The release performance was very good while the expenditure performance was poor. The poor expenditure performance was attributed to the contractor who didnot submit his payment certificates for the completed works.

Physical performance

In FY 2015/16 the hospital planned to complete the construction of the eight unit storied staff quarters which began in FY 2014/15. The construction of staff quarters was contracted to M/s Block Technical Services at a sum of Ug shs 1,528,648,508. The scope of works involved construction of eight units of two bedrooms each. Works began in November 2014 and were expected to end on 9th May 2016. By January 2016, the civil works were estimated at 65% complete against the time progress of 72%. Outstanding works included rendering, fittings, painting, finishes, and construction of the septic tank. In FY 2015/16, Block Technical Services was paid Ug shs 206,071,330.

Construction of two bedroomed staff quarters at Lira RRH

KK Partnership Architects were contracted to supervise the construction works at a sum of Ug shs 72,152,209. The consultants had been paid Ug shs 10,822,831 in FY 2015/16.

Challenges to service delivery

Inadequate staffing: The hospital lacks key critical staff needed for quality specialized service delivery these include, senior consultants, consultants, anesthesiologist, midwives, and nurses. The absence of these critical cadres has led to non-functionalization of the intensive care unit.

Recommendation

The MoH, MFPED, and MoPS should address the staffing problems paying particular attention to the critical cadres for effective delivery of health services.

Analysis

Link between financial and physical performance

There was a good link between the financial and physical performances, with 64.8% of the disbursements absorbed by RRHs visited against the physical performance of 74.5%. The funds were mainly spent on construction /rehabilitation of the hospital infrastructure.

Achievement of set targets

The project achieved 74.5% of the set targets for FY 2015/16 in the RRHs visited. Lira RRH achieved 90% of its target while Hoima RRH achieved 54.5% of its target.

Conclusion

The RRH visited were oncourse to achieving their annual targets. However, service delivery challenges still existed at all hospitals visited, key among them were inadequate staffing and dilapidated infrastructure.

7.4 Primary Health Care (PhC) Development Grant

Majority of the frontline health service delivery is managed by local governments through the Primary Health Care grant system. Local governments have responsibility for the management of human resources for district health services, management of general hospitals and management of health centres (Level II, III, and IV).

The mission of votes 501-850 is to facilitate the attainment of a good standard of health by all people of Uganda in order to promote a healthy and productive life. Services provided under the Primary Health Care Grant system include:

- Provision of health services through the PHC system.
- Recruitment and management of personnel for district health services
- Health infrastructure development such as construction of Outpatient departments (OPD), construction of medical wards (children, maternity, general, male and female), staff houses, and sanitary facilities
- Training and capacity building of human resources
- Coordination and supervision of health service delivery by the private and not-for-profit, facilities
- Staff mentoring, monitoring and support supervision.

During FY 2015/16, the PHC development grant focused on consolidation and renovation of existing infrastructure of health facilities. This involved undertaking activities such as painting, repairs of medical buildings, staff houses, broken floors, ceilings and leaking roofs; replacement of broken doors, glasses and windows.

The half year monitoring focused on 13 districts of; Apac, Budaka, Bugiri, Buliisa, Hoima Kapchorwa,Kayunga Kiboga, Kole, Lira, Luwero, Masindi, Nakasongola, and Oyam.

Findings

Financial performance

The approved budget for PHC development was Ug shs 22.76billion. Ministry of Health re-allocated Ug shs 12billion from this grant towards the procurement of medical furniture and equipment (Ug shs7billion) and hepatitis B immunization (Ug shs 5billion). This re-allocation greatly affected local governments that only receive PHC normal funds. The release performance in the monitored districts was on average 45.6% with Bugiri district getting 47% of its budget while Buliisa got 40% of their budget. Absorption of the funds received was on average 33% with Kole and Buliisa absorbing 4% and 9% respectively of their funds while Bugiri and Oyam absorbed 95% and 100% of their development funds. Hoima, Kapchorwa, Lira, Luwero, Nakasongola didnot spend on their development grants. This was because most of the projects had just been awarded and contractors had not submitted payment certificates. Detailed financial performance is indicated in table 7.10.

Table 7.10: Expenditure performance for PHC development in monitored districts by 31st December 2015

Vote	Approved Budget	Release	Expenditure	Percentage Expenditure
Apac District	328,454,000	150,225,000	89,238,000	59
Bugiri District	34,000,000	16,031,000	15,300,000	95
Hoima District	32,673,000	14,944,000	0	0
Kapchorwa District	181,000,000	83,182,000	0	0
Kayunga District	39,745,000	18,178,000	14,194,000	78
Kiboga District	20,905,000	9,561,000	5,380,000	56
Lira District	299,897,000	137,163,000	0	0
Luweero District	29,140,000	13,328,000	4,160,585	31
Masindi District	364,201,000	166,574,000	24,986,800	15
Mbale District	430,909,000	197,084,456	125,920,000	64
Nakasongola District	37,729,000	17,256,000	0 0	0
Budaka District	267,726,000	122,449,000	23,772,101	19
Oyam District	563,100,000	257,544,000	257,544,000	100
Buliisa District	237,931,000	97,179,000	8,655,743	9

Kole District	220,695,000	100,989,000	4,350,000	4

Source: Field findings

I) Apac District Local Government

Planned outputs FY 2015/16

- Maternity ward at Olelpek HC II constructed
- A two in one semidetached staff house at Olelpek HC II constructed
- A two stance VIP toilet at Abdeobder HC III completed
- OPD block at Inomo HC III constructed
- A two in one semidetached staff house at Acwo HC II constructe
- A two in one semidetached staff house at Aganga HC II constructed
- Biashara HC II construction completed
- Kyawente HC II constructed

Financial Performance

The approved PHC development budget for Apac DLG for the FY 2015/16 was Ug shs 328.454 million of which Ug shs 150.225 million (46%) was released by 31st December 2015 which was a good release performance. The expenditure was Ug shs 89.238 (59% of the release) which was fair performance.

Physical Performance

Semi-detached staff house completed at Aganga HCII: M/s Obako Mixed Enterprises was awarded the contract at a sum of Ug shs 98,195,403. The scope of works involved construction of a semi-detached staff house, construction of a two-stance pit latrine, and installation of two water tanks. In FY 2015/16, the contractor was given Ug shs 26,561,624 and by January 2016 the works had been completed and the staff house was occupied. The staff were happy with the infrastructure and it had motivated them.


L-R: Completed staff house and pit latrine at Aganga HCII, Apac district

OPD at Inomo HC III completed; The contract was awarded to Ms Oketcho Contractors at a contract sum of Ug shs 144.892 million**.** The OPD was complete and in use. The scope of work included re-modification of the general ward, fixing of new shutters three internal doors and one external door.


L-R: Rehabilitated OPD and constructed pit latrine at Inomo HCIII, Apac district

Two in one semi-detached house at Acao HC II completed. The contract was awarded to M/s Gum Tye Imiyo Services at a sum of Ug shs 98.012 million. The scope of works involved construction of a staff house and installation of two water. By January 2015, physical progress was estimated at 80% level of completion with the structure roofed, Internal and external plaster and completed and doors and window flames fitted. Pending work was shuttering, flooring, painting, and other finishes. In FY 2015/16, the contractor was paid Ug shs 26.561 million (27% of contract sum).

Semi-detached staff house under construction at Acao HCII, Apc district

Construction of the maternity ward in Olelpek HCII was suspended in favour of the rehabilitation of civil works at Abei HCII OPD and maternity ward at Chawente HCIII.

The contractor for the construction of a semi-detached staff house at Olelpek HCII had just reported on site. The civil works were awarded to Adok Enterprises at a sum of Ug shs 115 million. No payment had been effected to the contractor.

Challenges in service delivery

- The weak link on the IFMS and Internet service provider has led to a delay in payment of contractors who in turn delay the completion/ implantation of the planned works.
- Staff absenteeism and late reporting for duty due to lack of accommodation in the district.
- Three commissioned health facilities Apire HC III,Wansolo HC II and Aminolal HC II were not receiving medicines from NMS and PHC non-wage funding. Apire HCIII is the only health facility in the sub-county, therefore absence of drugs affects service delivery.

- Lack of motorised transport at HC IIIs makes supervision of work at HC IIs difficult. Some health facilities are in remote areas and this hinders administration and outreaches in these facilities. The PHC non-wage grant for the district was significantly cut as a result of mixing it up with funds released for the integrated clinical outreach and HSD assemblies.
- Hi tech X-ray equipment delivered at Apac hospital has not been installed, remaining redundant for the last six months. The equipment was supplied by MoH under the Health Systems Strengthening Project.

II) Budaka District Local Government

Planned Outputs FY 2015/16

- OPD renovated and floor for maternity at Iki-Iki HC III retiled
- A two in one staff house at Katira HC III constructed
- Maternity ward at Kamonkoli HC III renovated and floor tiled
- Staff house at Kameruka HC III renovated
- A four stance lined pitlatrine at Iki-Iki HC III constructed.

Financial Performance

The approved budget for PHC development was Ug shs 267.726 million of which Ug shs 122.449 million (46% of the budget) was released by 31st December, 2015. Ug shs 23,772,101(19%) was spent by half year. The poor absorption was attributed to contractors who had not submitted payment requests despite the on-going works.The release performance was excellent but the absorption rate was poor as at 31st December 2015.

Physical Performance

Four outputs were visited to assess the level of physical performance and the findings were as follows.

OPD renovated and floor for maternity at Iki-Iki HC III retiled; M/s Kabwangasi General Traders was awarded the contract to undertake the rehabilitation works at a sum of Ug shs 33 million. The scope of work involved renovation of the OPD and and floor tiling the maternity ward. By Januaruy 2016, renovation of the OPD was 70% complete while tiling had not started.

Four stance lined pit latrine constructed: M/s Gawewe Enterprises was awarded the contract to construct a four stance lined pit latrine at a t sum of ug shs 14,419.724. The civil works were

L-R: General ward under renovation and a four stance Pit latrine under construction at Iki-Iki HCIII, Budaka district

estimated at 60% complete with slab casted. Outstanding works included walling, roofing, plastering and finishes. The contractor had been paid Ug shs 3,254,261. The quality of civil works was good.

A two in one staff house at Katira HCIII constructed; the contract was awarded to Ms Buyela Building Contractors at a sum of Ug shs 65 million. Works completed were estimated at 75%, construction works were at the plastering stage for both internal and external. The major pending work included completion of flooring, plastering, painting and other finishes. The remaining works were estimated to be completed with one month i.e. by end of the first week of February 2016. The workmanship was good and work was on schedule.

Maternity ward at Kamonkoli HC III renovated and floor tiled; the contract was awarded to Ms Gonja Contractors Limited at a sum of Ug shs 24.160 Million. The work was on going at the time of the visit and was estimated at 80% level of completion. The workmanship was good and likely to be completed in time.

Construction of two-in-one staff house at Katira HC III, Budaka DLG

Tiling of maternity ward at Kamonkoli HC III, Budaka DLG

Challenges to service delivery

- Inadequate staff accommodation; 60% of the medical staff have no accommodation at the health facilities which leads to chronic absenteeism.
- Health centre IV has no doctor; this has a bearing on the level of service delivered at the facility .

II) Bugiri District Local Government

Planned outputs FY 2015/16

- Doctors House at Nankoma HCIV renovated
- Staff house at Kayango HC III renovated
- Staff house at Maziriga HC II renovated
- Staff house at Budhaya HC II renovated

Financial Performance

The approved budget for PHC development for Bugiri DLG FY 2015/16 is Ug shs 34.706 million of which Ug shs 16.031 million (46% of the budget) was released. The expenditure was Ug shs 15.3 million (44%) by 31st December 2015. The release performance was excellent against funds absorption that was below average.

Physical Performance

The team monitored the construction of the doctors's house at Nankoma HCIV and Kayango HCIII and below are the findings

Doctors House at Nankoma HCIV renovated; the contract was awarded to Lit General Contractors at a sum of Ug shs 30 million. The scope of works involved renovation of the doctor's house at Nankoma HCIV and construction of a pit latrine at Kayango HCIII. At Nankoma HCIV, the ceiling had been replaced, iron sheets of gauge 28 fitted, plastered external wall, internal walls painted, lightening arrester fitted, new wiring fitted. The renovation works had been completed, and the workmanship was poor, the ceiling was damaged due to leaking roof and the front door lock was malfunctioning.

The pit latrine at Kayango HCIII had been completed and was in use by January 2016. A total payment of Ug shs 9 million was made to the contractor by 31st December 2015.

L-R: Renovated Doctor's house and a leaking ceiling at Nankoma HCIV, Bugiri district

Staff House at Kayango HCIII- Renovated; the contract was awarded to Ms Ebikumu Ebibiri General Contractors at a sum of Ug shs 19 million. The staff house accommodates three staff. The scope of works included remodelling, plastering of internal and external walls, construction and re-roofing of veranda with new iron sheets of gauge 28 fitted. Kitchen was done poorly as the roof leaks when it rains. A payment of Ug shs 6.3 million was made by 31st December 2015 and civil works had been completed by January 2016.

L-R: Renovated staff house and constructed pit latrine Kayango HCIII, Bugiri district

Challenges affecting service delivery in the district

- Electronic Funds Transfers (EFTs) take long to mature on the system which delays payment of service providers and implementation of planned projects. Some EFTs take five months before payments can go through.
- Medicine stock outs- Bugiri Hospital has high stockout levels on account of reduction of budgets. Accident cases along the highway cannot adequately be attended to.
- Deliveries of medicines from NMS are not as per requests placed by the HCIVs and hospital. Some reagents are no longer supplied by NMS such as those for typhoid tests and syphilis tests. Inadequate supply of HIV test kits.
- Inadequate staff accommodation where 70% of staff are not accommodated.
- High staff absenteeism levels of about 76% attributed to inadequate staff accommodation.
- Lack of key equipment to functionalize the health facilities for example blood bank and ambulance facility to transport patients to hospital.

III) Buliisa District Local Government

Planned outputs FY 2015/16

- Twin staff house at Bugoigo HCII constructed
- Four stance pit latrine at Bugoigo HCII constructed
- Twin Staff house construction at Buliisa General Hospital completed
- Two in one staff house at Biiso HC III completed

Financial performance

The approved PHC development budget was Ug shs 237.931 million of which Ug shs 97,179,000 (40.8%) was released by 31st December 2015 and Ug shs 8,655,743 (9%) spent. The release performance was good against a poor expenditure performance.

Physical performance

Three of the four outputs planned were visited to assess the progress and the following was established.

Twin staff house at Bugoigo HCII constructed; the contract was awarded to Ms TMK Agencies Limited at a contract sum of Ug shs 89.5 million. The works had just commenced and were at the foundation stage. The progress was slow at less than 20% of the works completed stage and was not likely to be delivered in time. The staff house is to work as an OPD as the district plans to construct a new OPD at the facility. The old OPD is dilapidated and condemned.


L-R: Construction of the staff house and a section of the condemned OPD Bugoigo HCIII, Buliisa district

Twin Staff house construction at Buliisa General Hospital completed; the contract was awarded to Ms Karuma Investors Company Limited at a sum of Ug shs 60.685 million. The scope of works included ceiling, plastering, rendering, floor finishes, mechanical installations, power connection, installation of a lightening arrestor, external water supply, painting and glassing. By January 2016, the work was at the finishes level, major works done included roofing, internal and external plastering, shutting, power and lighting installations, painting, fixing of 5,000 water litre tank and floor works all of which were complete. The level of completion was estimated at 85% and the workmanship was good.

Two in one staff house at Biiso HC III completed; The contract was awarded to Ms TMK contractors at a price of Ug shs 46.6 million. The house was found complete and occupied by staff who expressed satisfaction with the work.

Completed staff house at Biiso HCIII, Buliisa district

Construction of the staff house at Buliisa general hospital

Challenges of service delivery

- Failure by MoH to accredit two HC IIIs (Butiaba and Ayogera) as such they do not receive PHC non-wage grants and medicines from NMS. Ayogera HCIII, was elevated from HCII, it offers ART services but receives medical supplies that are meant for a HCII.
- Bulisa General Hospital is not coded by MoH and does not receive drugs from NMS yet it was commissioned by the Honourable Minister of Health.

- Lack of equipment for ultra sound and x- ray at Bulisa General Hospital makes delivery of such services impossible.
- Lack of transport facilities for the health department in the form of ambulance, administarative car for the DHO, motorcycles and bicycles, this makes outreaches and immunizations difficult
- Inadequate staff accommodation for the health workers where by 80% are not accommodated.
- Understaffing at Bulisa General Hospital where 48 staff out of 149 required are filled up.

IV) Hoima District Local Government

Planned Outputs FY 2015/16

- Construction of Medical stores completed
- Maternity ward at Wambabya HC III completed
- Three stance pit latrine at Tonya HC II constructed
- Laptop procured
- Furniture procured

Financial Performance

The approved budget for PHC development was Ug shs 32.673 million of which Ug shs 14,944,000 (47%) was released with no expenditure made by 31st December 2015.

Physical Performance

Two projects that were earmarked for completion in FY 2015/16 namely; maternity ward at Wambabya HCIII and medical stores at the Hoima district headquarters were visited to assess the progress.

Maternity ward at Wambabya constructed; the works were at ring beam stage the site appeared to have been abandoned with apparently no additional work done this financial year.

Medical stores at Hoima district headquarters constructed; the roof was complete, partitioning and plastering was ongoing. Outstanding works included completion of plastering, rendering, splash apron works, completion of flooring and shuttering. Civil works were estimated at 80% complete.

District medical store at Hoima district head quarters

Challenges in service delivery

1) Inadequate staffing, the district staffing norm is at 61% of the established posts, there are no support staff such as porters and watchmen; this has led to loss of property such as solar panels and medical equipment through theft. At night health workers cannot attend to patients/deliver women, this might result into loss of lives. In addition, HCIVs are not carrying out major operations because of Llack of anaesthetic officers.
2) High workload for Kyangwali HC III as it serves both locals and refugees; there is urgent need to upgrade it to a HCIV to match the demand for services.
3) Lack of communication of funds sent to health facilities to the DHO's office, this affects reporting and accountability for funds to MFPED. It was further reported that GAVI funds come without any narrative for their purpose which delays their transfer to the health account.
4) Two health facilities (HC IIs) constructed by UNHCR at Malembo and Rwanyuwawa need to be taken over by government which calls for more funding and staffing.
5) Delayed EFTs- the poor network affects payment of salaries and services providers on the IFMS system,

V) Kapchorwa District Local Government

Planned outputs FY 2015/16

- Maternity and children's ward at Tumboboi HC II constructed
- Maternity ward at Chebonet HC II constructed
- Maternity and Children's ward at Kabeywa HC III constructed
- OPD at Tigrim HC II constructed
- OPD at Chemosog HC II completed and retention paid

Financial Performance

The approved budget for PHC development was Ug shs 181.879 million of which Ug shs 83,182,000 (46%) was released by 31st December, 2015.The release performance was excellent however, absorption of funds was poor as no expenditure had been made by the time of monitoring.

Physical performance

The monitoring focused on one out of the five planned outputs where the following was established.

Maternity/Children's ward at Kabeywa HC III completed

The maternity was constructed in the FY 2014/15 and had a final certificate and retention of Ug shs 50,000,000 was pending. The maternity was not under use as 10% of the works were outstanding. The doors in the delivery room were not swing doors as specified in the BoQs. There was a deep crack observed in the ceiling. The external doors couldnot lock properly and this could be a security threat to the medical supplies and equipment that might be kept there.

L-R: Maternity ward and the defects on the floor and ceiling at Kabeywa HCIII, Kapchorwa district

Maternity Ward at Chebonet HCII Constructed

Although the award for the construction of the maternity ward was made to M/s Link Investments Limited, the site had just been handed over by the time of monitoring to enable commencement of work. The contract sum for the construction of the ward is Ug shs 194 million.

Challenges in service delivery

- Transport challenges as the health facilities lack bicycles, motorcycles making outreaches hard to undertake.
- Inability to conduct outreaches has led to loss of HIV/AIDS clients, and also hinders enrollment of new cHIV clients on treatment.
- Stockouts for fast moving medicines such as Septrin and HIV kits is high and yet these cannot be easily transported from a facility with surplus to the other without.
- Staffing levels are at only 50%, critical positions are ADHOs-Maternal, and Environmental Health and Principal inspector are not filled.

VI) Kayunga District Local Government

Planned outputs for FY 2015/16

- Retention for staff house constructed at Buyobe HC II paid
- Theatre at Kangulumira HC IV renovated
- Assorted basic medical equipment procured
- Two Bajaj motorcycles procured and supplied for Kawungo and Lugasa HCIIIs
- Shelves in the biostastitians office fixed

Financial Performance

The approved PHC development budget for FY 2015/16 is Ug shs 39.745 million of which Ug shs 18.178 million (46%) was released and Ug shs 14.194 million (78%) spent by 31st December 2015. This was good release and expenditure performance.

Physical Performance

Theatre at Kangulumira HC IV renovated; Ms Sseki General Contractors and Suppliers was awarded the contract at a sum of Ug shs 40.246 million. The scope of works included replacement of windows and doors, internal and external walls painted, mechanical installations and fittings and fixtures installed. The work was found complete although the theatre was not under use.

Retention for staff house constructed at Buyobe HC II paid; the staff house was completed in the FY 2014/15. It was occupied by two staff members. There was a complaint of a leaking roof around the chimney that requires fixing although retention had been paid to M/s Nitmat Services Limited.

L-R: Renovated theatre at Kangulumira HCIV; Completed staff quarters at Buyobe HCII, Kayunga district

Other outputs were planned to be implemented in the third and fourth quarters of the FY.

Challenges in service delivery

- Inadequate staff accommodation; 60% of staff have no accommodation which leads to staff absenteeism and lateness
- Inadequate transport for health facilities with only one ambulance at the hospital.
- Budget cuts experienced under PHC non-wage for the HCIVs have affected operations at the facilities and constrained service delivery.
- Failure to attract and retain critical staff for the health facilities such as anaesthetic officers make provision of would be available services difficult.
- The cost of offering services per patient keeps increasing over the years but the funding for PHC non-wage remains the same.
- Late release of operational funds for example by 27th January 2016, the Q3 funds had not been released to the district
- Lack of guidelines from MoH on the use of funds under HSD.
- Inadequate supply of drugs/medicines to health facilities
- Old infrastructure; three health centre IIIs, Lugaga, Lwaboko, and Galiraya have old buildings and require urgent renovation but there no funds to carry out the works.

VII) Kiboga District Local Government

Planned outputs FY 2015/16

Maternity ward at Kambugu HC III completed

Financial Performance

The approved budget for PHC development was Ug shs 20.905 million of which Ug shs 9.561 million (46%) was released by 31st December, 2015.The release performance was excellent while the absorption of Ug shs 5.380 million represented 56% which was fair.

Physical Performance

The planned output was visited to assess the level of performance and the findings were as follows.

Maternity ward construction at Kambugu HC III completed; Ms Mplambo Construction Services and Joinery was awarded the contract to undertake the civil works at a sum of Ug shs 122,000,000. The maternity was constructed in FY 2014/15 with finishes rolled to FY 2015/16. The work was found to have been substantially completed, with the facility painted, internal external doors fitted and a 5,000 litre drainage tank fitted. The facility was awaiting hand over and commissioning however the floor was cracked prior to commissioning of the facility. The payments of Ug shs 5.380 million on voucher 04/11 dated 20th November, 2015 made for the construction were not clear as to what scope was being paid for and or whether it was a final certificate.

Left: Maternity at Kambugu HC III in Kiboga DLG

Right: Cracked floor of the maternity at Kambugu HCIII

Challenges in service delivery

- There was a big reduction of the development grant of 79% from Ug shs 100 million to Ug shs 20.9 million. This affected implementation of planned development projects.
- Inadequate funding: the unconditional grant for PHC non-wage to health centre II of Ug shs 250,000 for a quarter is insufficient to run the facilities. Since they operate Current Accounts, banks charge Ug shs 90,000 for account maintenance which leaves very little money for running the facilities.
- Inadequate staffing levels – 59% of the staffing structure is filled which remains below the recommended 70% required to fairly service the health facilities.

- Inadequate transport facilities; six out 20 facilities have transport in the form of motorcycles that are now old. Outreaches for sanitation, immunization and integrated services cannot be carried out
- Lighting for HC IIIs is inadequate solar power should be considered for the facilities to alleviate the problem

VIII) Kole District Local Government

Planned outputs for FY 2015/16

- Five stance drainable VIP toilets at Omolodiang HC III constructed
- DHO's office renovated
- Two laptops and one I-Pad procured and supplied
- Three pairs of sofa sets chairs – DHO office
- Retention for a twin staff house constructed at Apalabarowo HC III paid
- A two in one semidetached staff house at Omolodiang HC III constructed
- OPD at Bung HC II re-roofed
- OPD at Kole HC II renovated
- Retention for OPD constructed at Omolodiang HC III paid

Financial Performance

The approved PHC development budget for Kole DLG for FY 2015/16 is Ug shs 220.695 million of which Ug shs 100.939 million (46%) was released by 31st December, 2015. Expenditure of Ug shs 4.350 million (0.4%) was incurred. This poor expenditure performance was on account of delayed procurement process.

Physical Performance

Two of nine outputs planned that had been handed over to contractor where implementation was taking place were visited to assess progress as follows;

OPD at Bung HC II re-roofed; the contract was awarded to Ms Avor Construction Company at a sum of Ugs shs 19.900 million. The scope of work involved reconstruction of the walls from the ring beam to the roofing level and re-roofing the OPD and painting. The roof had recently been blown off by the wind. No re-roofing work had commenced, construction materials had been mobilised.

Retention for a twin staff house constructed at Apalabarowo HC III paid; the staff house was completed in the FY 2014/15 and was fully occupied. The building had no defects and the workmanship was good. Payment for retention of Ug shs 4.350 million was made to Ms Roovaco(U) Limited in the period.

Challenges in service delivery

- Inadequate staffing levels compared to the workload. The ART clinic was understaffed and unable to offer quality services.
- Medical logistics supplies are insufficient especially at HCIV and HCII. This is because the budget for medicines has remained the same over the last three years with antimalarial and antibiotics worst affected.
- Staff absenteeism, the health workers attitude towards work is poor and results into late reporting and absenteeism.
- Prolonged procurement process, fraught of political interferences and impediments delays completion of necessary infrastructure in the district.

IX) Lira District Local District

Planned outputs for FY 2015/16

- DHOs office renovated
- Terrazo for the floor at Ogur HC IV fixed
- Fencing Amach HC IV phase II completed
- Four stance drainable toilets and two birth shelters at Abala HC III constructed
- Four stance latrines at Ongica HC III constructed.

Financial Performance

The approved PHC development budget for Lira DLG for FY 2015/16 is Ug shs 299.897 million of which Ug shs 137.163 million (46%) was released by 31st December 2015.

Physical Performance

Rehabilitation of the DHO's office in Lira District

Renovation of the DHO's office: The civil works were contracted to M/s Bajovic Engineering and Construction Company Limited at a sum of Ug shs 87,901,150. the scope of works included wall finishes, lightening protection, re-roofing, replacement of all windows, splash apron works, fixing seven metallic doors and flames, sub structure works, excavation of the foundation trenches, filling the ramp and around the foundation. The progress of civil works was estimated at 605 complete. Works were delayed by the need to set up the contractor on EFT system.

Fencing Amach HC IV phase II completed: The contract was awarded to Ms Wangi General Enterprises at a sum of Ug shs 60 million. The fencing work was done using chain link with precast concrete running around the base. 250 concrete poles were fixed and the whole area around the health facility with a gate fixed at the main entrance was found complete and the quality of work good

Renovated theatre at Amach HCIV; the contract was awarded in the FY 2014/15 to Ms Epadusi Services. The scope of works involved putting terazzo in the main operating room, replacement of windows, painting, and rough casting. The theatre was renovated with terrazzo fixed on the floor painted external and internal walls and ceiling. The monitoring team noted good quality civil works. The theatre had not been put to use, because the medical officer who is meant to carry out operations is also acting as the District Health Officer.

L-R: Fencing works and rehabilitated theatre at Amach HCIV, Lira district

Challenges of service delivery

- The indicative planning figures have remained the same over the rising inflation, most of the health centres need rehabilitation.
- Its difficult to monitor usage of direct transfers to the health facilities. DHO's are not given any communication when the funds are sent to the facilities yet they are expected to account for them.
- Poor attitude towards work by health workers, this has led to staff absenteeism and late reporting for duty.
- The allocation of PRDP funds should have a predetermined formula passed on to the districts as opposed to the current method of local allocation.

X) Luwero District Local Government

Planned Outputs for FY 2015/16

- Two engines for two pickups overhauled
- Two laptops procured and supplied
- Office furniture procured and supplied
- Retention for kalagala HCIV paid
- Retention for maternity ward at Zirobwe HC III paid

Financial Performance

The approved PHC development budget for FY 2015/16 is Ug shs 29.140 million of which Ug shs 13.328 million (46%) was released by 31st December 2015. The district spent Ug shs 4,160,585 (31%), this expenditure performance was poor but it was on account of delays in awarding contracts for the other outputs.

Physical Performance

One output that achieved some progress was monitored to assess physical progress.

Payment of retention for the remodelled staff quarters at Kalagala HC IV

The contract was awarded to Ms Dela ware (U) Ltd in FY 2014/15 at a sum of Ug shs 49.094 million. The work done included partitioning the block into four sections of two rooms each. Internal and external painting of walls, replacing of iron sheets and patching of damaged floor areas. During the half year the contractor was paid retention of Ug shs 4.160 million.

Remodeled staff quarters at Kalagala HCIV, Luwero district

Challenge to service delivery

Inadequate staff accommodation; This remains a problem in the district which affects the reporting time for the health workers at the facility.

XI) Masindi District Local Government

Planned Outputs for FY 2015/16

- A two in one semidetached staff house at Ikoba HC III constructed
- Maternity ward at Ikoba HC III rehabilitated
- Retention for construction of staff house at Kijjumjubwa paid
- A two in one semidetached staff house at Kyatiri HC III constructed

- Maternity at Kyatiri HC III rehabilitated
- OPD at Kyatiri HC III rehabilitated
- OPD at Kijenga HC III rehabilitated

Financial Performance
The approved PHC development budget for the FY 2015/16 was Ug shs 364.201 million of which Ug shs 166.574 million (45%) was released by 31st December 2015.

Physical performance
Three of the planned seven outputs were monitored to assess the status as follows;

A semidetached staff house at Ikooba HCIII constructed; M/s Rujab General Enterprises was awarded the contract at a sum of Ug shs 25,381,100. The scope of works included - substructure, superstructure, roofing, door and window frames fitted, plastering and undercoat on walls, floor finishes, fitting doors and windows, glassing and painting. The works on site was ongoing with 80% completed. The main outstanding work was the floor finishes, fitting doors and windows, glassing and painting. Overall the workmanship was good and on schedule.

General ward at Ikooba HCII rehabilitated; The civil works were contracted to Ms Akabibamba Enterprises: scope of work included re-roofing and replacement of leaking roof lightening protection, plumbing and drainage works, iron sheets, plastering walls and fixing two external doors, fixing of a 5,000 litre tank and fixing of water harvesting system. Work was found to be completed although not yet handed over. The workmanship was good.


L-R: Semidetached staff house under construction and rehabilitated general ward at Ikooba HCIII, Masindi district

Retention for construction of staff house at Kijjunjubwa paid; The semidetached staff house was completed and occupied in FY 2014/15. The house was in a good state externally, although it was not possible to access the inside of the house.

Challenges of service delivery
- Inadequate supply of drugs on account of a growing number of patients served especially with an influx of foreigners (Sudanese) in the district.
- Shortage of critical staff in the health facilities with no funds to fill up the various positions (about 892 million is required to have structure filled to 80% level).

XII) Mbale District Local Government

Planned Outputs 2015/16
- Mbale Municipal mortuary renovated
- OPD at Jewa HC III constructed
- OPD at Bukiende HC III constructed
- Three stance pitlatrine at Nankusi HC II constructed
- Motorbike ambulance shade at Nakaloke HC III constructed
- Motorbike ambulance shade at Bungokho Mutoto HC III constructed
- Retention paid for at Bungokho Mutoto HCIII constructed

Financial Performance
The approved budget for PHC development including PRDP for FY 2015/16 is Ug shs 430,909,000 million of which Ug shs 197,084,456 (46%) was released and Ug shs 125.920 million (64%) was spent by 31st December 2015.

Physical Performance
Four out of the seven planned outputs had achieved some progress and were monitored to assess the status as follows;

OPD at Bukhiende HCIII Constructed; the contract was awarded to Ms Birime Contractors at a sum of Ug shs 216 million. Construction work commenced in the FY 2014/15 with completion works rolled to FY 2015/16. In the first week of January 2016, the OPD was complete and under use. The workmanship was good and the work was delivered on schedule.


L-R: Completed OPD and pit latrine at Bukiende HCIII, Mbale district

OPD at Jewa HCIII Constructed; the contract was awarded to Lab Plus at a sum of Ug shs 228 million. Construction work commenced in FY 2014/15 with the finishes rolled to FY 2015/16. In the first week of January 2016, the OPD was found complete and under use. Although completed on schedule, the workmanship was poor as the floor had cracked and the water system malfunctioned. These works were undertaken at a contract sum higher than average in the region.

Two Stance Pit latrine at Nankusi HC III Constructed; the contract was awarded to Ms Bunagami Young Farmers at a sum of Ug shs 11,559,870.The pit latrine was complete to specification and in use. The workmanship appeared good.

Motorbike Ambulance Shade at Nakaloke HC III Constructed; the contract was awarded to Muluya Technical Services at a sum of Ug shs 16,492,902. The shade was found complete and under use. The quality of work was satisfactory.

Challenges in service delivery

- Inadequate staff levels that are not commensurate to the number of patients attended to.
- Inadequate staff accommodation that affects performance of staff with resultant high absenteeism levels.
- Inadequate transport facilities that hamper activities for support supervision and monitoring.

XIII) Nakasongola District Local Government

Planned outputs for FY 2015/16

- Two motorcycles procured and supplied
- Medical equipment procured and supplied

Financial Performance

The approved PHC development budget for Nakasongola DLG for FY 2015/16 is Ug shs 37.729 million of which Ug shs 17.256 million (46%) was released by 31st December 2015.

Physical Performances

No activity was implemented in the period. The procurement process had not reached the award stage.

Challenges of service delivery

Significant budget cuts under PHC development funds that affected the planning for infrastructure this financial year.

XIV) Oyam District Local Government

Planned Outputs for FY 2015/16

- OPD at Otwal HC III constructed
- Two in one semidetached staff house at Kamdini HC II constructed
- Two in one semidetached staff house at Loro HC II constructed
- Three solar panels for health centre IIs at Atipe, Amwa and Zambia procured and supplied
- Two motorcycles for health centre IIs at Atur and Ariba procured and supplied

Financial Performance

The approved PHC development budget for Oyam DLG for FY 2015/16 is Ug shs 563,100,000 of which Ug shs 257,544,000 (46%) was released all spent by 31st December.

Physical Performance
Four out of the five planned outputs were visited to assess the progress as follows;

OPD at Otwal HC III constructed; the award was made to Ms Gudulu Contractors at a sum of Ug shs 269.805 million. Construction of the OPD was at finishes stage; it was roofed, internally and externally plastered, internal partitions done, internal swing doors fitted. 10,000 litre water tanks installed. Overall the level of completion was estimated at 75% and the workmanship was significantly good.

L-R: OPD and pit latrine under construction at Otwal HCIII, Oyam district

Two in one semi-detached staff house at Kamudini and Loro HC II constructed; M/sGudul Enterprises was contracted to undertake the works at Ug shs 175,153, 040. The scope of works involved construction of two semidetached staff houses including a pit latrine and installation of solar power at Loro HCII and at Kamudini HCII. At Kamudini HCII, the works had been completed and staff house was occupied.

Construction works were ongoing for the semi-detached staff house at Loro HCII. The house was roofed and ceiling completed, internal and external doors fitted, under coat painting done, splash apron done. Overall completeion works was estimated at 80%. Good quality civil works were observed on site.

Two motorcycles for health centre IIs at Atur and Ariba procured and supplied; these were procured and supplied, they were waiting to be issued to the health facilities upon payment to the supplier.

Procured motorcycles for Atur and Ayiba, HCIIs Oyam district

Challenges of service delivery

- Inadequate staffing levels based on an old staffing structure that ought to be reviewed.
- High staff attrition rate as staff are lost to other facilities.
- Inadequate supply of medicines to facilities
- Staff absenteeism remains a problem among health workers in the district.

Analysis

Link between financial physical performances

There was a weak link between financial and physical performance. Overall financial performance in terms of absorption of released funds for districts monitored was 13% against physical progress of 33%. Performance was below average and this was attributed to delays in undertaking the procurement processes for the planned outputs for FY 2015/16 across districts.

Achievement of set targets

Bugiri, Budaka, Mbale, Kiboga,Kayunga and Buliisa achieved their half year targets. Cases where some reasonable performance was registered were on rolledover projects from FY 2014/15. The poor performance was on account of the sudden reduction in the PHC development grant and the delayed procurement process which affected implementation of planned outputs.

Comparative analysis

The physical performance varied across the districts monitored; among the good performers was Budaka, Bugiri, Mbale Kiboga, Kayunga and Bulisa performed since most planned outputs had commenced. Nakasongola, Kapchorwa, Kole, Luwero and Hoima registered poor performance. In terms of absorption, Oyam district had the highest at 100%, followed by Bugiri at 95% and Kayunga at 78%. Hoima, Kapchorwa, Lira,and Nakasongola, had not spent any of the released funds during the period under review.

Conclusion

The budget performance of released funds was excellent at 46% however absorption was below average due to delayed implementation of planned activities. Overall the PHC development grant underperformed at 33% with most of the planned out puts not done, this was attributed to delays in commencement of the procurement process.

Overall challenges in the delivery of Primary Healthcare Services

- Inadequate staff accommodation; 100% of the LGs monitored have less than 50% of staff accommodated. This has a bearing on the time staff are available through absenteeism and late reporting for work
- Lack of critical staff: DLGs continue to grapple with shortage of critical staff such as anaesthetics and medical officers (doctors). This curtails the services that can be provided at the health facilities for example operations. This was especially noted in the DLGs of Kayunga, Budaka, Hoima and Kole.
- Operation of an inadequate staffing structure, the structure in use for the LGs is old and doesnot best address the patient health worker ratio, as such complaints of work overloads exist even where the structure appears fairly filled. This was noted in Oyam DLG.
- High medicine stockouts, the health facilities continue to suffer medicine shortages on account of fixed budgets against growing patient numbers attended to and wrong deliveries made by NMS from the requests placed.
- None coded health facilities; a number of districts have facilities that have not been coded by MoH and as such do not receive medical supplies as noted in the districts of Oyam and Buliisa.
- Lack of key equipment and infrastructure like blood bank, lighting and x-ray equipment to enable health facilities undertake some services as noted in 70% of the districts visited.
- Failure by contractors to install hi-tech equipment delivered at hospitals and health centres, noted in Apac, Hoima and Bugiri.
- Transport challenges at the health facilities- for example bicycles, motorcycles are not available which affects outreach activities and supervision. There are cases of lack of ambulances in some districts this make patient movement to other facilities difficult.
- Inadequate supporting information from MFPED and MoH for funds disbursed to the health accounts this delays the application of funds and at times misapplication of funds and delayed reporting
- Weak link that affects the execution of transactions on the IFMS which causes delays in payments and translates into low absorption

Recommendations

- MoH should in its guidance to usage of PHC development funds allocate a percentage to construction of staff houses.
- The votes should prioritise the construction of staff houses on a phased basis and mobilise other development grants such as LGMSD to increase the resource envelope for construction
- The LGs should liaise with MoPS to authorise the recruitment of critical staff. A replacement basis can be fasttracked for staff that were in post but left or retired.

- The LGs can consider incentivising the critical staff with top-up allowances from local revenue raised.
- MoH in consultation with the MoPS should develop a new staffing structure that is in tandem with the current demand for services.
- The MoH and MFPED should increase budgets for medicine or reallocate funds of given votes to the medicine budget to address the medicine stock incidents.
- The MoH should dedicate a grant to procure specialised equipment and establishment of district blood banks.
- MoH should withhold payment to firms contracted to supply hi-tech equipment such as x-ray to heath facilities and hospitals until they have been fitted and tested it.

CHAPTER 8: INFORMATION AND COMMUNICATION TECHNOLOGY

8.1 Introduction

The Information and Communications Technology (ICT) sector is comprised of the telecommunications, broadcasting, postal, information technology, and library and information services sub-sectors. It is structured into three functional levels namely: policy, regulatory and operational. The Ministry of Information and Communications Technology (MoICT) - Vote 020, heads and coordinates all the ICT sector activities in collaboration with other stakeholders.

The key regulatory bodies are Uganda Communications Commission (UCC) and the National Information Technology Authority-Uganda (NITA-U) Vote 126; Uganda Posts Limited (UPL) operating as Posta-Uganda, and Uganda Institute of Information and Communication Technology (UICT). At operational level the sector is supported by: Telecommunications, Postal, Information Technology (IT) and broadcasting operators[28].

The mandate of the sector is to provide strategic and technical leadership, overall coordination, support and advocacy on all matters of policy, laws, regulations and strategy for sustainable, effective and efficient development, as well as harnessing and utilization of ICT in all spheres of life to enable the country achieve its development goals

The overall sector strategic objectives are to:

- Enhance access to quality, affordable and equitable ICT services country wide;
- Enhance the use and application of ICT services in business and service delivery;
- Enhance access to quality, affordable and equitable broadcasting services country wide;
- Enhance access to quality, affordable and equitable library services country wide, and
- Rejuvenate the application of postal services country wide[29].

The three core outcomes for the ICT sector are: Improved service delivery through ICTs, Improved access and utilisation of quality and affordable ICT resources and services in all spheres of life, and improved contribution of ICT to employment, income and growth.

Sector financing

The ICT sector is primarily financed domestically (80%) through direct budget allocation and Non-Tax Revenue (NTR). The approved ICT sector budget for FY 2015/16 is Ug shs 224 billion of which, Ug shs 22.5 billion (10%) is direct GoU budget allocation, Ug shs 157.7 billion (70%) is NTR and Ug shs 44.25 billion (20%) donor funding. The budget is shared by five organizations namely: Ministry of ICT (5.5%), NITA-U (38.4%), UCC (43.2%), UPL (12%) and UICT (1.8%).

By 31st December 2015, Ug shs 71.9 billion (32%) had been received. Table 8.1 provides the detailed budget outturn for each of the sector agency.

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[28] MoICT 2015

[29] Second National Development Plan (2015)

Table 8.1 Sector budget allocation and outturn by 31st December 2015 (Ug shs billion)

Institution	Approved budget				Budget Outturn				% Outturn
	GoU	NTR	Donor	Total	GoU	NTR	Donor	Total	
MoICT	8.68	3.64	0	12.32	2.82	0	0	2.82	23
NITA-U	13.88	25.83	44.25	83.96	8.21	6.50	17.11	31.82	38
Subtotal	22.56	29.47	44.25	96.28	11.03	6.5	17.11	34.64	36
UCC	0	97	0	97	0	30.5	0	30.5	31
UPL	0	27.09	0	27.09	0	5.6	0	5.6	21
UICT	0	4.14	0	4.14	0	1.16	0	1.16	28
Subtotal	0	128.23	0	128.23	0	37.26	0	37.3	29
Grand Total	**22.56**	**157.7**	**44.25**	**224.51**	**11.03**	**43.76**	**17.11**	**71.94**	**32**

Source: MoICT 2016

8.1.1 Scope

The chapter reviews progress of selected programmes, policies and projects implemented by the Ministry of ICT and NITA-U for the first half of FY2015/16. Under NITA-U, seven programmes namely (Programme 1: Headquarters, Programme 2: Technical services, Programme 3: Information security, Programme 4: E-government, Programme 5: Regulation and Legal Services, Programme 6: Planning, Research and Innovations, and Programme 7: Finance and Administration) and two development projects were reviewed. The development projects were: i) Business Process Outsourcing, and ii) National Transmission Backbone Infrastructure (NBI).

Under the MoICT, all the five programmes (1: headquarters, 2: Information Technology, 3: Information Management Services, 4: Broadcasting Infrastructure and 5: Telecommunications and Posts) and one development project (Strengthening Ministry of ICT) were monitored.

8.2 National Information Technology Authority (NITA- U)

8.2.1 Introduction

The agency's mission is to "*coordinate, promote and monitor the development of Information Technology (IT) in the context of social and economic development of Uganda*". The vote has two development projects, that is- the National Transmission Backbone Infrastructure (NBI) co-funded by a loan from the EXIM Bank of China and GoU, and the Regional Communication Infrastructure Programme (RCIP) funded by the World Bank.

Objectives

The objectives of the agency are to:

- Establish a national backbone infrastructure (high bandwidth data connection) in major towns of Uganda.
- Connect all ministries in a single wide area network.
- Establish a government data centre.

Findings

Financial performance
The approved budget for NITA-U FY 2015/16 is Ug shs 83.9 billion of which, Ug shs 13.9 billion (17%) was released during the first half of the year and Ug shs 12.09 billion was spent representing 86% expenditure of released funds. Table 8.2 presents the budget performance of NITA-U. The release performance was below average; however absorption of resources was excellent. Both release and absorption of funds was highest under the recurrent component (wage and non-wage), and lower on development. The below average absorption of funds under the development component was attributed to delayed take off of phase III of the National Backbone Infrastructure project and poor planning.

Table 8.2 NITA-U Annual budget performance by category, FY 2015/16 (Ug shs)

Item	RELEASE (GoU)	RELEASE (NTR)	TOTAL RELEASE	EXPENDITURE (GoU)	EXPENDITURE (NTR)	TOTAL EXPENDITURE	% RELEASE SPENT
RECURRENT							
Wage	2,982,225,472	-	2,982,225,472	2,754,513,817	-	2,754,513,817	92%
Non Wage	1,203,089,163	9,455,924,784	10,659,013,947	1,005,341,734	8,148,104,690	9,153,446,424	86%
	4,185,314,635	9,455,924,784	13,641,239,419	3,759,855,551	8,148,104,690	11,907,960,241	87%
DEVELOPMENT							
GOU	348,618,012	-	348,618,012	189,553,941	-	189,553,941	54%
TOTAL	4,533,932,647	9,455,924,784	13,989,857,431	3,949,409,492	8,148,104,690	12,097,514,182	86%

Source: NITA-U

Monitoring covered the seven recurrent programmes and two projects.

8.2.2 NITA-U programmes

All the seven programmes were selected for the semi-annual monitoring FY 2015/16. Table 8.3 shows the detailed planned outputs by programme.

Planned outputs for NITA-U programmes FY2014/15

Table 8.3: Annual planned outputs for NITA-U programmes

Programme	Planned output FY 2015/16
Programme 1	Annual review of the NITA-U Strategic plan conducted. NITA-U Brand promoted. Sound risk

Programme	Planned output FY 2015/16
Headquarters	management practices developed and mainstreamed in NITA-U operations
Programme 2 Technical services	Preparatory works for building of the National data centre commenced; Five (5) MDAs hosted and / or provided disaster recovery services at the data centre; Last mile connectivity extended to MDAs within the greater Kampala area and Entebbe (80 Sites in Kampala and Entebbe); Bulk Internet bandwidth procured and distributed to eighty (130) MDAs over the NBI.
Programme 3 Information security	Public Key Infrastructure (PKI) provider procured; National Information Security Framework (NISF) implemented in at least 4 MDAs; National Information Security Advisory Group (NISAG) operationalized; Incident Response capabilities of the CERT established; Information Security Sensitization undertaken in at least 20 MDAs.
Programme 4 E-government	Consolidation of MDA licenses undertaken; At least 30 MDAs enrolled on to the Master Business Services Agreement (MBSA) with Microsoft; At least 5 MDAs enrolled with Oracle completed; Feasibility study for integration of National Databases completed; Integration of at least 5 key national databases including National ID; Information Access Centre (IAC) operationalized; Web portal/solutions to support citizens developed; At least 5 e-government services added onto the Government e-services web portal; Design of IT Parks completed and finance partner identified; Technical Support for promotion of e-Government provided.
Programme 5: Regulation and Legal Services	Fifteen (15) awareness sessions about cyber laws carried out; Four (4) compliance assessments undertaken; Support provided towards drafting of Data Protection and Privacy law; National Databank Regulations completed and enacted; e-Government Regulations completed and enacted; The first draft of the accreditation regulations reviewed a second draft prepared;
Programme 6: Planning, research and development	Statutory reports produced such as; Annual Report, BFP, MPS and PIRT; 5 priority IT Standards developed; Standards implementation guidelines and manuals prepared for the already gazetted IT standards; At least two MDAs supported to go through standardisation processes (technical support, mentoring etc); service providers sensitized about the IT Certification and Accreditation framework; Certification coordination office established; At least 10 IT service providers certified; IT innovations Stakeholders engagements undertaken; Innovation activities sponsored; IT Surveys conducted to inform development of IT strategies; Implementation of NITA-U strategic plan for statistics under the Plan For National Statistical Development Framework; IT Project Management Methodology rolled out in 5 MDAs; IT project management support provided to MDAs; IT professional Association in place; IT training curriculum for government developed in partnership with civil service college;
Programme 7: Finance and Administration	Preparatory activities of the Namanve ICT Hub (land acquisition , surveys and architectural design) completed; Ensure retention of skilled, healthy and productive workforce; Financial and Human resources management systems established;

Source: NITA-U

Financial performance by programme

Funding of the NITA-U budget for the programmes was distributed between GoU allocations and Non-Tax Revenue (NTR). Table 8.4 shows the overall programmes release and expenditure performance for the half year. Low absorption of funds was observed under the Finance and Administration program with only 36% of received funds utilised while legal services program posted the highest expenditure at 94%.

Table 8.4: NITA-U releases and Expenditures by program by 31st December 2015 (Ug shs)

Programme	Source	Received funds	Expenditure	% spent
Headquarters	NTR	282,257,000	185,063,193	66%
Technical Services	GOU/NTR	5,284,759,777	4,367,965,265	83%
Information Security	GoU/NTR	1,491,293,451	1,329,499,560	89%
E-Government	GoU/NTR	446,761,177	254,438,534	57%
Legal Services	NTR	6,134,869,026	5,782,465,663	94%
Planning, Research	NTR	152,709,000	106,613,075	70%
Finance and Admin	GoU	197,208,000	71,468,892	36%
Total		**13,989,857,431**	**12,097,514,182**	**86%**

Source: NITA-U

Physical performance

Programme 1: Headquarters

The NITA-U strategic plan was under-going review that was expected to be completed in Q3. The procurement of a firm to undertake branding of NITA-U premises was initiated. The staff participated in the MTN Marathon that took place on the 22nd November 2015 as part of social responsibility. An independent message was placed in the media about the organization and a NITA-U Risk Register was developed and was undergoing review by January 2016.

Programme 2: Technical Services

Upgrade/building of the National data centre: the upgrade of the data centre commenced and installations were on-going. Hardware equipment (two servers, Nexus Switch, RAM for the existing servers, Generator, Nimble Storage) were installed.

Five (5) MDAs hosted and/or provided disaster recovery services at the data centre: The Memorandum of Understanding (MoU) and Service Level Agreement (SLA) for hosting the Electoral Commission (EC) systems was drafted and submitted to the EC for review. Preparatory works for hosting the systems was undertaken and the EC server equipment was hosted in the NITA-U Data Centre. The connectivity between the Data Centre and the EC was undergoing testing. Only one agency was hosted against the annual planned five by the end of Q2.

Last mile connectivity: Extension of NBI to 50 MDAs which spilled over from FY2014/15. Four (4) additional sites were connected to the NBI in Entebbe Municipality namely; Civil Aviation Authority, Uganda Revenue Authority, Uganda Police and Immigrations Directorate. This brings the total number of sites connected to the NBI to 98 from 82 recorded in June 2015.

Delivery of bulk Internet to MDAs: Eight (8) additional MDAs were receiving bulk internet bandwidth over the NBI. This brings the total to 66 MDAs from 48 at the end of the previous FY.

A total of Ug shs 5.684 billion (US$ 1.610 million) was generated from commercialization of the NBI (private clients) and supply of bulk bandwidth to MDAs during Q1 and Q2 of FY 2015/16.

Programme 3: Information Security

Public Key Infrastructure implementation: The evaluation for the Expression of Interest for the Technical Advisor to implement the Public Key Infrastructure (PKI)[30] through Public Private Partnership (PPP) was completed and an evaluation report prepared.

National Information Security Framework (NISF) implemented: The readiness assessment for implementation of NISF was conducted for two MDAs i.e. Kampala Capital City Authority (KCCA) and Chieftaincy of Military Intelligence (CMI). In addition, engagements with the Office of Auditor General and the Inspectorate of Government (IGG) were undertaken. Requests for NISF implementation initiation were submitted to the Electricity Regulatory Authority (ERA) and the Ministry of Foreign Affairs (MoFA).

National Information Security Advisory Group (NISAG) operationalised: Two (2) NISAG quarterly meetings were held. The National Information Risk Register (NIRR) was discussed by the NISAG and recommendations made.

Incident Response capabilities of the Computer Emergency Response Team (CERT) established; The CERT.UG daily advisories were being issued out to constituents; preparatory works to establish a honey network as part of the CERT commenced.

Information Security Sensitization undertaken in at least 20 MDAs: Information security awareness campaigns were carried out in six (6) institutions, they include; Uganda Management Institute (UMI) International conference, Bankers' Association Conference; Gulu University, MUNI University, Mbarara University of Science and Technology, and Uganda People's Defence Forces (UPDF) top management.

Programme 4: E-government

Consolidation of MDA licenses undertaken (30 MDAs on MBSA and 5 on oracles): 4 MDAs were enrolled and are using software licenses from the Microsoft Business and Services Agreement (MBSA). They include; Uganda Business and Technical Examinations Board (UBTEB); Ministry of Finance, Planning and Economic Development (MFPED)- Main ; Uganda Electricity Transmission Company Limited (UETCL) and Uganda Coffee Development

[30] A **public key infrastructure** (**PKI**) is a set of hardware, software, people, policies, and procedures needed to create, manage, distribute, use, store, and revoke digital certificates. In cryptography, a **PKI** is an arrangement that binds **public keys** with respective user identities by means of a certificate authority (CA).

Authority (UCDA). Negotiations with Oracle were completed and the contract was being drafted.

The **feasibility study for integration of National Databases** was completed and final report produced. The Terms of References (ToR) for technical integration of National Databases were developed.

Web portal/solutions to support citizens developed: The government e-citizens portal (www.ecitizen.go.ug) was developed and launched on 23rd October 2015. Twenty (20) e-services are currently accessed through the e-citizens portal.

Five (5) e-government services added onto the Government e-services webportal: Two (2) e-government services were added onto the e-services portal by 31st December 2015.

Design of IT Parks completed and finance partner identified: the procurement for the consultant to undertake the feasibility study was completed and a new site was identified in Entebbe.

Open source solutions identified and piloted at NITA-U (HR): the collection of requirements for the open source HR system was completed.

Technical Support for promotion of e-Government provided: Technical support was provided to the following institutions;

i. Integrated Personnel and Payroll System (IPPS): The ToRs for the upgrade of IPPS and Payroll Clean-up were developed and procurement for consultants was on-going.

ii. Northern Corridor Integration Projects: Prototype of the Northern Corridor web portal was developed, NITA-U developed concepts for e-services: sharing of National ID, e-tourism portal, e-soko portal, and e-single window (the concepts were under review by relevant stakeholders).

iii. MFPED - Open Data - Reviewed and contributed to the readiness assessment report (Final Readiness Assessment Report was presented by World Bank).

iv. IGG - Online Declaration System for eligible civil servants:- (The system was completed tested and de-bugging was ongoing).

v. DPP - Case Management System : (The system demo was provided and it was undergoing customization to fit Uganda requirements).

vi. Ministry of Works/Crossroads: Technical support for design of Road Contractors catalogue was at design stage, (yet to be implemented).

vii. MFPED - Support during testing of the Program Budgeting tool (PBS) - (System tested - Central government module was completed and some bugs were being fixed by the consultant; the Local Government module was about to be completed).

viii. National ID and Registration Authority (NIRA) – National ID. The agency supported the completion of third party interface specifications.

ix. Office of the Prime Minister - supported the Management Information System (MIS) reporting module.

x. Ministry of Trade, Industries and Cooperatives (MTIC) - support was given on National e-Single Window.

xi. Ministry of Internal Affairs (MIA) - e-Visa system at Immigration – the system is under internal tests, the team was developing specifications and business process for the e-permit system.

xii. UCDA – an evaluation of their website was undertaken and a report prepared.

xiii. NITA-U developed the ToRs for website development for Kiryandongo Town Council.

xiv. NITA-U provided support towards maintenance of 10 MDA web sites.

xv. Uganda Investment Authority – NITA-U provided technical and project management support to the One Stop Centre Project.

Programme 5: Regulation and Legal Services

Fifteen (15) awareness sessions about cyber laws carried out: A total of 4 awareness sessions on Cyber Laws out of 15 were conducted by 31st December 2015. They include; Mbarara University of Science and Technology, Gulu University, Muni University Arua, and Law Development Centre. 90% of the half year targets were achieved.

Four (4) compliance assessments undertaken: MDAs to be assessed were identified awaiting onsite visits to undertake the activity. 0% of the targets were achieved.

Support provided towards drafting of data protection and privacy law: The Bill aims to protect the privacy of the individual and personal data by regulating the collection and processing of personal information. The draft Data Protection and Privacy Bill was published in the Uganda Gazette on 20th November 2015 and is pending tabling in Parliament for the 1st reading. 100% of the targets were achieved.

National Databank Regulations completed and enacted: A Stakeholder validation was slated for 2nd February 2016 to review the regulations.

e-Government Regulations completed and enacted: The objectives of these regulations are:- To promote e-government services and electronic communications and transactions with public and private bodies, institutions and citizens; promote the use of Internet to provide increased opportunities for citizens participation in government; promote interagency collaboration in providing public services by consolidating, rationalising and integrating related functions and using internal e-government processes to improve the service to citizens, efficiency and effectiveness of the processes; To promote the use of the internet and other appropriate technologies within and across government agencies in providing information and services; reduce the cost and burden for Government and business entities in the provision of public services; and to improve access and sharing of information and services. The e-Government Regulations were enacted and are currently being implemented under the Compliance and

Enforcement Assessment Framework. A stakeholder validation was slated for 2nd February 2016 to review the regulations.

The first draft regulations for the NITA-U (**Certification of Providers of IT Services and Products**) and NITA-U (Certification of IT Training Institutions) were developed and circulated for internal consultations and comments.

The first draft of the accreditation regulations reviewed and a second draft prepared:
The draft regulations for the NITA-U (Certification of Providers of IT Services and Products) and NITA-U (Certification of IT Training Institutions) were finalized and were due for gazetting.

A stakeholder consultative workshop for the NITA-U (**National Data Bank Management**) Regulations has been scheduled for 31st March 2016.

Program 6: Planning, Research and Innovation

Statutory reports produced: All mandatory reports were produced; they included; Quarterly performance reports (OBT Q1), Presidential Investors Round Table (PIRT) Status Report, and NITA-U contribution to National Budget Framework Paper.

Five priority IT Standards produced: The development of IT standards follows two strategies namely; adoption of already existing international standards or standards are developed from scratch with support from Uganda National Bureau of Standards (UNBS). The agency developed two (2) standards. The standards are:

i) **US ISO 7816-1 – Identification cards** – Integrated circuit cards – Part 1: Cards with contacts – Physical characteristics. This part of ISO/IEC 7816 specifies the physical characteristics of integrated circuit cards with contacts. It applies to identification cards of the ID-1 card type, which can include embossing and/or a magnetic stripe and/or tactile identifier mark as specified in ISO/IEC 7811. Test methods are specified in ISO/IEC 10373-1.

ii) **US ISO IEC TR 14763-2** - Information technology – Implementation and operation of customer premises cabling – Part 2: Planning and installation. This part of ISO/IEC 14763 specifies requirements for the planning, installation and operation of cabling and cabling infrastructures (including cabling, pathways, spaces, earthing and bonding) in support of generic cabling standards and associated documents.

Standards implementation guidelines and manuals prepared for the already gazetted IT standards: Desk review and situational analysis was carried out. The operationalization draft methodology was developed.

At least two MDAs supported to go through standardisation processes (technical support, mentoring, among others): Three (3) MDAs were supported to go through the standardization process. They are; Ministry of ICT, Ministry of Tourism, Wildlife and Antiquities, and Capital

Markets Authority. The emphasis was to promote the use of standards and to check compliance with cabling standards.

Service providers sensitized about the IT Certification and Accreditation framework: A total of four (4) sensitizations were carried out to create awareness about standards and certification activities.

Certification coordination office established: Capacity building of staff to undertake certification was undertaken. The coordination office was yet to be established.

At least 10 IT service providers certified: Registration of IT service providers was completed and a certification body procured. Certification of providers was expected to start after this process.

IT innovations stakeholders engagements undertaken: The agency participated in the (NITA-U Makerere MoU) engagement meetings and executed the assigned tasks including development of priority researchable areas. It participated in the CISCO/CCNA consultative meeting on development of training programme for ICT graduates and civil servants; the agency participated and provided input to the 6th Innovation Garage session organised by Resilient Africa Network (RAN) on 3 unique projects namely: Solar powered egg incubator, Pneumonia Vest Kit, Sickle Cell Diagnostic Kit; Organised the 1st formal engagement between NITA-U and Resillient Africa Network (RAN); Provided input to the Uganda Innovation Day organised by the Social Innovation Academy (SINA) on 12th December 2015; Participated in 2nd NITA-U Makerere MoU engagement meetings and provided in put to the Network innovation gateway concept.

Innovation activities sponsored: 50 IT innovators were trained in different skills (patent rights, product development, marketing, business legislations) at the Information Access Centre (IAC) on 2nd October 2015. A training workshop report was developed and shared with stakeholders.

IT Surveys conducted to inform development of IT strategies: A survey on IT profiles was identified. Consultations with department heads involved to draft a questionnaire to collect data on MDA IT profiles and core E-government indicators was held and input to the questionnaire provided.

Implementation of NITA-U strategic plan for statistics under the Plan For National Statistical Development Framework: NITA-U Indicators were reviewed and identified different sets of indicators for internal, external and global reporting. The agency participated and contributed to the International Telecommunication Union (ITU) Regional workshop on ICT indicators and measurements for Africa held in Ethiopia from 26th to 31st 2015. A report and recommendation were prepared. The NITA-U (Statistician) was appointed as the country ITU coordinator and charged with routine reporting to ITU on selected indicators. A compendium of 8 ICT household indicator was developed.

IT Project Management Methodology rolled out in 5 MDA: An inventory of Government IT projects and the draft training materials for capacity building of MDAs were developed.
The agency provided project management support to GCIC, RCIP, NBI phase, OSC & OPM MIS:

i. GCIC: Coordinated implementation activities planned for delivery of Social Media and bulk SM platform; technical committee meetings held; secured GCIC operational home; facilitated development and finalization of User requirements with Uganda Media Centre
ii. RCIP: Coordinated preparatory activities and kept management updated; Facilitated development of 14 ToRs/EOI awaiting EXCO approval; Attended WB Evaluation training at WB offices
iii. NBI Phase III: Attended Presidential Investors Round Table (PIRT) review meetings and provided project management technical guidance; Participated in final reviews of final Project Implementation Plan; reviewed NBI Phase 3 Supervisor's Inception report and sought Steering Committee approval; provided general guidance to the Project Manager
iv. OSC: Attended PIT meeting and guided the team on best project planning practices; attended a PIT kick of meeting with consultant; provided general guidance to the Project manager
v. OPM MIS: Coordinated NITA-U scope of activities such as hosting requirements;

IT Professional Association setup: The draft documents (constitution, code of conduct and draft concept for IT professionals bill) approved by the task force which was set up and mandated by NITA-U Executive Committee.

IT training curriculum for government developed in partnership with Civil Service College: The Training Needs Assessment (TNA) report was produced and shared with the Civil Service College for validation. The draft roadmap for development of the curriculum and piloting was developed. The training module on Government Enterprise IT governance and Management was developed to address one of the Training Areas identified in the TNA.

Program 7: Finance and Administration

The programme is responsible for human resources, welfare and capacity enhancement in NITA-U.
Preparatory activities of the Namanve ICT Hub (land acquisition, surveys and architectural design) completed: The requirement for a performance bond on the land to house the ICT hub was waived by Uganda Investment Authority. Surveys and architectural designs were not undertaken.

Ensure retention of skilled, healthy and productive workforce: All staff salaries, gratuity, and social security (NSSF) contribution were paid for the first six months. Subsidized Canteen services and medical insurance were provided to staff.

Financial and Human resources management systems established: The Human Resource Manual was reviewed to include health and safety policy; the procurement manual was updated to incorporate PPDA changes; the review of the Finance Manual started and was on-going. The revised draft board paper on IT Advisory services framework was considered by the Finance and Administration Committee in August 2015. All utilities were supplied and payments were up to date.

Staffing

By 31st December 2015, NITA-U had a total of 53 staff out of which 22 (41%) were female and 31 (59%) males. Table 8.5 shows the staff distribution by programme and gender. There was fair balance in employing both males and females. The agency emphasizes equal opportunity in staff recruitment and development in its human resource manual.

Table 8.5: Staff Distribution by programme and gender as at 31th December 2015

Programme	Female	Male
Headquarters	4	2
Technical Services	2	8
Information Security	1	3
E-Government Services	1	6
Legal and Regulatory services	3	0
Planning, Research & Innovations	4	4
Finance and Administration	7	8
Total	22	31

Source: NITA-U

Regional Communication Infrastructure Program (RCIP)

The NITA-U had gone through the preliminary approval for setting up a project worth US$85 million of which US$75 million shall be a loan from the World Bank and US$10 million as GoU counterpart funding. The agency secured approvals from World Bank, Cabinet and Parliament. The financing agreement and project agreement were signed; The subsidiary agreement was cleared by World Bank. NITA-U submitted the final Project Implementation Manual to World Bank for clearance. By February 2016, the development of the ToRs for critical procurements had started; and recruitment of a procurement Specialist, Project Accountant, Programme Coordinator, Environment Specialist and Social Scientist was being finalized. The project is expected to commence in FY 2016/17.

Challenge

Delayed payment for Internet services (bandwidth) by MDAs was affecting the budget performance of the agency. For example, Ug shs 2.2 billion was in arrears from the agencies supplied with bandwidth.

Analysis

Link between physical and financial performance

There was a good link between the physical and financial performance. The activities were mostly internally executed by the staff through regular duty assignment.

Achievement of set targets

The achievement of targets was good, as 60% of the half year planned recurrent outputs were achieved; 16 MDAs were added to the last mile connectivity. Bulk internet was supplied to 66 agencies thus, realizing an increase from 48 in June 2015. The NITA-U provided technical support to MDAs, conducted seven awareness sessions on cyber laws, and supported the drafting of data protection and privacy law.

Conclusion

The agency registered good progress on the recurrent programme outputs. The agency supported the drafting of several laws, regulations and policies. The agency however experienced low returns from the anticipated Non Tax Revenue by half year.

Recommendation

The MFPED should put in place a mechanism for NITA-U to centrally manage the budget for internet bandwidth to avoid delayed payments and arrears.

8.2.3 National Transmission Backbone Infrastructure (NBI): Project 1014

Background

The National Data Transmission Backbone Infrastructure and e-Government Infrastructure Project (NBI/EGI) is aimed at connecting Ministries, Government Departments and Agencies (MDAs) onto the e-Government Network. This is done to create an efficient government through simplifying procedures, bringing transparency, accountability and making timely information available to citizens.

The project is funded by a concession loan (US$106,590,305) from the EXIM Bank of China with counterpart funding from GoU. In 2006, a contract was signed between the Ministry of ICT and M/s Huawei Technologies Company Limited of the Peoples' Republic of China at a sum of US$106,590,305. The project commenced in July 2007 and was expected to be completed in July 2012. The project was divided into three phases and implementation was staggered in 27 months. However, the project completion date was revised to July 2015 due to suspension of the project by Parliament in 2011 to allow a Value for Money, and Forensic Audits.

The objectives of the project are: (i) to establish a National Backbone Infrastructure (NBI) with high bandwidth data connection in major towns of Uganda, (ii) connect all Government

Ministries, Departments and Agencies (MDAs) in a single wide area network, (iii) establish a government data centre, and iv) establish district information centres.

The expected outputs at completion of the project include: all government ministries connected to a single wide area network; e-government implemented; an optic fiber backbone transmission cable set up across the country (2,294km); district information centres established to improve communication, improved service delivery by government ministries, and reduced cost of communications.

Past performance

Phase I and II of the National Backbone Infrastructure/e-Government Infrastructure (NBI/EGI) project were completed in FY 2012/13. A total of 1,536.39km of optic fiber cables had been laid and US$91.2 million paid. These phases entailed laying of fibre optic cables (1,536.39km), setting up of the NBI primary data centre, installation of 22 transmission sites, and setting up a Metropolitan Area Network (MAN). The MAN network consists of the connectivity of 27 ministries and some departments through the laying of optical fiber cable onto the e-government network. Twenty two district headquarters across the country were connected and are benefiting directly from the project. The contract for phase III was approved during FY 2014/15 and the contract and MoU for supervision signed by M/s Huawei Technologies.

Annual Planned Outputs for FY 2015/16

I. A total of 756kms of fibre optic cable laid to connect Kampala-Masaka, Masaka-Mutukula, Masaka-Mbarara-Katuna, and Masindi-Kyenjojo under Phase III of the NBI.
   a. Awareness and sensitization of stakeholders about NBI conducted
   b. Pre-shipment inspection of Phase III equipment conducted
   c. Phase III equipment cleared
   d. Phase III of the NBI supervised
   e. Electricity to Mutukula, Kabale and Masaka NBI sites connected
   f. Networking equipment and cabling in sites installed
   g. NBI/EGI aligned in UNRA road works areas re-located

II. Network Operations Centre (NOC) set up to monitor provision of services and ensure availability of the NBI.

III. Closed Circuit Television (CCTV) installed at 25 NBI sites to enhance security

IV. Closed Circuit Television (CCTV) access control installed at the Metropolitan Area Network (MAN) centre to enhance security.

Findings

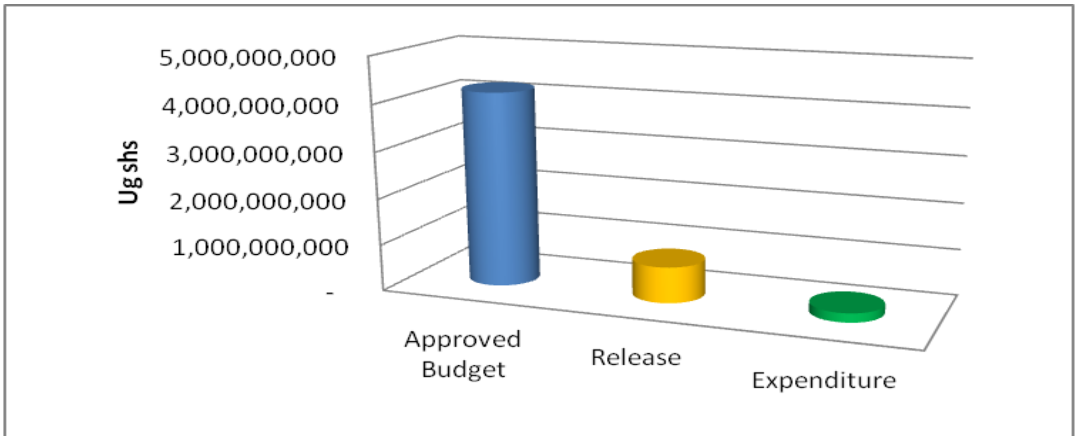
Financial performance

The approved budget for project 1014, FY 2015/16 is Ug shs 48.443billion of which Ugshs 44.25billion is a loan from the Exim Bank of China and Ug shs 4.19 billion is GoU counterpart funding[31]. By 31st December 2015, a total of Ug shs 772,423,522 (18%) was released from the GoU component, of which Ug shs 195,877,847 (25%) was spent (Figure 8.1). The below

[31] MFPED (2015), Public Investment Plan FY 2015/16-2017/18

average expenditure on the GoU component was because 55% (Ug shs 423 million) of the released funds were for taxes on machinery and equipment, which were yet to be shipped from the People's Republic of China.

Figure 8.1: GoU Approved Budget, Release and Expenditure for NBI project by 31st December 2015



	Approved Budget	Release	Expenditure
Series1	4,192,392,738	772,423,522	195,877,847

Source: IFMS

Physical performance

I) 756kms of fibre optic cable laid

During the first half of the FY, preparatory activities toward implementation of Phase III of the project were undertaken; these included: 30% advance payment made to the contractor (M/s Huawei Technlogies) and shipment of equipment had commenced; NITA-U obtained approval from URA for the locations of transmission sites at Mutukula and Katuna border towns, and at Uganda Police, Kabale.

The agency further secured a Right of Way from UNRA for laying the optical fibre in the road reserve. The detailed designs for the phase were prepared and surveys completed. The subcontractors were approved. The stakeholder engagement plans for Phase III were approved and implementation had commenced. However, the laying of optic fibre cables (756km) and transmission stations to Masaka-Mutukula, Mbarara, Kabale and Katuna, had not commenced. Physical performance on this output was rated at 10% (preliminary activities).

II) The process of setting up a Network Operations Centre (NOC) to monitor provision of services and ensure availability of the NBI had not started. Physical progress on this output was at 0%.

III) Installation of the Closed Circuit Television (CCTV) at 25 NBI sites and at the Metropolitan Area Network (MAN) had not started awaiting completion of laying the optic fibre cables and transmission sites. Physical progress on this output was at 0%.

Challenge

- Delayed conclusion of the financing modalities, changes in technology, design reviews and re-negotiation of the project implementation contract affected the commencement of phase III of the NBI (laying of 757km of fiber optic cable and installation of associated transmission sites).

Analysis

Link between Financial and Physical performance

Both release (18%) and absorption (25%) of funds under the GoU component for the NBI project were below average. This was because by 31st December 2015, implementation of the project was at preliminary stage. 55% of the released funds were for tax clearance of equipment and machinery which had not been delivered to the country.

Achievement of set targets

The overall achievement of the NBI targets was below average estimated at 10%. Apart from undertaking preparatory activities and shipment of equipment, actual laying of fibre optic cables had not started. Setting up of the Network operating centre and installation of the closed circuit television at 25 sites had not taken off.

Conclusion

Overall, NITA-U underperformed on the NBI project (estimated at 10%) during the first half of FY 2015/16. The underperformance of this project should be reviewed by the implementer and mechanisms to fast track the project instituted.

Recommendations

- The NITA-U should fast track the implementation of phase III of the NBI project.
- The NITA-U should initiate activities related to the pending two planned outputs of setting up the network operations centre and installation of the closed circuit television to avoid further delays.

8.3 Ministry of Information and Communications Technology (MoICT): Vote 020

8.3.1 Background

The Ministry of ICT was created in 2006 to provide strategic and technical leadership and coordination in all matters of ICT. The mandate of the ICT Ministry is ‘‘*to provide strategic and technical leadership, overall coordination, support and advocacy on all matters of policy,* *laws, regulations, and strategy for the sector for sustainable, effective and efficient development, harnessing and utilization of ICT in all spheres of life to enable the country achieve its development goals*''[32].

The mission is "to promote development and effective utilization of ICTs such that quantifiable impact is achieved throughout the country". The MoICT has three vote functions namely;

a) Information technology and information management services which is charged with developing enabling policies, laws and regulations as well as promoting, guiding and providing technical support, supervision, monitoring and evaluation to the development and use of IT;

b) Communications and broadcasting infrastructure which is charged with developing enabling polices, laws, regulations as well as quality assurance in infrastructure development for broadcasting and communications service delivery;

c) Policy, planning and support services which is responsible for ensuring that the sector complies with policy development guidelines and financial management standards in accordance with the Public Finance and management legislations.

The MoICT is organized into two technical Directorates (each subdivided into two departments) namely: i) Directorate of Communications and Broadcasting, ii) Directorate of Information Technology and Information Management Services. Support services are provided by the department of Finance and Administration.

MoICT planned outputs for FY 2015/16

The planned outputs for MoICT were:

i. Enabling policies, laws and regulations developed
ii. e-Government services provided
iii. Human resource base for IT developed
iv. ICT sub sectors monitored
v. Logistical support to ICT infrastructure provided
vi. Software innovation and development policy framework developed
vii. Implementation plan for the public sector information management policy developed
viii. Implementation of the dot.ug Country Code Top Level Domain (ccTLD) policy coordinated
ix. Implementation of the e-waste management policy coordinated
x. Awareness campaigns on cyber laws and regulations conducted
xi. ICT Sector strategy and Investment plan disseminated
xii. Spectrum management policy developed
xiii. National postcode and addressing system draft bill developed
xiv. Project document for rollout of the National Postcode and Addressing System project developed
xv. Research, Innovation and local content strategy developed

[32] MoICT 2014

xvi. Implementation of ICT syllabus in education sector monitored
xvii. Capacity building for ICT human resource in government conducted
xviii. Capacity building for staff undertaken
xix. Monitoring of pan African Network sites conducted
xx. Implementation of the national information Security Strategy coordinated
xxi. National broadband strategy developed
xxii. Digital terrestrial transmission and broadcasting bill developed
xxiii. Installation of signal distribution infrastructure for digital television broadcasting in greater Kampala completed
xxiv. Public awareness and sensitization campaigns on analogue to digital migration carried out
xxv. Communication infrastructure management policy developed
xxvi. Technical support to MDAs and LGs provided
xxvii. Evaluation/survey study on ICT related projects and policies conducted
xxviii. ICT sector activities monitored
xxix. ICT Ministry headquarters architectural designs developed

Findings

Financial performance

Table 8.6 shows the financial performance of MoICT. The Ministry experienced a consistent budget underperformance (releases) for the first half of the year. By 31st December 2015, only Ug shs 2.8 billion out of the expected Ug shs 4.34 billion had been received, representing 23% of the approved budget. Expenditure on the other hand was excellent as 94% of the released funds were absorbed. However, releases from Non-Tax Revenue remained at 0% throughout the half year.

Table 8.6 MoICT Budget Performance FY 2015/16 (July - December 2015) billion Ug shs

Item	Approved Budget	Released	% budget Released	Expenditure	% of release spent
Wage	0.943	0.472	50	0.448	94.9
Non-wage	6.512	2	31	1.99	99.5
GoU Dev't	0.971	0.208	21	0.208	100
Arrears	0.079	0.02	25	0.02	100
Taxes	0.177	0.118	67	0.0081	6.8
Total (Consolidated Fund)	8.682	2.818	32	2.6741	94.8
NTR (From UCC)	3.639	0	0	0	0
Grand Total	12.321	2.818	23	2.6741	94.8

Source: MoICT& IFMS

Physical performance

8.3.2 Enabling policies, laws and regulations developed

Data Protection and Privacy Bill: The Bill was approved by Cabinet, gazetted and submitted to Parliament. However, it was awaiting approval and enactment into law.

Open Data Policy for Government Developed (up to first draft): The zero draft was produced. **Ratification of cybercrime legislation**: A research report to re-affirm the benefits and to determine the ratification process requirements for Budapest Convention on Cybercrime was produced.

Two consultative workshops for the **development of the National Software Innovation Strategy** in Mbarara and Mbale districts were held.

The cyber laws (Electronic Transactions Act, Computer Misuse Act and Electronic Signature Act) were disseminated in nine Local Governments.
The Uganda Communications Act (2013) amendments to address issues of Analogue to Digital Migration (ADM) were approved by cabinet.

8.3.4 e-Government services provided:

Three (3) monitoring assessments on the Pan-African e-Network (PAeN) project at Makerere and Mulago were conducted.
Technical support was provided to 3 MDAs on e-services (IGG (Online declaration of assets), Ministry of Water and Environment (MoWE) and Ministry of East African Community Affairs (MEACA).

8.3.5 Communication and broadcasting infrastructure

Technical support was provided to UBC in evaluation of Technical and Financial Bids for identification of PPP with Signet/UBC MoU for establishment of Content Production and a Management Centre, was signed between Ministry of ICT and Korea Radio Promotion Association. By 31st December 2015, the installation of the equipment was in progress. Two ICT Cluster summits (11th Summit in Nairobi and 12th Summit in Kigali) under the NCIP were coordinated and supervised; both at national and regional levels.

National Postcode and Addressing System Pilot (NPASP) project: By 31st December 2015, the pilot project was substantially complete and had been handed over to Entebbe Municipal Council. The Geographical Information System (GIS) server which contains geospatial data is maintained by the Ministry of ICT since the Municipality did not have the human resource to manage it and the project required remote access software to enable offsite update of the GIS. Uganda Posts Limited (UPL) conducted the first round of test mail in Central Ward, Katabi and Kiwafu Wards. Evaluation of the pilot project was expected to commence after the final mail testing in Q3.

The task team composed of MoICT, Ministry of Lands, Ministry of Internal Affairs, UCC, UPL, Uganda Registration Services Bureau, Judiciary, KCCA and Entebbe Municipal Council was set up to develop the National Post Code and Addressing System Policy. By 31st December 2015, the first draft had been generated.

The quality of telecom services was monitored and a report produced. The Rural Communication Development Fund (RCDF) Project was monitored and a report was produced.

8.3.6 Policy, Planning and administration

Development of the ICT Sector Strategic and Investment Plan (SIP)

The ICT Strategic and Investment Plan (SIP) was completed in June 2015. The ICT SIP intends to raise the role of ICT in spearheading national development and transforming the country in the next five years (2015/16-2020/21). Three workshops on dissemination of the ICT- SIP were undertaken; evaluation of two ICT policies and attendance of one regional conference were not undertaken due to inadequate releases.

Due to the underperformance of the budget releases during the first half of the FY, the Ministry was not able to achieve the set targets against the following key outputs:
i) Feasibility Study on the Implementation of Value Added Services over Digital Broadcasting Infrastructure; ii) Local Content Strategy; iii) Open Data Policy for Government; iv) Good Practice Guide for Digital Evidence (for implementation of cyber laws); v) ICT and Disability Strategy; vi) Establishment of the National software innovation cluster; vii) Child Online Protection framework; viii) Re-delegation of Country Code Top Level Domain Name; ix) Catalogue of national e-Government services; x) Framework for promoting and monitoring BPO activities in the country; xi) National Innovations Centre framework; xii) Commissioning and operationalization of the Content Production and Management Centre.

Challenge
Inadequate funds especially from NTR during the first six months of FY 2015/16, thus limited budget execution.

Analysis

Link between financial and physical progress
There was a good link between the physical and financial performance of the recurrent outputs planned and achieved. The below average release performance in the first two quarters affected execution of planned activities.

Achievement of set targets
Overall, physical progress was estimated at 50% against the half year targets. A number of laws, policies and strategies had been drafted awaiting approval by relevant organs of government. However, several outputs had not been initiated due to limited funding.

8.4 Strengthening Ministry of ICT: Project 0990

Background
The objective of the project is to conduct ICT related research by creating an enabling environment to deliver ICT services to internal and external clients. The project started in July 2007 with a completion date of 30th June 2017.

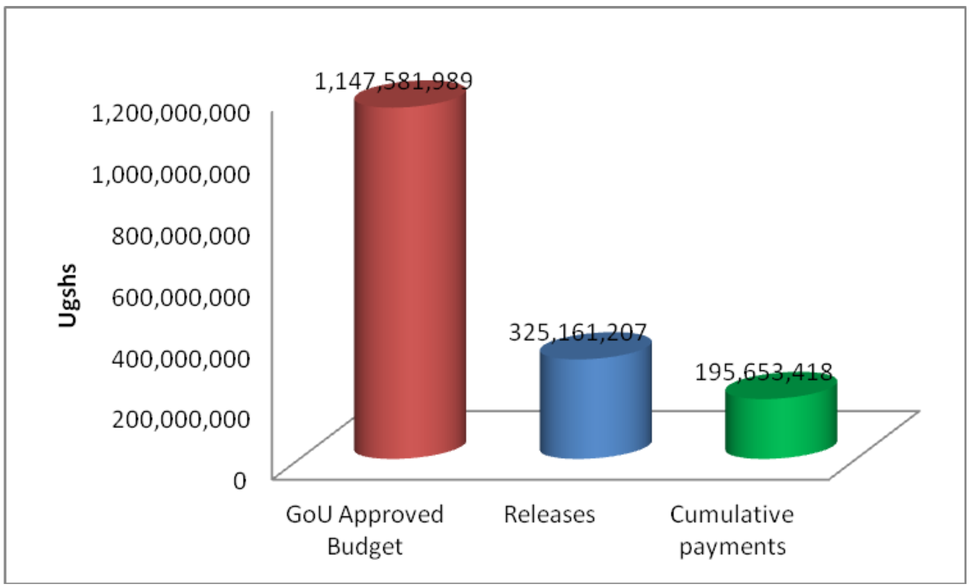
Planned outputs for FY2015/16

- Architectural design for Ministry headquarters developed.
- Two double cabin pick-ups and two station wagons procured.
- Three heavy duty photocopiers procured and installed.
- 10 staff sponsored to undertake long-term training programmes.
- ICT strategy and Investment plan disseminated.
- Internet Bandwidth procured, 20 Laptops procured, 10 Desktops procured, Stable uninterrupted power supply system for LAN core switches implemented
- Office furniture and fittings for resource centre and board room procured.
- One research study on ICT related area conducted.

Financial performance

The project is funded by GoU regular budget allocation and NonTax Revenue (NTR) from Uganda Communications Commission. The approved budget for the project FY 2015/16 is Ug shs 3.508billion of which Ug shs 2.361billion is NTR, while Ug shs 1.147 billion is GoU including taxes. By 31st December 2015, 28% of the GoU development budget including taxes (**figure 8.2**) and 0% of the NTR was released respectively. 60% of the released funds were absorbed during the first half of the year.

Figure 8.2: Project 0990 approved budget, release and Expenditure by 31st December 2015



Source: IFMS

Physical performance

Architectural design for Ministry headquarters: The architectural designs for the Ministry headquarters were differed to Quarter 3 as the Ministry was resolving the site location (land) issues.

Three heavy duty photocopiers procured: One heavy duty network photocopier was procured and installed.

10 staff sponsored to undertake long-term and short term training programmes: Eight (8) staff members were supported for career development trainings (5 long and 3 short courses); in addition, a training on procurement and contract management was conducted.

Four vehicles procured: One (1) Double cabin Pickup and one (1) Station wagon were procured by 31st December 2015.

Internet Bandwidth procured, 20 Laptops procured, 10 Desktops procured, stable uninterrupted power supply system for LAN core switches implemented: Bandwidth was procured for the ministry, 1 desktop computer and 1 Laptop were procured

Office furniture and fittings procured: The furniture for the resource centre and boardrooms was not procured due to inadequate funds.

Challenge

- Inadequate release of budgeted resources (28% of GoU instead of the expected 50% and 0% from NTR by half year) to implement planned activities.
- Poor planning; the MoICT planned to undertake architecture designs for her headquarters before securing land for the proposed site.

Analysis

Link between physical and financial performance

There was a good link between physical and financial performance. Funds were largely spent on Internet bandwidth, procurement of vehicles, and staff trainings.

Achievement of set targets

Six of the eight planned outputs under the project had been initiated, of which two had been substantially accomplished. Activities related to two outputs (architectural designs and research study on ICT) were differed to Q3 due to inadequate resources. Physical progress under this project was estimated at 60% against the half year targets.

Conclusion

The project performance was rated as good (60%), as more than half of the planned outputs had been initiated. The reasons for this performance included lack of land for the proposed site for the ministry headquarters, and inadequate releases.

Recommendation

- The MoICT should strengthen its planning mechanisms to ensure chronological flow of activities.
- The MoICT should liase with UCC to ensure that NTR releases are aligned to the work plan.

Overall Sector Challenges

- Poor performance of NTR: 0% of the expected Ug shs 3.63 billion in NTR was realized by MoICT and only 25.1% (6.5 billion) of the Ug shs 25.83 billion NTR was realized by NITA-U.
- Poor planning: At NITA-U this lead to delays in implementation of phase III of the NBI, while at the MoICT the plans to deliver architectural designs for the headquarters were made before land was acquired.

8.5 ICT sector contribution to development

Box 8.1: Summary of ICT contribution to development under the three core sector outcomes

1: Improved service delivery through ICTs

By the end of June 2015, telephone subscriptions stood at 23 million active subscribers, representing a tele-density of 64.3% as compared to 19.5 million, representing a tele-density of 53.3% in June 2014. The number of active Internet subscribers rose to 8.9 million by June 2015 compared to 4.3 million in June 2014; and Internet users grew to 12.9 million by June 2015 compared to 8.5 million in June 2014.

2: Improved access and utilisation of quality and affordable ICT resources and services in all spheres of life: The number of operational television (TV) stations was 33 in December 2015 compared to 67 in December 2014. There are 250 licensed and operational FM radio stations compared to 208 in December 2014. The number of registered *Mobile Money* subscribers grew to 19.9 million by June 2015 compared to 17.64 million in June 2014. The value of mobile money transactions was over Ug shs 24 trillion in June 2015 compared to Ug shs 18.6 in 2014 and Ug shs 11.6 trillion in 2013.

The volume of Expedited Mail Services (EMS) was 36,525 and ordinary mail was 133,759 in June, 2015. GoU made a saving of over Ug shs 6.5 billion for bandwidth arising out of the operationalisation of the NBI as a result of several government agencies (60) opting for the network as a primary source of Internet services.

3. Improved contribution of ICT to employment, income and growth:

The sector's contribution to economic growth in terms of share of GDP stands at 2% as of FY 2014/15; Employment in the ICT sector is estimated at over 1.3 million people (2015); Revenue collection (VAT, PAYE and Exercise duty) from telecom companies amounted to Ug shs 484.4billion in 2015, a rise from Ug shs 416.7 billion in December 2014 and Ug shs 332 billion in 2013.

Source: MoICT and UCC 2015

Sector Analysis

Link between financial and physical performance

There was a link between physical and financial performance for the recurrent and development outputs.

Achievement of set targets

The overall physical performance of the ICT sector by 31st December 2015 was rated as fair (50%) with some of the targets achieved. Implementation of several recurrent outputs especially policies, legal and regulatory targets was ongoing; The overall sector performance was affected by the low releases and slow progress on the implementation of the NBI project.

Gender and equity analysis

Both males and females have equal opportunities in the ICT institutions monitored, however; the institutions are dominated by males (60%). It was observed that there was no female at the Top Management level of the Ministry of ICT. It was further observed that most ICT investments are concentrated in urban areas. This was explained by the demand driven approach employed by the private sector which drives the sector investments.

Conclusion

The overall physical progress was rated at 55% against the set sector targets for the first two quarters. The sector witnessed an increase in last mile connectivity, Internet subscription through the NBI, savings on Internet costs, increased Internet subscriber base, increased telephone subscription, rise in employment, enactment of laws and regulations as well as enforcement. Performance was however affected by slow implementation of the NBI, poor performance of Non Tax Revenue and GoU releases which affected execution of the work plans for both NITA-U and MoICT.

Recommendations

- The NITA-U should fast track the implementation of the NBI to avoid execution delays.
- The MoICT should revive and strengthen the sector working group to improve on sector coordination.
- The Sector Working group should appropriately project the Non-Tax Revenue and accordingly budget to avoid over estimation which affects work plan execution.

CHAPTER 9: INDUSTRIALISATION

9.1 Introduction

The industrialization sub-sector is a component of Tourism, Trade and Industry sector. The sub-sector operates through four votes namely; Vote 015 Ministry of Trade, Industry and Cooperatives (MoTIC); Vote 110 Uganda Industrial Research Institute (UIRI); Vote 154 Uganda National Bureau of Standards (UNBS) and Vote 008 Ministry of Finance, Planning and Economic Development (MFPED). The Uganda Investments Authority (UIA) and Uganda Development Corporation (UDC) are subventions under vote 008 and vote 015 respectively.

The subsector is an integral part of the Government's overall development strategy outlined in the Second National Development Plan (NDP II) and Vision 2040. Uganda is endowed with resources such as oil and gas, minerals, water resources, fertile land for agriculture, and abundant labour force which are key for industrialization. Experiences from developed and emerging economies show that there is a strong positive correlation between industrialization and development. The 2008 global financial crisis publicized the need to have a strong industrial base to cushion the economy from external shocks[33]. A strong and competitive industrial base is therefore, important to create employment and a resilient economy.

The industrialization sub-sector strategies are to: form viable cluster based industrial zones; develop labour intensive industries to create jobs; put in place a right policy framework to facilitate the private sector's development along the line of Uganda's comparative advantage; and set up Special Economic Zones (SEZs) as important tools for long term industrial and economic development.

The sector objectives are to:

- Promote development of industries that add value to farm produce.
- Increase competitiveness of local industries through development and promotion of Small and Medium Enterprises (SMEs).
- Improve the productivity of the informal manufacturing sub-sector, for example, (*Jua Kali)* artisans, through training and skills building.
- Strengthen research and technology developments in industrial application.

9.1.1 Scope

This chapter reviewed financial and physical progress of industrial development projects under the subsector votes and subventions for the first half of FY2015/16. Under MFPED, focus was on the; United States African Development Fund (USADF), Presidential Initiative on Banana Industrial Development (PIBID), and Development of Industrial Parks project under UIA.
Under MoTIC, focus was on One Village One Product (OVOP) and Uganda Development Corporation projects namely; Soroti Fruit Factory, and Kiira/Leyland/Ashok partnership.

[33] Uganda Vision 2040

Findings

Overall sub sector financial performance

Overall, a total of Ug shs 33.5 billion was allocated to industrialization sub-sector and 41% of the budget was released by half year, representing very good release performance (against a target of 50%). The average expenditure performance against the release was good at 61%. Table 9.0 shows the overall financial performance of the monitored industrialization projects.

Table 9.0: Overall financial performance

Project	Budget	% Release	% Expenditure
United States African Development Fund	3,600,000,000	25	100
Development of Industrial Parks	8,540,000,000	27	100
Presidential Initiative on Banana	9,300,000,000	46	69
One Village One Product	488,264,345	50	30
Soroti Fruit Factory	4,482,787,000	20	98
Value Addition Tea	6,000,000,000	25	1.6
Kiira Ashok Leyland JV	1,171,445,900	100	33
Total	**33,582,497,245**	**41.9**	**61.7**

Source: Author's compilation

9.2 Ministry of Finance, Planning and Economic Development

The Mission of the Ministry of Finance, Planning and Economic Development is "*To formulate sound economic policies, maximize revenue collection, and ensure efficient allocation and accountability of public resources so as to ensure sustainable economic growth and development"* (MFPED, 2015).

The Ministry's mandate is:

- To formulate policies that enhance economic stability and development.
- To mobilize local and external financial resources for public expenditure.
- To regulate financial management and ensure efficiency in public expenditure;
- To oversee national planning and strategic development initiatives for economic growth.

The Ministry's planned outputs are executed through several vote functions namely: Macroeconomic policy and management, Budget preparation, execution and monitoring; public financial management; Development policy research and monitoring, Investment and private sector promotion, financial services; Policy, Planning and Support Services.

The semi-annual monitoring (FY 2015/16) focused on three projects that had industrial interventions in MFPED namely; United States African Development Foundation (USADF), Presidential Initiative on Banana Industrial Development (PIBID), and Development of Industrial Parks.

9.2.1 United States African Development Foundation

Background

The strategic partnership between the USADF and the Government of Uganda (GoU) was established in November 2006 through a Memorandum of Understanding (MoU). The MoU was initially for five years but was subsequently renewed in April 2012 for another 5 years. The USADF and GoU each make equal contributions of US$1,000,000 per annum towards grants to target farmer groups and Small and Medium Enterprises (SMEs). The funds are transferred by USADF through grants made to individual selected projects, which are developed and approved in accordance with USADF criteria and methodologies and with the goals and objectives of the MoU.

Overall project objectives

- To promote the development of farmer cooperatives, producer associations, smallholder agricultural producers, smallscale agri-business (SSAs) and SMEs in Uganda and increase their market competitiveness, with a particular focus on the development of underserved and marginalized community groups and enterprises.
- To increase the participation of smallscale agricultural groups and SMEs in investment relationships with US and other trading partners.

Selection criteria for the grant

All projects presented to USADF for funding are initially scrutinized by the project coordination office for their ability to meet two major priorities:

i) Applications must originate from a community group or organization that represents its own development priorities, and includes the participation of the poor in setting project objectives.
ii) Applications must represent projects with maximum benefits to an underserved and marginalized group.

To qualify for selection, the organization must be 100% African-owned and managed, and legally registered. Due diligence and technical backstopping is provided by a local partner, the Uganda Development Trust (UDET).

Support under this project is extended under two grants; Enterprise Development Investment (EDI) where funding does not exceed US$100,000 per project over a period of two years. The purpose of this grant is to strengthen the capacities of the beneficiaries (managerial, technical and financial).

Beneficiaries who successfully implement the EDI grant are eligible for funding under the Enterprise Expansion Investment Fund (EEI). The Enterprise Expansion Investment Fund has a maximum funding of US$250,000 per project and it's intended to enhance the business development of the beneficiaries in order to enhance their competitiveness. At the end of the grant, each project should be self-sustaining.

Planned Outputs for FY 2015/16

- Storage facilities for selected groups constructed
- Agro processing equipment for beneficiary groups purchased
- Working capital funds to groups provided
- Technical assistance provided to groups (statutory obligations achieved, monitoring and evaluation, training in financial management, and agronomic practices)
- Administrative support to groups provided (salaries, office equipment)
- Other eligible projects for funding identified.

Past performance

By 30th June 2015, a total of 40 projects had been supported in different parts of Uganda and Ug shs13.111 billion spent. Currently, there are 23 running projects from which the monitoring team sampled six.

Financial performance

The GoU approved budget for the project in FY 2015/16 was Ug shs 3,600,109,810 of which, Ug shs 900,027,453 (25%) was released by 31st December 2015, and all the funds were absorbed. The release performance was rated as below average while expenditure was excellent.

The six beneficiary groups sampled include; Banyankole Kweterana Cooperative Union, Bukonzo Organic Coffee Farmers Union, Dokolo Area Cooperative Enterprise, Gulu Community Dairy Farmers Cooperative, Kabonera Coffee Farmers' Cooperative (KACOFA) and Rubanga Cooperative Society.

A) Banyankole Kweterana Cooperative Union-Mbarara

Background

Banyonkole Kweterana Cooperative Union is located in Nyakeizi cell, Kakoba parish, Kakoba Division, Mbarara District. The Union covers the 10 districts of Ankole Region. It was registered on 17th May 1958 with a total of 350 primary cooperatives. However, the cooperative became defunct due to the political instability in the 1970s and 80s, and the government policy on liberalization of cooperatives in the 1990s.

However, in 2006 the Union was revived with an initial membership of 20 primary cooperatives. Currently, it has a membership of 100 primary cooperatives and 30 of these cooperatives are fair trade certified. The Union management applied for a grant from USADF in 2014 and it was approved, the agreement was signed in May 2015.

Financial Performance

The approved budget for the Union is Ug shs 858,271,627 of which, Ug shs 190,496,600 (22%) was released and expended by 31st December 2015. Table 9.1 provides the detailed budget and expenditure.

Table 9.1: Financial performance of Banyankole Kweterana Cooperative Union by 31st December 2015

ITEM	BUDGET	EXPENDITURE
INFRASTRUCTURE		
Renovation of warehouses	204,090,521	-
EQUIPMENT PURCHASES		
Office and Quality Improvement Equipment	62,203,288	-
Motorcycles	30,517,878	29,012,100
Truck	175, 068, 656	153,116,000
WORKING CAPITAL		
Crop Finance	210,393,263	-
TECHNICAL ASSISTANCE		
USADF Financial and M and E Trainings	8,400,000	8,258,300
Stores Management Training	4,031,711	-
Organic Certification	54,798,102	-
ADMINISTRATIVE SUPPORT		
Project staff	42,246,549	-
Vehicle Fuel and Maintenance	42,137,059	-
Sales and Marketing	4,838,053	-
General Office Expenses	13,546,547	110,200
TOTAL	**858, 271,627**	**190,496,600**

Source: Banyankole Kweterana Cooperative Union

Physical Performance

Much as the proposal was approved and an agreement signed on 6th May 2015, execution of project activities delayed due to difficulties in securing a bank account for the funds. As a result, implementation started in September 2015 when the first disbursement of funds was effected.

The only activities undertaken were; procurement of a 20 tonne truck which was to be delivered on 21st January 2016 and procurement of motorcycles. The motorcycles were expected on 28th January 2016. The cooperative board and management team also received training in Financial Management, and Monitoring and Evaluation (M&E).

L-R: Inside a sorting room, and bagged coffee ready for export at Banyankole Kweterana Cooperative Union, Mbarara district

Challenges

- The Uganda Coffee Development Agency (UCDA) is thin on the ground. Currently, UCDA has inadequate staff to execute its mandate and as a result the union and other coffee players have to queue for long hours to receive services such as verification of coffee samples for export.
- The UCDA also charges a levy 1% against any kilogram of coffee to be exported by any entity. This erodes the profitability of players in the coffee sector.
- Volatility of coffee prices. The prices of coffee on the world market fluctuate regularly hence causing loss to the Union especially for the conventional coffee.

Recommendations

- The UCDA should establish and operationalize an office in the western region to offer key services to producers and exporters.
- The Union recommended that UCDA should review the levy per kilogram with the aim of reducing it to 0.5% per kg of coffee export or charge a levy on profits.

B) Bukonzo Organic Coffee Farmers Union

Background

Bukonzo Organic Coffee Farmers Union is located in Umoja Cell, Nyakasanga ward, Nyamwamba Division, Kasese District. The Union was founded in 2006 as a speciality fully washed organic coffee producing entity. It has nine primary cooperatives comprising of 1,795 members of which 730 are female and1,203 males.

The **objectives** of the union are to;

- Improve economic welfare through bulking of members produce.
- Participate in international trade through certification of organic coffee and fair trade.

In May 2014, the cooperative was selected to benefit from an Enterprise Expansion Investment grant worth US$250,000 to undertake the following; fair trade and organic only certification, training in financial management and M&E, post-harvest handing, procurement of wet coffee processing stations, 30 motorized pulpers, crop finance, administrative costs including staff salaries for one year and construction of a coffee store.

Financial Performance

The approved project budget was Ug shs 688,640,486 for a period of three years commencing May 2014 to 2016. By 31st December 2015, a total of Ug shs 437,616,973 (63%) had been released and expended. Table 9.2 provides the detailed budget and expenditure.

Table 9.2: Financial performance of Bukonzo Organic Cooperative by 31st December 2015

ITEM	BUDGET	EXPENDITURE
INFRASTUCTURE		
Construction of a storage facility	99,879,97,769,121	91,679,500
EQUIPMENT PURCHASES		
Coffee Pulpers	100,780,188	98,137,000
Coffee Huller	153,304,017	0
Quality Improvement Equipment	10,683,374	6,240,000
Office Equipment	5,310,591	5,220,000
WORKING CAPITAL		
Crop Finance	154,409,328	152,818,000
Input Fund	16,561,666	0
TECHNICAL ASSISTANCE		
Financial management and M &E training	3,661,960	3,180,000
Cooperative Governance and Management Training	7,674,981	0
Stores Management Training	2,165,966	1,715,300
Agronomic and Post-Harvest Training	7,270,975	0

Financial Systems Upgrade	16,024,388	10,237,500
Coffee Quality and Marketing Training	5,870,638	0
Study tour	4,500,000	4,500,000
Fair Trade and Organic Certification Renewal	45,362,196	28,674,130
ADMINISTRATIVE ASSISTANCE		
Project Staff	20,400,000	20,400,000
Huller and Motorcycle Maintenance	10,328,664	2,894,900
Sales and Marketing	11,680,868	5,991,000
General Office Expenses	12,771,652	5,929,643
Total	**688,640,486**	**437,616,973**

Source: Bukonzo Organic Cooperative Union -December 2015 Quarterly Report

Physical Performance

Infrastructure: In June 2015, M/s ENARC Technologies Limited was awarded a six month contract to construct the coffee store at Kanyatsi Village, Mukunyu Sub-County at a price of Ug Shs 96,165,900. Works commenced in July 2015 and by December 2015, the substructure, super structure and roofing of the storage facility had been completed. During implementation of the project, it emerged that the contractor's bid and Bills of Quantities (BoQs) did not take care of shutters, windows, doors and plastering. In addition, the roofing trusses were under quoted (40 instead of 400).

Equipment Purchases: The cooperative had acquired 30 motorized pulpers from USADF which were installed in various locations in its area of operations. The pulpers are used to wash the coffee before it is processed and as a result of this intervention, the cooperative had raised 62 tonnes of parchment coffee through these stations in December 2015. Prior to this intervention, the cooperative used to raise 38- 50 Kgs.

The moisture meters were not procured because the allocated money in the budget is inadequate. However, the grantee was in the process of requesting to shift money to this budget line using savings made in other budget lines.

Implementation of activities under this project was halted in August 2015. This was attributed to issues surrounding the construction of the store and as a result USADF froze funding to the project. The USADF partner, UDET was assisting the grantee to complete the store/warehouse and then submit a disbursement request for the huller and transformer to enable the union start processing all its members' coffee for export.



Left: Office furniture and equipment delivered to the cooperative, Centre: Bulked coffee and Right: Incomplete store in Kasese district

C) Dokolo Area Cooperative Enterprise

Background

Dokolo Area Cooperative Enterprise was registered in 2005 by the Ministry of Trade, Industry and Cooperatives and it operates in all the 10 sub-counties of Dokolo district and one sub-county in Kaberamaido district. By December 2015, it had a total of 8,204 farmers of which 3,287 are female and 2,610 male. The members are organized into 378 producer organizations and clustered in subcounties. The cooperative organized its operations in clusters to ease operations amongst its members. The cooperative deals in producing and bulking of maize, beans, and soya bean. In 2014, the cooperative was selected to benefit from the EEI grant worth US$250,000 (Ug shs 581,843,039) for a period of four years (2014-2018).

Financial Performance

By 31st December 2015, a total of Ug shs 270,745,217 was released and Ug shs 219,298,511 (80%) spent. Table 9.3 shows the detailed budget and expenditures.

Table 9.3: Financial performance of Dokolo Area Cooperative Enterprise by 31st December 2015

ITEM	BUDGET	EXPENDITURE
INFRASTRUCTURE		
Storage facility construction	121,896,693	
EQUIPMENT PURCHASES		
Truck	87,407,600	98,553,900
Post Harvest handling Equipment	17,335,380	12,000,000
Office Equipment	7,486,674	
Motorcycles	27,266,316	22,506,694
WORKING CAPITAL		
Crop Finance	110,000,000	
Input Fund	29,353,000	
TECHNICAL ASSISTANCE		
Financial and M and E Training	2,715,000	2,967,197
Cooperative Governance and Management Training	9,180,000	
Stores Management Training	2,050,000	
Development of Manuals	9,465,000	4,710,000
Financial Management Training and Systems upgrade	14,108,438	
Study tour	2,760,000	
Business Plan Development	5,300,000	
ADMINISTRATIVE SUPPORT		
General Office expenses	135,518,988	78,560,720
TOTAL	**581,843,039**	**219,298,511**

Source: Dokolo Area Cooperative

Storage Facility construction: The procurement process for the construction of a 500 metric tonne store in Akaidebe cell in Dokolo Town Council had been concluded and M/s ONUX Service Station emerged the best evaluated bidder. Construction had not started because the group had not been trained in stores management by UDET, the local partner to USADF.

Equipment Purchases: A 10 metric tonne truck was delivered to the cooperative, however, the actual cost exceeded the budget by Ug shs 11,000,000. As a result, USADF re-allocated funds from crop finance to cover this expenditure.

By 31st December 2015, the cooperative had purchased the maize threshers, other post-harvest handling equipment including; hanging scale and platform weighing scale had not been procured.

Office Equipment: Two computer sets, a safe, two filing cabinets, two motorcycles and 15 bicycles were delivered to the cooperative. However the budget for motorcycles was insufficient and thus an extra Ug Shs 2,000,000 was spent thorugh a virement from the training budget.

Working capital/funds: USADF had not yet released funds for both the working capital (crop finance) and input shop. The crop finance was intended to provide the cooperative with funds to enable it purchase its members produce while the input shop was intended to act as centre where the cooperative members would be able to access genuine farm inputs.

Technical Assistance: The only activity conducted under this component was the financial and M &E training as well as developing manuals.

Administrative support: As per requirements of the project, the cooperativeconstituted a management team comprised of; a project manager, extension worker and accounts assistant. Salary support for these was provided for by USADF. The support is to last 18 months. Funds for maintenance of motorcycle and fuel were also provided.

L-R: USADF office, 20 metric tonne truck, and motorcycles for Dokolo Cooperative

Benefits

- The cooperative through the USADF support is able to sell grain that conforms to quality standards. Currently its maize is in conformity with grade 2 of the East African Grain Council.
- The cooperative provides extension services to its members thus improving agronomic practices, production and productivity. It was observed that the cooperative handled 212

MT of grain in 2015 as compared to 192 MT in 2014. Sales revenue increased from Ug Shs 50 million in 2014 to Ug Shs 65.5 million in 2015.

- USADF instituted a project management team which relieved the burden of day-to-day work from the board.
- The cooperative profile and visibility was raised. It has been able to attract other development partners building on the success of the USADF for example; the World Food Programme was constructing a 3,000 metric tonne store for the cooperative, the cooperative also partnered with Erupa Cooperative in Kaberamaido district and Soroti Rural Development Agency to establish another store in Kaberamaido district. The National Cooperative Business Association International (CLUSA) also built for the cooperative two satellite stores each with a capacity of 30 MT.

Challenges

- The foreign exchange volatility during 2015 affected the project budget and caused cost overruns on several procurements quoted in foreign currency thus distorting the budget.
- The production and productivity of farmers is still low given the inadequate extension services.
- The presence of unscrupulous middlemen in the market who are willing to buy low quality grain from the cooperative members disrupts the extension program and affects the cooperative's revenue.

Recommendations

- The cooperative should strengthen the extension services in order to achieve the required level of productivity.
- The Ministry of Agriculture, Animal Industry and Fisheries and Ministry of Trade, Industry and Cooperatives should enforce regulations and quality standards in the grains sub-sector.

D) Gulu Community Dairy Farmers Cooperative

Background

Gulu Community Dairy Farmers Cooperative comprises of 201 members of which 23 are male and 178 females. The society focuses on the provision of extension and marketing services to its member farmers. In 2014 the society successfully implemented activities under the Enterprise Development Fund (BMAU; Semi Annual Monitoring Report FY 2014/15) and was earmarked for support under Enterprise Expansion Investment commencing 2014 to 2017.

The purpose of the grant was to provide milk processing equipment for value addition and the attendant statutory obligations issued by regulatory authorities such as Dairy Development Authority, National Environmental Management Authority (NEMA) and Uganda National Bureau of Standards (UNBS).

Financial Performance

The initial project funds under this grant totaled to Ug Ssh 642,327,042 but later rose to Ug Shs 902,018,549 due to the appreciation of the dollar against the shilling. By 31st December 2015, the cooperative had spent Ug Shs 533,810,549 (59%) on acquisition of machinery, general office operations and working capital. Table 9.4 shows the detailed expenditure.

Table 9.4: Financial performance of Gulu Community Dairy Cooperative as at 31st December 2015

ITEM	BUDGET	EXPENDITURE
EQUIPMENT		
Milk Processing Equipment	756,275,259	523,256,400
Laboratory Equipment	8,975,219	-
WORKING CAPITAL INPUTS	3,290,000	3,290,000
TECHNICAL ASSISTANCE		
Environmental Impact Assessment	22,452,233	
Milk Processing and Quality Control Consultancy	8,493,902	
UNBS Quality Certification	9,796,316	
Development of Manuals	3,556,827	
ADMINISTRATIVE SUPPORT		
Project staff	57,758,554	
Plant and Vehicle Maintenance	10, 554,768	2,740,000
Sales and Marketing	15,430,581	120,000
General Office Expenses	8, 724,890	4,395,030
TOTAL	**902,018,549**	**533,810,430**

Source: Gulu Community Dairy Cooperative Limited

Physical Performance

Equipment Purchase: The first consignment was received on 5th December 2015 while the final consignment was received on 15th December 2015. The equipment was delivered to the proposed site for the milk processing plant adjacent to Gulu Air Field.

It was noted that the laboratory equipment will be delivered during installation and commissioning of the machinery and the two tonnes containers were delivered as part of the consignment.

The milk processing unit has a processing capacity of 10,000 litres per day while the cooler has a capacity of 2,000 litres per day. It was noted that the productivity of the members was on a downward trend with an average milk collection of 350 litres per day in December 2015 from over 500 litres in June 2015. However, the cooperative had signed a MoUs with non-members to deliver 3,200 litres of milk per day to address the gap.

Technical assistance: The process of evaluating the various consultancy bids namely: Environmental Impact Assessment (EIA) and milk processing and Quality Control consultants had been initiated. However it was noted that the bids submitted were above the stipulated budget. The DDA advised the cooperative to merge the two consultancies in order to save on costs. The UNBS quality control assessment shall be done after installation to allow plant certification.

Administrative support: The cooperative was supposed to hire a plant manager once the machinery was installed and commissioned, however, it was advised to hire a machine operator/technician and the position was yet to be filled. The sales and marketing manager was hired to; develop a marketing plan, identify new suppliers for milk and identify new markets for milk and other products.

L-R: The milk processing site; Current operations of bulking; Delivered equipment for milk processing for Gulu Community Dairy Farmers Cooperative

Challenges

- Drop in milk volumes: The low volumes of milk were attributed to low rate of adoption of the cooperative members to improved livestock techniques such as storage of hay/silage; long dry spell among others.
- Delayed delivery of equipment: The delivery of equipment, experienced delays due to the fact that Uganda Revenue Authority (URA), Dairy Development Authority (DDA), and Uganda national Bureau of Standards (UNBS) had levied different statutory fees on the equipment contrary to the Memorandum of Understanding (MoU) between USADF and GoU which exempted such equipment. It took USADF secretariat time to have the issues resolved.

Recommendations

- The cooperative should strengthen the extension services to ensure sustained milk production from the members.
- The USADF secretariat should give timely advice and supports the cooperatives in handling tax related matters to avoid delays in execution of activities.

E). Kabonera Coffee Farmers' Cooperative Society (KACOFA)

Background

Kabonera Coffee Farmers' Cooperative Society is located in Kyamuyimbwa Trading centre 14 km along the Masaka-Kyotera-Mutukula road in Masaka District. The cooperative was started in 1995 with eight members and it currently has 533 members of which, 213 are female and 320 male. It is primarily a coffee producing cooperative with the operations in the Sub-Counties of Kingo Kabonera, Kyanamukaaka and Kiseeka.

Objectives

The objectives of the cooperative are;

- To provide a platform for coffee farmers in the area to have one voice.
- Bulk members' coffee to ensure better prices.
- Promote value addition to attract better prices for member's produce.

The cooperative was selected for support from USADF in 2014 and subsequently an MoU was signed in April 2015 for funding under the EDI grant worth Ug Shs 271,955,500 for a period of 18 months.

Financial Performance

Implementation of activities commenced in July 2015 and by 22nd January 2016, a total of Ug Shs 63,552,700 (23%) had been released and expended representing a fair expenditure performance. Table 9.5 shows the detailed budget and expenditure performance.

Table 9.5: Financial Performance of KACOFA as at 31st December 2015

ITEM	BUDGET	EXPENDITURE
EQUIPMENT PURCHASES		
Motorcycles	23,478, 842	-
Office equipment and Furniture	8,417,000	8,080,000
Post- harvest equipment	6,490,000	6,450,000
WORKING CAPITAL INPUTS		
Crop Finance	54,084,000	54,084,000
Input Fund	24,425,000	-
TECHNICAL ASSISTANCE		
USADF Financial and M and E Training	3,275,000	2,485,000
Cooperative Governance and M and E training	3,900,000	3,870,000
Agronomic and post-harvest Handling	4,300,000	-
Financial systems Upgrade	12,031,161	-
Coffee Quality and Marketing Training	3,500,000	-
Stores Management Training	2,050,000	-
Fair Trade Certification	35,976,832	-
Development of Manuals	10,775,000	-
Business Plan Development	5,200,000	-
ADMINISTRATIVE SUPPORT		

Project staff	46,800,000	14,226,000
Motorcycle Fuel and Maintenance	9,212,000	-
Sales and Marketing	6,800,000	1, 700,000
General Office Expenses	11,240,000	1,747,700
TOTAL	**271,955,500**	**63,552,700**

Source: Kabonera Coffee Farmers Cooperative

Physical Performance

Equipment Purchases: Two motorcycles, two computers, two tables, a bench safe and chairs were procured and delivered to the cooperative. All equipment was in use at the time of monitoring.

Post-harvest handling equipment of a moisture meter, two weighing scales and a platform weighing scale were delivered. The beneficiaries were satisfied with the equipment provided. 10 electric powered sprayers were purchased out of the desired 20.

Working Capital/Inputs: The cooperative had utilized all the funds for crop finance in the purchase of coffee from its members at a price of Ug shs4,300. A total of 12 MT were purchased during the concluded October – December season.

The cooperative was able to process FAQ at a rented facility at a price of Ug shs 100 per kg and transport the produce to its main market in Kampala at the National Union of Coffee Agribusiness and Farm Enterprise (NUCAFE).

In order to ensure that it obtained genuine inputs, the cooperative established rapport with Feed The Future another organization to help it identify genuine supplier of products from which the cooperative would purchase inputs to establish an input store. The suppliers had been selected and the cooperative was in the process of evaluating the quotations to select the best evaluated bidder.

Technical Assistance: The cooperative board and staff had received training in; financial management, M&E and cooperative governance and management. The trainings in store management, coffee quality and management, post-harvest handling, development of manuals, development of the business plan and provision of accounting software were pending.

Administrative support: In line with the principles of corporate governance, one of the requirements of the project is to ensure that respective projects hire professional management teams to run the daily operations of the beneficiary organizations.

The cooperative hired the following staff as the project requirements; project manager, extension worker, internal systems officer, farm suppliers shop attendant, store keeper, askari



L-R: Inputs procured for the shop; Moisture metre in use; Coffee bulked at Kabonera storage facility in Masaka

and book keeper. The salaries of these staff were to be paid by USADF for 18 months. At the time of monitoring, the team had been paid for the six months since project implementation.

However, it was noted that the position of the extension worker and project manager had fallen vacant after the death and resignation of the officer's respectively. The chairperson of the cooperative was serving as the project manager in the interim.

Benefits

- The quality of coffee produced had improved due to the intervention of this project. The cooperative now obtains FAQ coffee instead of the low grade kiboko it used to deal in prior to this intervention.
- Due to the intervention of USADF, the visibility and profile of the cooperative has improved and the membership of the cooperative was steadily increasing.
- The professional teams hired to run the day to day daily operations eased the administrative responsibilities of the cooperative.
- The trainings provided by the project enhanced the knowledge and skills of the management team and the board members.

Challenges

- Lack of transport for the produce. The cooperative does not have any transport means to collect produce from the farmer's gardens to its rented stores and market in Kampala.
- The cooperative does not have own storage and processing facilities which affects profitability.
- The presence of unscrupulous middlemen who promote the purchase of poor quality coffee and cheat farmers through the use of fake weighing scales and moisture meters.
- Low participation of the youth in the cooperative: The membership comprised of middle aged and elderly members. It was anticipated that in the future, the productivity would decline as members continue to age.

Recommendations

- The cooperative should liaise with other development partners in order to acquire transport means and processing facilities.
- The UCDA should enforce regulations in the coffee sector to uphold quality standards.
- The cooperative should improve its mobilization in order to attract more youth to ensure its sustainability.

F) Rubanga Cooperative Society – Mitooma District

Rubanga Cooperative Society is located in Rubanga Trading Centre, Rurehe Sub-County, Mitooma District. The cooperative was formed in 1986 with a vision of economically transforming smallholder farmers and a mission to promote bulking and efficient marketing of produce amongst smallholder farmers. The cooperative has operations in all the eight sub-counties of Mitooma and two sub-counties in Rukungiri District. In January 2016, the cooperative was working with 400 groups with a total membership of 9,328 farmers of which

52% were estimated to be male and 48% female. The members of the cooperative predominantly grow robusta coffee (75%) and produces over 700MT of coffee per annum.

Financial Performance

Rubanga Cooperative was earmarked for support under the EDI grant and the project had a budget of Ug shs 634,296,699 for a period of three years, (2014-2017). By 31st December 2015, the cooperative had expended Ug Shs 549,918,516. Table 9.6 shows the detailed budget and expenditure.

Table 9.6: Financial performance of Rubanga Cooperative Society as at 31st December 2016

ITEM	BUDGET	EXPENDITURE
INFRASTRUCTURE		
Construction of a storage facility	105,726,442	102,782,350
EQUIPMENT PURCHASES		
Truck	42,750,000	43,600,000
Generator	90,525,000	92,726,000
Motorcycle	14,047,594	12,547,830
Quality improvement Equipment	6,077,000	5,773,150
Hullers	15,335,100	3,201,000
WORKING CAPITAL/ INPUTS		
Crop Finance	132,500,000	129,224,000
Input Fund	28,040,000	27,240,000
TECHNICAL ASSISTANCE		
Financial management and M and E Training	3,540,000	3,450,000
Cooperative Governance and Management Training	4,755,000	4,755,000
Stores Management Training	2,050,000	2,050,000
Development of Manuals	8,175,000	8,175,000
Coffee Quality and Marketing Training	4,360,000	4,360,000
Financial Systems Upgrade	14,535,300	14,535,300
Study tour	4,560,000	4,560,000
Organic Certification	45,673,268	14,302,000
Fair trade Certification	26,953,984	17,906,000
ADMINISTRATIVE EXPENSES		
Project staff	33,000,000	26,015,000
Motorcycle Maintenance	22,800,000	13,018,000
Sales and Marketing	10,296,000	9,265,000
General Office Expenses	10,920,000	7,306,886
TOTAL	**634,296,699**	**549,918,516**

Source: Rubanga Cooperative Society

Physical Performance

Infrastructure: The construction of a 400MT store was initiated in September 2015. The contract was awarded to M/s Bucheyeke Limited at a contract price of Ug shs 103,000,000 for a period of three months. By 20th January 2016, the contractor had handed over the site to the cooperative. However, the facility was not complete and this was attributed to the fact the budget for the civil works had been fully utilized due to fluctuation in prices of materials. The pending works included; floor works, plastering and painting. The cooperative management therefore resolved to finish the building using internally generated funds.

Equipment Purchases: A three tonne truck and a 100 KVA generator were delivered to the cooperative and all were functional. However, it was reported that the cooperative was tasked to pay VAT for the generator which caused a virement of Ug Shs 25,000,000 from the budget of crop finance.

One motorcycle and 10 bicycles for model farmers who shall act as change agents in their respective villages were also acquired and distributed. Under quality improvement; one moisture meter, four weighing scales and one platform weighing scale were acquired. The pulpers had not been procured. The cooperative management however requested USADF secretariat to change from the purchase of coffee pulpers to hullers for higher levels of productivity.

Technical Assistance: The cooperative management and the board were trained in; financial management and M&E, cooperative governance and management, stores management, coffee quality and marketing. The trainings were conducted and the members were satisfied with the trainings.

Financial management software was installed as part of the financial systems upgrade to ease book keeping at the cooperative. During the study tour, the cooperative members visited KAWACOM in Ishaka, Bushenyi District and Ankole Coffee Production Union to benchmark best practices in coffee management.

The processes of organic and fair trade certification had both been initiated and the respective certifying agencies were conducting this exercise to enable the cooperative access coffee specialty markets which attract better premiums.

Working Capital: The cooperative purchased coffee from its members from the funds provided as crop finance. The cooperative was undergoing an organic coffee certification and one of the requirements of the certifying agencies is that herbicides should not be present at the site of any prospective client seeking certification, so it resolved to sell its stocks through retailers in the area.

Administrative Expenses: In line with the principles of corporate governance, the cooperative



L-R: Generator provided by USADF; Partially complete storage facility; Office equipment provided by the project at cooperative office in Mitooma district

was tasked to institute management structures as a prerequisite for funding. The positions of; secretary manager, agronomist, accounts assistant and internal systems officer were filled and the

USADF paid the salaries of secretary manager, agronomist for a period of 12 months (this expired) and the salaries of the accounts assistant and internal systems officer for a period of 36 months.

Benefits

- Due to the intervention of USADF, the quality of coffee that the cooperative obtains had improved. Prior to the intervention, the cooperative used to register 78% coffee quality, by December 2015, it registered a quality level of 98%.
- Owing to the USADF intervention, the cooperative attracted other development partners for example; CIDI an agricultural agri-business organization had provided working capital to the cooperative at favorable

Challenges

- Insufficient working capital. The funds allocated to the cooperative as crop finance were inadequate to buy all its members' produce. Thus majority of the cooperative members sell to other buyers thus affecting the cooperative income.
- The district is faced with shortage of land (coffee is on average grown on half an acre per member), given the limited average landholding (1 acre per household) in the district, there is limited room for plantation expansion and hence low production.
- There is a slow rate of adoption of better agronomic techniques amongst the farmers' hence low productivity.

Overall project challenges

- Limited funds provided under crop finance: The funds under this component were deemed meagre by the beneficiaries. As a result, despite high volumes of produce obtained from cooperative members, the cooperatives were incapacitated to buy produce form its members.
- Low productivity of members in most cooperatives: the productivity of cooperative members was low due to mindset complex, aging members and poor agronomic practices. In spite of the support to improve the incomes and livelihoods, there was limited change in the indicators.
- Lack of up to date information on key performance indicators outlined by each of the beneficiaries.

Analysis

Link between Financial and Physical Performance

There was a strong link between the financial and physical performance. Implementation was at various stages for the respective groups and this can be attributed to the fact that each project had different commencement dates and availability of counterpart funding from the government of United States and technical backstopping from Uganda Development Trust (UDET). In all projects monitored, except Bukonzo Cooperative, funds were optimally utilized. The GoU release performance for the project however, was below average (25% of the expected 50%) at half year.

Achievement of set targets

The overall physical progress against the monitored projects was estimated at 80%. Out of the six entities monitored, implementation was on course against all the various components of the projects; construction of stores, provision of transport, working capital, input shop, administrative support and technical assistance were all executed either on schedule or ahead of schedule except in Gulu Diary whose milk processing equipment bid encountered technical challenges but had since been resolved. Only Bukonzo Coffee Farmers Cooperative had its activities stall after USADF froze its funding due to poor BoQs for construction of a storage facility.

Conclusion

Overall, the project registered excellent progress (80%). All beneficiaries implemented the agreed outputs as planned and most of them were realizing significant benefits. Only one beneficiary (Bukonzo Coffee Growers Union) experienced technical challenges in developing BoQs which left out key components of the storage facility and its funding had been stopped.

Recommendations

- The USADF should review and increase the budget allocation to crop finance in the grain and coffee projects.
- The beneficiary organizations should strengthen the extension services in order to change the member's mindset and improve on productivity.
- The USADF secretariat should ensure that the beneficiaries use knowledge from the training in M&E to track the changes in the different indicators and maintain up to date information.
- The MAAIF and MoTIC should strengthen the enforcement of regulations and standards in the grain sub sector.

9.2.2 Uganda Investment Authority (Development of Industrial Parks)

The Uganda Investment Authority is a semi-autonomous government agency established by an Act of Parliament (Investment Code 1991) with the aim of promoting and facilitating private sector investment in Uganda. The semi-annual monitoring exercise for FY 2015/16, focused on the development project.

Development of Industrial Parks

The Government of Uganda formulated a 10 year National Industrial Parks Development plan and project with effect from FY2008/09 to FY 2017/18. The project aims to create 22 serviced (water, electricity, roads) industrial parks across the country. Implementation started with the Kampala Industrial Parks in Namanve, Bweyogerere and Luzira, and later land was secured in Jinja, Kasese, Mbale, Mbarara Moroto and Soroti**.**

Objectives

The setting up of industrial parks is to mainly create jobs and add value to locally available raw materials. In addition, new manufacturing and other skills will be acquired by the citizens as well as increasing trade in products and improving on production and productivity.

Past performance

The total project cost was estimated at Ug shs 200 billion. By 30th June 2015, a total of Ug shs 34 billion (17%) had been cumulatively disbursed to the project over an eight year period. Roads had been opened and paved in Luzira (3.9Km) and Bweyogerere (1.9 Km), four kilometers had been paved in Kampala Industrial and Business Park-Namanve (KIBP) out of 17Km opened, and 1.8km out of 6km had been paved in Soroti Industrial Park. Land was demarcated and border markers installed in Bweyogere, Luzira, Jinja, Kasese, Mbale, Mbarara, and Karamoja parks. All investors in Luzira except two had started operations; eight out of nine had developed or started developing their plots in Bweyogerere, 12 had settled and started operations out of 240 in Namanve, and only one out of 10 had started developing the plot in Soroti.

Planned Outputs for 2015/16

A. Bweyogerere Industrial Park

- 1.9 Km of road maintained

B. Jinja Industrial park

- Detailed engineering designs of roads in Jinja IP produced

C. Kabarole Industrial Park

- Preparation of detailed master plan for EIA for Kabarole IBP.
- Boundaries opened and boarder markers installed at Kabarole

D. Kampala Industrial and Business Park

- Maintenance of roads

E. Kasese Industrial Park

- Sectional Improvement of Kasese Industrial and Business Park roads

F. Luzira Industrial Park

- 3.9 Km of road maintained

G. Mbale Industrial and Business Park

- Carry our master plan and EIA for Mbale IBP

H Moroto Industrial and Business Park

- Master plan and EIA for the park developed

I. Soroti Industrial and Business Park

- Opening of 4Km of roads
- Extending water for 1 km within the park and power

Findings

Financial Performance

The approved budget for Development of Industrial Parks in FY2015/16 is Ug shs 8,540,000,000 of which Ug shs 2,291,250,000 (27%) was released and fully spent (100%) by 31st December 2015. The release performance was below average while expenditure was excellent.

Physical Performance

A. Bweyogerere Industrial Park (50 acres)

The park is located in Bweyogerere – Bbuto in Wakiso district. A total of nine plots were allocated in the park and seven investors had developed or started developing their respective plots. The estimated investment in the park so far is US$20,000,000 and about 800 jobs had been created.

Maintenance of roads: On 8th January 2015, the contract for the maintenance of a 1.9km road was awarded to M/s Bramjo Engineering Works Ltd at a sum of Ug Shs 66,704,422 for a period of 12 months. The scope of works included; clearing of road shoulders, cleaning of side drains, slashing of road width, stone pitching of drains, construction of head walls, and patching of pot holes. At the time of monitoring, works were 100% complete. Therefore physical and time progresses were 100% while financial progress was at 68%.

L-R: A view of Bweyogerere Industrial Park from Mbalwa and one of the new grain warehouses in the park

Challenges

- **Inadequate funding:** The funding allocated to the project is cannot cover a whole year. As a result, the roads deteriorate due to lack of continuous maintenance after the stipulated contract duration.
- The drainage in the park was lined with stone pitching instead of concrete pitching. As a result, the stones keep on peeling off which necessitates regular repairs.

B. Jinja Industrial Park (182 acres)

The park is located in Jinja district, 15Km along Kamuli road.
Plot allocation: Four plots were demarcated and two allocated to Kiira Motors Corporation (KMC) which already had 100 acres, and Uganda Electricity Generation Company Ltd (30 acres). The remaining plots were yet to be allocated. None of the investors had developed their plots.

Detailed engineering design developed: A consultant had not yet been procured for this activity because of changes in design in the master plan. KMC who hold the biggest acreage of land was required to develop an engineering design for its plot and then UIA sub link the design to the remaining investors.

C. Kabarole Industrial Park

Preparation of master plan, EIA and boundary opening: The activities had not yet started because the Local Government and the MAAIF (land owners) had not handed over the land to UIA as expected. The activities therefore stalled.

D. Kampala Industrial and Business Park (2200 acres)

The park is located 14km along the Kampala-Jinja Highway in the districts of Wakiso and Mukono.

Allocation of plots: A total of 260 plots were curved out of the land and 245 had been allocated to prospective investors. By 31st December 2015, a total of 70 plots had been either developed or under development.

Routine Maintenance of KIBP roads: on 30th July 2015, the contract for road maintenance in the park was awarded to M/s ETATS Ltd for a period of 12 months (revised downwards to six months) at a contract price of Ug shs 89,276,145 (revised upwards to Ug shs 92,816,146). The variations were necessitated by the need to extend the road from Mada Hotels to Green Hedges by 200metres. The scope of works was; setting out, bush clearance, unblocking/construction of drains, reshaping of road formation, filling and compaction of road formation. Undertake all road maintenance works in the South C estate.
By 30th January 2016, works were 100% complete against a time progress of 100%. The park management was satisfied with the works done.

Provision of utilities: the park was not fully serviced with utilities such as electricity, water and communications. The arrangement in place was to service plots on case by case basis. However UIA developed terms of references for the extension of utilities to the entire park.

L-R: Re-graveled road in KIBP-Namanve and overgrown River Namanve near Vinci Coffee plot

Challenges

- Harsh weather conditions during the execution of the works which slowed down implementation.
- During peak traffic hours, motorists often use the park roads as a diversion thus disrupting the contractors' activities.
- Inadequate resources to execute the road maintenance programme for 12 months. This forced the park management to re-scope the activities to align them to the available funds.
- Silting of River Namanve causes flooding along the neighboring plots.

E. Kasese Industrial Park (216 acres)

The park is located 430km south west of Kampala in Kasese Municipality, along Kasese-Mbarara Road. It is intended to stimulate agricultural products value addition and mineral benefication in the region. A total of 153 plots were demarcated and nine allocated to prospective investors.

Sectional improvement of Kasese Industrial and Business Park roads

On 14th May 2015, M/s Keza Technical Services was awarded a contract to open eight roads (6.3km) at a contract sum of Ug shs 195,490,199 for a period of six months. The roads include; Kasese Industrial Road (0.49km), Main Commercial Street (1.298km), First Link Road (1.098km), Second Link Road (0.482km), Third Link Road (0.407), Rwenzori Loop (1.281km), Fourth Link Road (0.985km), and Civic Link Road (0.704km). The scope of works covered;

bush clearing, stripping of top soil, backfilling and improving sub grade to motorable condition; installation of cross culverts and construction of side drains.

By 20th January 2016, the roads had been opened; however, works had stalled. Physical progress was estimated at 40% against time progress of 100% and financial progress of 0%.

The below average performance of the contractor was attributed to; poor mobilization as the contractor didnot have adequate equipment on ground to execute the works in addition, the terrain in Kasese was hilly which posed a challenge to the contractors.

By 1st February 2016, the UIA management was in the process of seeking clearance from the Public Procurement and Disposal of Public Assets Authority (PPDA) to extend the contract period to enable the contractor complete the works.

Incomplete and abandoned road workss in Kasese Industrial Park

F) Luzira Industrial Park (70 acres)

The park is located in Luzira adjacent to the female wing of Luzira Prisons. A total of 14 plots were allocated in the park and 10 were developed by investors.

Road maintenance: The 12 months contract for the maintenance of 3.7Km road was awarded to M/s Mugoya Plus Technical Services at a price of Ug shs 102,436,726 with effect from 21st January 2015 to 20th January 2016. The scope of works covered; bush clearing of road shoulders, unblocking drains, cleaning of side drains, slashing of road shoulders, stone pitch drain repair, repair of head walls, sweeping g of carriage way and road pavement repair.

By 31st January 2016, all maintenance works had been completed. Physical and time progresses were at 100% while financial progress was at 87%.

Challenges

- **Inadequate funding.** The funds allocated to the project cannot cover activities for the whole year as stipulated in the contract, as a result, management re–scoped the activities to fit into the available resources.
- The drainage in the park was lined with stone pitching instead of concrete pitching resulting in the stones peeling off which necessitates constant repairs**.**

G. Mbale Industrial and Business Park (619 acres)

The park is located in Doko, Masanda, Mutoto and Nsambya villages in Mbale Municipality. The planned activity for FY 2015/16 was development of a master plan, EIA and compensation of squatters.

Development of a master plan and EIA and compensation of squatters: This activity has not yet been implemented due to the presence of squatters on the land. However, the process of compensating the squatters had been initiated and a total of 194 out of the verified 853 claimants had been compensated at a total sum of Ug shs 1.26 billion. The total compensation cost was estimated at Ugshs 4.545 billion derived from a valuation exercise undertaken in 2012. As a result, some claimants are resisting the exercise and had lodged an appeal to UIA for review of the values, given the delayed compensation.

Challenge

- **The compensation exercise is conducted piecemeal** due to inadequate releases. As a result, the compensated squatters are taking their time to leave the land and new claimants are settling on the park land.

Recommendations

- The MFPED and UIA should prioritize release of budgeted compensation funds in a lump sum to clear all the squatters at once and avoid further delays.

H. Karamoja (Moroto) Industrial and Business Park (417 acres)

The park is located in the sub-counties of Nadunget and Katokou in the districts of Moroto and Napak respectively. By 31st December 2015, only one entity (Uganda Development Corporation) had been allocated land in the park.

Master plan and EIA for the park developed: In May 2015, M/s Savimaxx Consultants was contracted to undertake an EIA and master plan for the park at a price of Ug shs 84,918,464 for a period of six months. However, the studies had not been concluded because of instability in the area especially in the village of Katakou in Napak District where locals threatened the lives of the company workers. As a result, the contract was extended for two months subject to stability in the area.

I. Soroti Industrial and Business Park (219 acres)

The park is located in Temele village, Arapai sub-county along Soroti – Moroto road.

Allocation of plots: A total of 153 plots were demarcated in this park of which, 10 were allocated to prospective investors and only one (Soroti Fruit Factory) was under development.

Opening 4km of roads: On 18th May 2015, the contract for the opening of roads was awarded to M/s Rwanstar Uganda Ltd at a price of Ug shs 387, 979,222 for a period of 12 months. The scope of works included; setting out, bush clearance, shaping of sub grade and compaction, filling of low spots, filling of sub grade and compaction, provision of gravel wearing course and provision of side and cross drains.

By 30th January 2016, physical progress was at 100%, time progress was at 60% and financial progress was at 75%. However, due to limited funds, management had reviewed the thickness of the road sub grade layers in order to stay within the budget.

It was observed that the opened roads had overgrown grass on the surface and were not being maintained due to limited activity in the park.

L-R: An opened gravel road, a cross culvert joining to Temele road and an overgrown opened road in Soroti Park. The new roads do not have traffic and are not in use

Extending water for 1km within the park: The National Water and Sewerage Corporation (NSWC) took over the role of extending water to the park at its own cost. The scope of works was; setting out, excavation of trenches, provision of materials for labour for laying and installations for pipe work and accessories for back filling. The physical performance was estimated at 95% due to delays related to demarcation of road corridors for laying pipes. Although the target was to extend water by 1 km, NWSC extended water to 5 km in the park.

Extending power within the park: The contract for extending power to the park was awarded to M/s BIBCO Investments Ltd at a price of Ug shs 124,362,041. The contract duration was four months commencing 16th March 2015 to 15th June 2015.

The scope of works included; surveying and setting out, route clearance, profiling, templating and pegging of structure positions; supply and erecting of treated wooden poles; supply and installation of conductors and associated accessories and metering, commissioning and energizing the lines. By 15th January 2016, the activities had been accomplished.

Challenges

- The **topography** of the park is composed of soft soils and swampy environs which require labour based excavation during rainy seasons and thus delaying most of the civil works.

- **Inadequate funding:** The funds allocated to the project are meagre and as a result, management was forced to re-scope the road works such as reducing the thickness of the pavements.
- Delays in demarcating road corridors in the park affected the schedules for extending pipes across the park.
- **Change in specifications by Electricity Regulatory Authority (ERA**): Though the electricity lines had been commissioned, ERA has changed specifications from stringing 100mm cables to 150mm cables. This policy change necessitates additional resources to replace the cables.

Overall Challenges

- **Inadequate funding-** The funds allocated to UIA cannot enable it execute its activities, as a result, works such as road maintenance within parks is not effectively undertaken.
- **Untimely release of compensation funds:** The compensation of squatters in Mbale Industrial park is handled in a piecemeal manner due to limited resources. Delayed payment is likely to cause cost overruns as squatters start to contest the values made in 2012.

Analysis

Link between financial and physical performance

There was a strong link between financial and physical performance. The targets for the year were on course to be achieved though under a resource constrained setting. Works in various industrial parks such as; KIBP, Luzira and Bweyogerere, Kasese, Soroti were initiated and in some cases accomplished ahead of schedule.

Achievement of set targets

The overall project performance was estimated at 70% against the half year targets. The targets for the year in the various industrial parks were on course to being achieved for example; In Luzira, Bweyogerere and KIBP, routine maintenance works were executed though road works deteriorated due to heavy rains and revised scoping to fit within the available budget. Electricity and water were extended to Soroti Industrial Park and 4km of roads opened. However, delayed implementation was observed in: Kasese Industrial Park due to poor contractor mobilization, Mbale Industrial Park due to limited releases for compensation and Jinja (awaiting KIIRA Motors Corporation master plan). There was low uptake of plots in most upcountry parks and limited plot development by prospective investors' allocated land.

Conclusion

The implementation of planned activities for FY 2015/16 under this project was on course despite the delays experienced in Mbale, Kasese and Jinja. A number of investors had started expressing interest and developing their respective plots especially in KIBP.

New manufacturing technology was being introduced by different investors such as; Cipla Quality Chemicals Ltd in Luzira who introduced the single tablet with all ingredients for anti-retroviral treatment, Riba Steel Plant installed at Roofing Limited in KIBP, Oreon Technologies who are set to manufacture electric transformers in Uganda, and a state of the art fruit processing industry being constructed in Soroti with support from the Government of South Korea. The long term objective of facilitating and promoting industrial promotion is on course of being achieved whilst the inadequate allocation of resources and poorly scheduled releases.

Recommendations

- The MFPED should optimally allocate and timely release funds to the project to achieve the objectives.
- The MFPED/UIA should urgently address the compensation of squatters in Mbale to avoid cost overruns.
- The UIA should enforce the land allocation tenets to the prospective investors to minimize hording of land in industrial parks.

9.2.3 Presidential Initiative on Banana Industrial Development

The Presidential initiative on Banana Industrial Development is a pilot project of the Government of Uganda whose underlying theory is that rural farmers with access to science led processing and value addition enterprises will be able to rapidly access profitable market chains, that supply local, regional and international markets; resulting into increased household incomes.

The project is in tandem with the Governments' priority economic strategies, which among others include; value addition to agricultural products and agro-processing through research and development.

Objectives

I. To establish benchmarks for staring a rural based pilot plant banana processing industry in Bushenyi.
II. To ensure sustainable processing of quality products by a startup value addition enterprise through a Technology Business Framework for local and global framework.
III. Capacity building for farmers in modern production technologies and agronomic practices, so as to ensure sustainability of *matooke* production and marketing for Bushenyi district for the banana processing industry.
IV. Linking farmers/entrepreneurs to favorable micro- financing mechanisms to facilitate the enterprises.
V. Establishment of reliable supply chains that link farmers to more profitable market outlets with the medium and large scale processors.
VI. To assess project impact on environmental sustainability, overall economic wealth and food and nutrition security at macroeconomic level.
VII. To transform Bushenyi TBI into the Banana Industrial Research and Development Centre.
VIII. To promote entrepreneurship in the private sector and training at public institutions through establishment of an Industrial Technology Park.

Planned outputs FY 2015/16

- The Pilot Banana Processing Plant operationalized.
- The Quality Assurance and Research facilities operationalized.

- Phase II Raw and instant flour equipment procured, installed and test run.
- Procuring, installing of bio gas equipment at the TBI
- 2 Silos and hammer mill automated, installed and test run.
- Irrigation system in the demo garden (20 acres) at the TBI operationalized
- 15 farmer trainings at the TBI conducted
- Banana Production at the TBI Increased
- Phase II Lab equipment delivered and Installated.
- Product development, testing and promotion undertaken.
- Development of production of *Tooke* Products for the market on a large scale.
- Continuous research, 2 PhD and 4 Msc ongoing.
- 3 Community Processing Units (CPU) set up in the districts of Rubirizi, Sheema and Mitooma.
- *Tooke* book produced**.**

Past performance

Since project inception, a total of Ug shs 80 billion had been spent on the project by FY2014/15. The old Bushenyi District Farm Institute (DFI) was remodeled and renovated to provide working space for the project at Nyaruzinga village.

The contract for the construction of the banana (*Tooke*) processing plant was awarded to M/s Dott Services Limited in September 2009 at a contract price of Ug shs 23.3 billion for the construction of; a banana processing plant, conference centre, quality assurance block, and installation of the processing machinery. The water treatment plant and irrigation system was originally awarded to M/s Vambeco Limited at a price of Ug shs 2.5 billion but was later terminated and awarded to M/s Dott Services in FY 2012/13.

By June 2015, the main processing factory had been substantially completed (70%) and some equipment delivered and installed including silos, hammer mill, extruder, dryers and parts of the biscuit and bakery lines. The water treatment plant and irrigation system were at 90% progress and a mother garden and a demonstration garden had been established. However, the institution had accumulated arrears totaling to Ug shs 13,677,634,333 since project inception. The arrears arose due to nonpayment of the contactor's (M/s Dott Services) certificates on various components of civil works.

Financial performance

The approved project budget for FY2015/16, is Ug shs 9,300,000,000 of which, Ug shs 4,304,999,999 (46%) was released in the first two quarters, and Ug shs 2,928,195,924 (69%) absorbed. The release performance (46.3% of the expected 50% by half year) was very good and expenditure was good. It was observed that the second quarter development release (Ug shs 1.365 billion) delayed by over 80 days (Received on 23rd December 2015). This affected the project absorption by 31st December 2015. Table 9.7 provides a summary budget and expenditures at PIBID.

Table 9.7 PIBID Financial performance by 31st December 2015

ITEM	BUDGET	EXPENDITURE
Administration and operations	6, 712,232,879	1,780,189,855
Programme activities		
Production and community processing development	81,891,060	8,099,000
R&D and Quality Control laboratories	414,168,857	
Conference and resource centre	51,422,958	23,919,745
Value addition	423,596,614	98,024,135
Business, marketing and trade		
Business	15,426,887	
Marketing	275,209,242	60,603,338
Trade	195,728,633	10,244,000
Up-scaling commercilisation	17,998,035	
Monitoring and Evaluation	205,691,831	7,770,000
Arrears (2015/16)	974,346,449	939,345,851
TOTAL	**9,367,713,445**	**2,928,195,924**

Source: PIBID Secretariat

It was observed that funds for clearance of arrears worth Ug shs 13,667,634,333 had not been budgeted for under the PIBID approved budget. Table 9.8 shows the detailed arrears by item.

Table 9.8: Total PIBID project arrears as at 31st December 2015

ITEM	AMOUNT
M/S Dott Services-Water unpaid certificates	1,583,708,657
M/S Dott Services outstanding certificates to date civil works	2,527,924,177
M/S Dott Services - Additional works (pending works certificate)	3,0181,315,359
Pending works under M/S Dott Services	1,031,377,679
Variation in prices – M/S Dott Services	3,565,794,352
M/S BEC Engineers (Consultants fees)	50,105,925
Arch. Design Ltd- pending certificates	140,129,166
Interest of delayed payments- M/S Dott Services	300,000,000
Contract variation claims	1,397,369,018
TOTAL	**13,667,634,333**

Source: PIBID Secretariat

The PIBID Secretariat had requested the parent ministry (MFFED) to take care of the arrears for smooth project implementation; however, MFPED had not taken up the request by January 2016.

Physical Performance

Pilot plant operationalised

By 22nd January 2016, the main civil works contractor (M/S Dott Services) had abandoned the site due to non-payment of accumulated arrears. Therefore, all civil, electrical and plumbing works under the contract had stalled as the contractor had demobilized staff except one clerk of works. Table 9.9 presents the cumulative physical status of the key project deliverables by 22nd January 2016.

Table 9.9: Status of implementation of various deliverables at Bushenyi TBI

Planned activities	Physical progress (in %)	Remarks
Construction of Banana processing plant, Conference Centre and Quality Assurance blocks		
Construction of main processing plant	95	Steam generators to be procured and pipe work designed. This was necessitated by the change from LPG to steam for heat exchange. Contractor had abandoned site.
Construction of mechanical workshop	90	Stalled; Contractor had abandoned site
Construction of a conference; library and office building	90	Stalled; Contractor had abandoned site
Construction of a quality Assurance/ Research Block	70	Stalled; Contractor had abandoned site
Construction and installation of a bakery line	75	Construction completed awaiting installation of electrical fittings; Contractor had abandoned site
Construction of a factory , administrative block and marketing centre	100	Completed
Construction of lagoons	80	Stalled; Contractor had abandoned site
Power house construction and installation of two standby generators	100	Completed
Delivery and installation of processing equipment		
Installation of two silos	100	Completed
Installation of a hummer mill	75	Pending electrical works, sound proofing works and installation of packaging machines
Installation of an extruder	95	Pneumatic system yet to be installed to

		operationalize the extruder
Installation of a drum drier	0	Installation scheduled for February 2016
Installation of a biscuit line	95	Pending installation of a packaging machine and a conveyor belt
External works	60	Contractor had abandoned site
Construction of hostels and staff houses	60	Works stalled due to contractor absence

Source: Author's compilation

Operationalisation of the pilot plant was not achieved due to pending civil works, untimely releases and inadequate funding.

Quality assurance and research facilities operationalized: Civil works on this block were not yet complete and therefore not operational.

Phase II raw and instant flour equipment procured, installed and test run: Some of the equipment had been shipped and installed. Equipment installation was expected to be finalized during Q3 and Q4 of FY 2015/16.

Bio gas equipment at the TBI procured and installed: Activities related to this output were not undertaken due to inadequate funds.

Automation of two silos and hammer mill installed and test run: The 20 metric tonne silos were automated and the pneumatic conveyor system frames were assembled. Physical progress was estimated at 75%. The hammer mill with a minimum capacity of half a metric tonne per hour was partially installed. Pending works to achieve the target included sound proofing of the mill and power connectivity.

Phase II laboratory equipment delivered and installed: Some of the equipment was delivered but the laboratory block was incomplete. 70% of the laboratory furniture previous delivery was fixed in the respective laboratories on the quality assurance block.

Maintenance of banana plantation: The 21 acre demonstration plantation was maintained. The agency was in the process of extending the irrigation system to the whole garden. Physical progress was estimated at 95%. The increase in production was expected after the irrigation system is used over time.

Development and production of *Tooke* Products for the market on a large scale

The agency undertook several planned activities under development of *Tooke* products for the large scale market. Table 9.10 presents the status of achievement against planned activities for the first half of the FY 2015/16.

Table 9.10: Implementation status of development of *Tooke* products for the market on a large scale

Activity	Estimated % progress	Status

Development of partnerships with international traders and dealers	60	The agency established partnership with Finish partners and obtained documentation for the partnership. This was as a result of participation in the NORDIC workshop at Speke Hotel. The project team attended the Uganda Chamber of Commerce Africa Investment workshop and established trading relationships with some participants.
Create awareness with various *tooke* stakeholders	70	• Attended the Uganda Chambers of Commerce women's work shop at Sheraton Hotel. • The agency conducted sampling and testing of biscuits that are under development at the TBI off the new biscuit line. • Participated in the Jinja agricultural show in 2015. • Participated in the World Food Day Celebrations that took place in Rwebitaba ZARDI, Kabarole District. • PIBID sponsored hotel and restaurant competitions where chefs participated in the testing of various *tooke* flours.
Corporate social responsibility	90	PIBID visited Mulago Hospital with the Speaker of Parliament. Visited Luzira Prison and launched the *Tooke* book clubs in Kabale and Gayaza High School
Establishment of supply chain for *tooke* products	50%	• The agency was running a sales report at the PIBID Secretariat and the TBI. • The organization obtained a legal framework and documentation to kick-start the trading, marketing and sales operations. • The PIBID developed and submitted standards for the different *Tooke* products to UNBS. • It defined the pricing structure of *Tooke* products for different clients in different locations.

Source: PIBID Secretariat, and field findings

The environment for mass production of *Matooke* was being prepared and steadily progressing well. However, mass production for large markets hinge on timely completion of civil works and installation of key equipment.

Continuous product development testing and promotion undertaken: Research on the different products was ongoing and market trials were being conducted on sensory and different formulations.

Establishment of Community Processing Units (CPUs)

Three CPUs were formed and registered with the district and the Ministry of Trade. They are located in the sub-counties of: Katerera, Mutegyeza and Shuuku all in Sheema district. Farmers were mobilized and organized into productive units. The PIBID secretariat is using the three critical input model of; organic, inorganic and mulching to ensure members grow *matooke* in accordance with best practices.

The secretariat further conducted a Training of Trainers (ToT), established the farmers' landholding, undertook soil sampling, demonstrated irrigation, developed collection centres and supported the formation of the cooperatives and the conducting of the Annual General Meetings and Business Development Services. The establishment of CPU's shall be concluded with installation of dryers. During the BMAU semi-annual monitoring, the CPU in Shuuku Sub County was sampled (Box 9.1 presents the findings).

Left: Members of Shuuku Cooperative meeting with PIBID/BMAU at the sub-county, Right: Members at the site of the tendered *matooke* market in Shema District

Continuous research: two Doctorates of Philosophy (PhD) and four Masters of Science (Msc) supported: One PhD was ongoing and two Masters of Science focusing on *Tooke* were at dissertation level.



L-R: A section of road works awaiting completion, trenches for irrigation of the banana plantation and one of the Quality Assurance laboratories fitted with furniture



L-R: Partially installed Hammer mill, ladies preparing instant *Tooke* and installed Silos at Nyaruzinga-Bushenyi

Box 9.1: Shuuku Cooperative Society (Community Processing Centre)

Shuuku Cooperative is located in Shuuku Sub County, 38Km from Nyaruzinga TBI and covers the four sub-counties of Kashozi, Bugongi T/C, Rugarama and Shuuku. The Cooperative was formed in 2014 with the intervention of PIBID and had a total of 150 members. The target is to have 3,000 active members growing *Matooke*.

The objectives of the cooperative are;

- To provide market for members produce though bulking.
- Train members in matooke agronomic practices through practical training, extension services and demonstrations.

In line with the above objectives; the Sub-County leadership provided 4 acres of land to the cooperative to serve as a CPU and as a demonstration in the best *matooke* agro-management practices.

The PIBID Secretariat conducted farmer trainings and extended support to the cooperative to conduct an Annual General Meeting and register. A demonstration garden was setup at the subcounty headquarters. The PIBID secretariat was in the process of establishing member's land holding using a GPS to establish the actual acreage per member and set up a database. The purpose is to ensure that targeted interventions are made to increase productivity. The CPU was linked with the NAADs/Operation Wealth Creation (OWC) and arrangements to support the group with driers had been finalized.

Because of the PIBID intervention, the cooperative was able to secure a tender for a *matooke* market from the sub-county at a monthly fee of Ug shs 750,000. The market serves as a *matooke* bulking centre for the farmers and generates income to the cooperative and the Local Government.

The main challenge was mindset change from working as individuals to groups and adopting the principle of cooperate governance.

With more training from PIBID in governance, agronomic practices and marketing the challenges shall be addressed.

Mr. Mugarura Benon the LCIII Chairperson of Shuuku Subcounty appreciated the PIBID intervention and had this to say:

"As a subcounty, we are preparing people to get out of poverty through productive banana value chains, if all stakeholders work together to deliver affordable irrigation systems, add value to banana through drying and milling to increase the shelf life, maximize science to apportion banana plantation land and identify markets for farmers. There is no doubt that the country shall achieve the middle income status"

He retaliated that the LG is committed to see to it that it becomes a model for organized *matooke* growing, processing and marketing.

Source: Field Findings

Overall PIBID project challenges

- **Arrears:** The project has an outstanding liability to the contractors worth Ug shs 13 billion in arrears for unpaid certificates, consultation fees and interest due to delayed payments.
- **Delayed quarterly releases:** Development funds for Q2 were transferred eight days before the end of the quarter on 23rd December 2015.
- **Civil works halted before completion:** The contractor had abandoned the project site due to long standing unpaid certificates and all civil works had stalled.
- **Delayed approval of the Business Plan:** During FY 2014/15, the Parliament of Uganda recommended that a business plan for the post implementation of the project is developed and approved. The PIBID secretariat developed and submitted this plan to MFPED in March 2015, however, by 31st January 2016 the MFPED was yet to provide comments and approve the plan.
- All the three CPUs establish are in Sheema district and none in the project host district.

Analysis

Link between financial and physical performance

There was a link between financial and physical performance. It was observed that most of the expenditures for the first half of FY 2015/16 were largely on recurrent activities for example salaries and wages, training, marketing, and creation of CPUs among others.

Achievement of set targets

An estimated 65% of the half year targets for the project were achieved, representing good performance. Three Community Processing Units were created in the district of Sheema; 75% of the processing equipment was installed; automation of the silos and hammer mill was 70% complete; market surveys on several products including the *tooke* biscuits from the installed biscuit line was on schedule; the banana plantation was maintained and an irrigation system was being extended to the entire 21 acres at Nyaruzinga. Pending outputs included publishing the *Tooke* book, installation of laboratory equipment and completion of civil works on several fronts.

Conclusion

The half year project performance was estimated at 65% as most of the planned outputs had been initiated and were at varying levels of progress. This notwithstanding, the project has a funding gap to address the outstanding contractual obligations for civil works worth Ug shs 13 billion. The outstanding payment had forced the main contractor to abandon site, seek for interest payment and threatened to sue government for breach of contract. Therefore, if payment of the outstanding certificates is not addressed, it is very unlikely that operationalisation and commercialization of the project shall be achieved at the end of the financial year, especially when the key elements such as civil works, electrical works, approval of the business and strategic plan remain pending.

Recommendations

- The MFPED and PIBID should verify and clear the longstanding arrears due to the contractors to avoid cost overruns.
- The MFPED should release development funds to the implementing institution in time in order to ease budget execution.
- The MFPED should expedite the approval process of the business and strategic plan of the project for smooth transition to commercialisation.

9.3 Ministry of Trade, Industry and Cooperatives

The mandate of the Ministry of Trade Industry and Cooperatives (MoTIC) as derived from the 1995 Constitution of the Republic of Uganda is: "*To formulate, review and support policies, strategies, plans and programs that promote and ensure expansion and diversification of trade, cooperatives, environmentally sustainable industrialization, appropriate technology transfer, to generate wealth for poverty eradication and benefit the country socially and economically*" (MoTIC, 2014).

In executing its Mandate, the Ministry supervises six agencies namely: Uganda Development Corporation (UDC), Uganda National Bureau of Standards (UNBS), Uganda Industrial Research Institute (UIRI), Uganda Export Promotions Board (UEPB) Management Training and Advisory Centre (MTAC) and Uganda Warehouse Receipting System Authority (UWRSA).

The semi-annual monitoring FY 2015/16 focused on the vote function of industrial and technological development. One project in the Ministry, and two projects under UDC, were monitored.

Industrial and Technological Development

The Vote Function is responsible for policy formulation, planning and coordination; and promoting the expansion, diversification and competitiveness of the industrial and technological sector. Three development projects namely: One Village One Product (OVOP) under MoTIC; Soroti Fruit Factory and Kiira/Ashok Leyland both under UDC were monitored.

9.3.1 One Village One Product: Project 1246

Background

The One Village One Product (OVOP) is a community-centered and demand-driven local economic development approach initiated by Oita Prefecture in Japan in the 1970s. It was introduced in Uganda in 2008. Government sought to integrate the OVOP programme with the National Development Strategies to eradicate poverty. The OVOP concept has been designed as a community based approach through the utilization of local resources to boost production, processing and marketing of products and services.

The OVOP programme aims at transforming the peasantry and subsistence productive system into monetary and modern economy, spurring commercial agriculture and industrial production. It focuses on value addition, for accelerated social economic transformation. The OVOP programme also compliments the National Trade Policy, trading out of poverty into wealth and prosperity.

Objectives of the programme

The overall objective of the programme is to promote the production, processing and marketing of local products for wealth creation.

The specific objectives are to:

- Promote establishment of production networks/clusters within the country.
- Promote value addition to local materials and products of comparative advantage at community level for social economic transformation.
- Reduce post-harvest losses from the current 40% to less than 10% by 2014.
- Develop human capital and entrepreneurial capacities amongst the participating communities.
- Strengthen partnerships and linkages between Government, private sector and donor community.
- Create and strengthen market clusters for OVOP products.

Planned Outputs for FY 2015/16

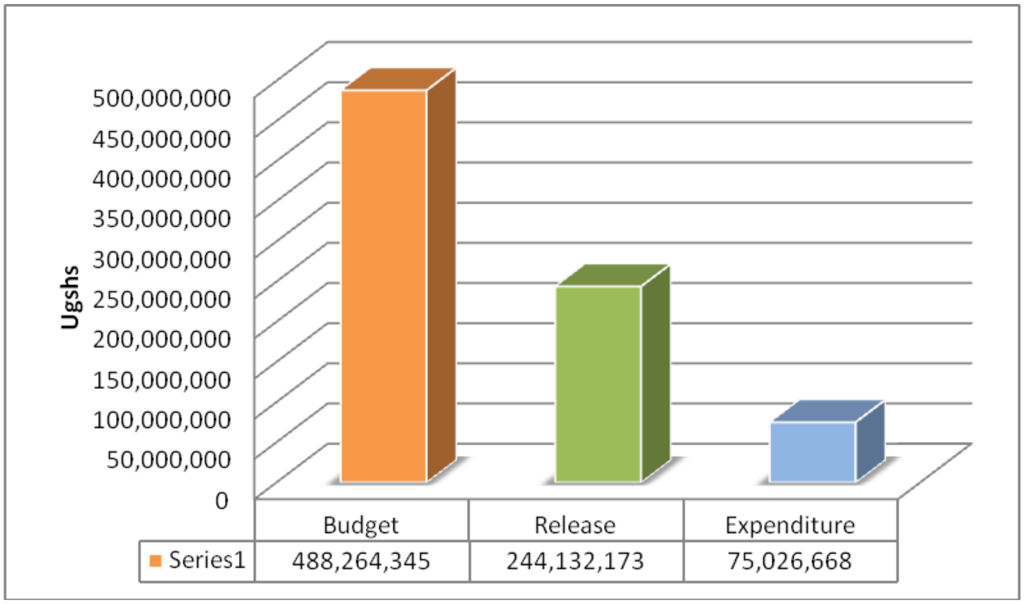
- Procurement of a coffee hulling machine for Busongora Integrated Rural Farmers' Cooperative Society.
- Procurement for a coffee cleaner for Kololo Progressive Farmers Group in Mpigi District.
- Procurement of a feed mill for Galatiya Tukorerewamu Savings and Cooperative Society in Mpigi District.
- Procurement of honey processing equipment for Apeitolim Honey Processing group in Napak district.
- Procurement of a ginger crushing machine for Kwegatta Farmers Group in Mpigi District.
- Installation of 3 feed mills in Kyegegwa, Luweero and Kampala.
- Installation of a maize mill in Kampala.
- Training on value addition, business management and marketing for skills developed.

Findings

Financial Performance

The approved budget for FY 2015/16 for the OVOP project is Ug shs 488,264,345 of which, Ug shs 244,132,173 (50%) had been released and Ug shs 75,026,668 (30%) spent by 31st December 2015. Although release performance was excellent by half year, expenditure was below average (Figure 9.1). Table 9.11 shows the summary allocation/commitment and remarks on implementation status by planned output.

Figure: 9.1 OVOP Financial Performance by 31st December 2015



Source: IFMS

Table 9.11: Performance of the OVOP by output as at 31st December 2015

Planned output FY 2015/16	Funds committed/ spent	Remarks
Procurement of a coffee hulling machine for Busongora Integrated Rural Farmers' Cooperative Society Ltd in Kasese District.	60,000,000	Fabrication on going Estimated progress 20%
Procurement of a coffee cleaner for Kololo Progressive Group in Mpigi Districts	20,000,000	Fabrication ongoing. Estimated progress 20%
Procurement of a feed mill for Galatiya Tukoererwamu Saivings and Credit Cooperative in Mpigi District	14,000,000	Fabrication ongoing. Estimated progress 20%
Procurement of honey processing group- Apeitolim in Napak	11,500,000	Fabrication ongoing. Estimated progress 30%
Installation of three feed mills in Kyegewa, Luwero, Kampala and maize mill in Wakiso Districts	8,120,000	Maize mill installed in Luweero, construction of mill house ongoing in Kyegegw. Estimated progress 30%
Procurement of A Ginger crushing machine for Kwegatta Farmers Group in Mpigi District	8,000,000	Fabrication ongoing. Estimated progress 10%

Delivery and installation of a coffee hulling machine in Kasese District, a feed mill and a coffee cleaner in Mpigi District and honey processing equipment for Apeitolim Honey processing group in Napak District.	6,145,000	Delivery awaiting fabrication process to be completed. Estimated progress 40%
Physical assessment of 9 model enterprises in Kiyrandongo, Lira and Amolatar	1,878,000	Training conducted in November 2015. Estimated progress 100%
Physical assessment of 9 model enterprises in Jinja , Pallisa and Mbale Districts	14,000,000	Assessment of 9 model enterprises in Jinja , Pallisa and Mbale Districts will be conducted in February 2016. Estimated progress 0%
Training members of Assurance African tea experts in Standard Quality requirements, Business management skills, principles of cooperative movement and value addition skills.	4,508,000	35 members of Assurance African Tea Experts trained in standards & quality requirement, Business management skills. Cooperative movement and Value addition skills training conducted in Kisoro. Estimated progress 50%
Training of IK community development association Kaboong districts and Tepeth honey processors in Moroto district on standard quality requirements, business management skills, principles of cooperative movement and value addition skills.	3,020,000	Training of IK community Development Association, Kabong District and Tepeth Honey processors in Moroto was scheduled for February 2016. Estimated progress 0%
Total	151,171,000	Overall progress estimated at 30% by 31st December 2015

Source: OVOP Secretariat; field findings

Physical Performance

By 6th January 2016, the procurement of equipment had been concluded and was awaiting completion of fabrication, delivery and installation. However, during FY 2014/15, a number of activities were not completed and were rolled over to FY 2015/16. They were undertaken during the first half of FY 2015/16 and field monitoring focused on these outputs.

They included;

- Bududa Yetana Area Cooperative Enterprise- Bududa
- Mes Amis Cooperative - Luweero
- Naluwori Growers Cooperative - Kamuli
- Patience Pays Professional Organization (PAPRO)- Kyegegwa
- Kwayo Womens Group - Busia
- Makindye East SACCO- Kampala

The groups of; Bududa Yetana Area Cooperative Enterprise, Mes Amis Cooperative, Naluwori Growers Cooperative, and Patience Pays Professional Organization were monitored. However implementation for Kwayo Womens Group had not been effected.

A) Bududa Yetana Area Cooperative Enterprise

Background

Bududa Yetana Area Cooperative Enterprise is located in Bududa district. It was formed in 2003 but officially registered in 2008 with the MoTIC. It is an area cooperative comprising of 34 primary cooperatives and Community Based Organizations / Rural Producer Organizations.

The objectives of the cooperative are:

- To alleviate poverty amongst its members through the enterprises of; coffee, horticulture, dairy and apiary.
- To promote value addition amongst its members in order to attain higher prices for its produce.
- To promote the bulking of its produce.

The cooperative was earmarked by the OVOP secretariat for support in apiary. The cooperative enterprise has a total of 10 primary groups with a total of 300 members dealing in apiary enterprise. This enterprise was deemed as critical due to the shortage of land in the district yet apiary can be done on small land holdings.

The cooperative on average produces 1,920kg of honey in each of the three seasons a year. The highest volumes of honey are registered in the primary groups of; Bunabutti Cooperative with an average of 420kg a season, Olwashika Cooperative with an average of 300kg and Trauma Healing Cooperative with 450 kgs.

The honey bulked by the cooperative is domestically marketed in Bududa in jerrycans and a kilogram is sold at Ug shs 10,000. The cooperative had not penetrated upscale markets such as supermarkets because all the honey products (honey, propolis, shoe polish, body jelly, and candle wax) are not properly packaged and are not certified by UNBS. However, the management of the cooperative had initiated the certification process and the UNBS advised the cooperative to prepare a specialized workplace for honey processing to allow for plant certification before product certification.

Left: Delivered equipment in storage at Bududa Yetana Cooperative Right: Members of the cooperative in a focus group discussion with BMAU staff

In September 2015, the honey extractor and two settling tanks of 100 litres each were delivered to the cooperative. It was observed that a honey moisture refractometer, smokers and harvesting gear were not delivered as was anticipated by the cooperative.

By 14th January 2016, the received equipment was still stored and not in use. This was attributed to the fact that; the cooperative has a total of 10 primary groups dealing in apiary yet only two tanks had been provided by OVOP. The cooperative management had not identified the two primary groups to benefit from the delivered equipment.

Challenges

- Inadequate honey kit from MoTIC
- Lack of markets: During bumper seasons, honey prices drop from Ug shs 10,000 to 5,000 a kilo and the cooperative is stuck with its products. For example, in June 2015 there was a bumper harvest and the cooperative was stuck with 30 jerry cans of 25 kg each of honey.
- Lack of training amongst cooperative members in value addition and quality standards.
- Equipment used in apiary management is costly. One hive of Kenya Top Bar beehive costs Ug shs 60,000 which is not affordable for the ordinary rural farmers.
- Lack of transport to obtain honey from the primary cooperatives and delivery to better markets.

Recommendations

- The OVOP secretariat should link the beneficiaries to other platforms such as the National Apiculture Development Organization (TONADO) to enable it access better markets.
- The OVOP secretariat should include training in quality and standards for beneficiary groups.
- The OVOP secretariat should review the kit issued to beneficiaries to take care of the critical items. The project should endeavor to deliver the items at once.

B) Mes Amis Cooperative - Luweero

Background

MES AMIS cooperative is located in Kikasa Village, Bukalasa Parish, Wobulenzi Town Council, Luweero district. It is a registered cooperative with 30 members comprising of 19 Females and 11 Males. The objectives of the cooperative are to;

- Improve members' welfare through savings.
- Offer practical trainings to members and community in animal husbandry and nutrition programmes.

In 2014, the group submitted a proposal to the OVOP secretariat for a diesel powered feed mixer. In 2015, a feed mixer with with an engine and a capacity of 600kg/ hr was delivered. By 12th January 2016, the equipment had been installed and was functional. The management of

the group estimated that 400Kgs of; maize, sunflower, and cotton seedcake are processed by the cooperative per month.
The operations of the mill are restricted to the evening hours because it is housed in a structure that is adjacent to the chicken house (layers). It was observed that the mill was not running commercially and processing of animal feeds was still restricted to members who are able to deliver own raw materials. Members are charged Ug shs 50 per kg of raw material processed and mixed. The generated funds are used for maintenance of the equipment. Therefore, the equipment was operating at excess capacity.

The delayed commercialization of the mill was because most members had not yet harvested their crops and hence lacked raw materials and working capital. The group chairperson reported that commercialization of the feed mill shall start after the first harvest of 2016.
It was observed that the cooperative did not have a business plan and strategic plan to guide the commercialization of the feed mill.


Left: Feed mill delivered to the group, **Right: Structure housing the machinery**

Challenges

- The cooperative did not have working capital to fund its operations.
- Lack of a clear strategic and business plan to guide the cooperative's operations.

Recommendations

- The OVOP secretariat should link the project to financial institutions and the Microfinance Support Centre for working capital.
- The OVOP secretariat should require all beneficiaries to develop business and strategic plans.

C) Naluwori Growers Cooperative

Background

Naluwori Growers Cooperative is located in Naluwori village, Naluwori parish, Butansi sub-County, Kamuli district. The cooperative was registered in 1968. By December 2015, the group had 285 members. The vision of the group is to uplift the standards of the members through the rice (upland) and coffee enterprises.

Findings

It is estimated that each of the group members has an average land holding of half an acre of rice and another half for coffee. Each member was on average producing 10 bags of unmilled rice per season.

In 2014, the group applied for support from the OVOP secretariat. In July 2015, an electric powered rice milling machine was delivered and was operational by 1st February 2016. It was anticipated that it could mill 3,500 kg of rice daily but this output was not being realized because, though the machine had a capacity of 30 Amps per hour, the motor installed was of 20 Amps per hour and therefore weak. It was also reported that due to inadequate capacity of the motor, the rice mill heats up whenever it runs for more than four hours consecutively.

The cooperative had not started packaging and marketing its members produce due to inadequate capital.

Benefits

The following benefits were attributed to the delivery of the equipment at the cooperative;

- The cooperatives members no longer travel long distances to have their rice milled as this can be done at the cooperative. Previously the cooperatives members had to travel to Kamuli town (15km) or Budunbula Sub-County to have their rice milled.
- The cooperative was able to eliminate middle men in the value chain by adding value to members produce hence its members earn slightly higher price from their harvest.
- The cooperative milled its member’s rice at a subsidized rate of Ugshs 80 and non members at Ug shs 100.
- The neighboring sub-counties of Balawori and Namasagali also utilize the mill of the cooperative.

Left: Rice milling machine delivered to the group by OVOP, Right: Produce in storage after milling

Challenges

- The delivered motor was of low capacity.
- Lack of working capital for crop financing and transport means to deliver produce to the mill.
- Limited value addition to the rice yet it can be packaged and marketed at upscale markets at better prices.
- High electricity tariffs (unit cost charged Ug shs 800) which affect the profitability of the business.
- Multiple taxes from the District Local Government, and sub-county in form of local service tax, annual license and a daily operations fee were raising the cost of doing business.

Recommendations

- The OVOP secretariat should deliver the appropriate motor to the group.
- The OVOP secretariat should link the group to MSCL for working capital.
- The beneficiaries should engage with the local government to reconcile the multiple taxes.

D) Patience Pays Professional Organization (PAPRO)

Patience Pays Professional Organisation is located in Haisazi village, Kyegegwa ward, Kyegegwa Town Council. It was legally registered in 2004 as a Non-Government Organization. The organization comprises of 395 agricultural groups of about 20 people, each with a total membership of 7,900.

The vision of the group is to attain a socially healthy and economically productive community of productive members living in a dynamic environment for sustainable development.
The objectives are;

- To enable the communities understand their roles and responsibilities towards attaining sustainable development.

- To promote awareness on education, community health especially HIV/AIDS, human rights and agribusiness.
- To enhance skills development and entrepreneurship development for self-reliance.
- To promote environmental protection and agribusiness development among peasant farmers through continuous mobilization, advice, modern agro inputs provision, market linkages and training.

The major enterprise of the group is rearing of local chicken. On average, each member rears at least 30 local chicken. The group targets to increase this to 100 chicken per member. By January 2016, the group had trained 200 of its members in local chicken rearing and management. One of the major challenges to expansion of this enterprise was lack of poultry feeds within the district.
In March 2014, the group applied for support from the OVOP secretariat for a hatchery and feed mill. However, upon assessment, the OVOP secretariat offered to provide a feed mill.

The mill was delivered to the group in October 2015 and the secretariat trained the organizations members on how to use the machine from a rented facility. The cooperative secured land at Rwera LC I in Kyegegwa Town Council and a shelter was being constructed both at a cost of Ug shs 10 million. By January 2016, the group was in the final stages of completing their own feed mill premises however, the delivered equipment was not operational.
The organization was mobilizing its members to contribute 10Kgs of maize each during the first harvesting season (February 2016) to provide startup raw materials for the feed mill once operations starts.

With the acquisition of the feed mill, the organization hoped to provide its members with chicken feeds at reasonable prices. A marketing and sales model had been conceptualized. The organisation intends to open two sales points in the sub-counties of Kakabara and Kyegegwa in order to bring the feeds near to the farmers.

Left: Delivered feed mixer components stored at the organization premises, A feed mill shelter under construction, and a chicken house owned by one of the members in Kyegegwa district

Challenges

- Delayed installation of equipment by the beneficiaries due to lack of a shelter for the equipment.
- The organization is registered as a non-profit making NGO and thus not able to participate in commercial financial markets.
- Limited capital for raw materials and implementation of the marketing model.
- Rampant outbreak of Newcastle disease in the district.

Recommendations

- The organization should expedite the installation of the feedmill in order to ensure that members benefit from the intervention through access to affordable feeds.
- The organization should strengthen its extension services and emphasize vaccination of birds to mitigate the outbreak of Newcastle disease.
- The organization should register a legal commercial entity to carry out business.

Overall challenges

- The project is behind schedule and was implementing activities carried forward from the previous (FY 2014/15).
- Some beneficiaries were not optimally utilizing the received equipment and expected more support from government.
- Most beneficiaries lacked business and strategic plans and lacked a sense of direction.
- Lack of access to financial services and linkages for capital mobilization and commercialization of projects.

Analysis

Link between Financial and Physical Performance

There was a poor link between the financial and physical performance as most of the planned outputs were at procurement stage (equipment being fabricated) and actual deliverables during the first two quarters were generally carried forward from of the previous year.

Achievement of set targets

An estimated 40% of the half year planned outputs were achieved during the period under review representing below average performance. The MoTIC had awarded contracts to fabricate most of the equipment for onward delivery to recipients. The only completed output was assessment of 9 model enterprises in Lira, Amolator and Kiryandongo districts. The incomplete outputs carried forward from the previous FY showed good performance. For example, Naluwori Cooperative in Kamuli had operationalised the rice milling equipment whilst the challenges while Patience Pays Professional Organsiation in Kyegegwa was constructing a shelter for the received feed mixer.

Conclusion

The project registered below average performance (40%) during the first half of the FY with most of the planned targets either at procurement (equipment under fabrication). The implementation of the project has consistently been behind schedule over the years with programmed activities being carried forward across FYs. This reflects poor planning on the side of implementers. Funding of the project is equally dismal which forces the implementers to make incomprehensive contributions to beneficiaries. Gaps in project assessment and selection criteria were observed. In spite of the challenges, the beneficiaries expressed gratitude to the MoTIC for the support. Some of the sampled projects were operating the received equipment at excess capacity, lacked capital and strategic direction on the best approach to benefit most from the One Village One Product concept.

Recommendations

- The OVOP Secretariat should expedite the implementation of activities to achieve planned outputs.
- The OVOP Secretariat should ensure that beneficiaries have the necessary infrastructure to utilize the machinery provided optimally.
- The MoTIC should link the beneficiaries to financial institutions especially Microfinance Support Centre to ease access to financial services.
- The MoTIC should make preparation of strategic and business plans part of the selection criteria for beneficiaries.

9.4 Uganda Development Corporation

Uganda Development Corporation (UDC) was established by the Uganda Development Corporation Act (Cap 329) of the 1952 with the objective of facilitating industrial and economic development of Uganda, promote and assist in the financing, management or establishment of new undertakings; creating schemes for better organization and modernization, and more efficient carrying out any undertaking; and conducting research into the industrial and mineral potentialities of Uganda.

Due to the economic liberalization polices implemented by GoU in the late 1980S, UDC woundup in 1998, however, given the need to facilitate the industrial and economic development of strategic projects, UDC was revived in 2008.

The projects of; Soroti Fruit Factory and project feasibility of Kiira/Ashok-Leyland were monitored during the semi-annual monitoring exercise of FY2015/16.

9.4.1 Soroti Fruit Factory (project 1111)

Background

The Soroti Fruit Factory is a proposed Government intervention aimed at supporting value addition in fruit processing for the promotion of industrial growth, income diversification and increasing household incomes in the Teso region. Teso region comprises of the districts of; Soroti, Kumi, Bukedea, Katakwi, Amuria,Serere, Ngora and Kaberamaido and is the leading producer of citrus fruits in the country. Teso region has approximately three million fruit trees with a potential production of 600,000 metric tonnes of fruit per year. Despite this potential, Teso region has not seen any investments in fruit processing, whether public or private sector led.

The key challenges for fruit farmers in Teso region are; lack of readily accessible markets, fair pricing for produce; and cost effective and easily accessible storage and transport infrastructure. Teso region therefore experiences high post-harvest losses during peak production seasons.

The objectives of the project are;

- To increase the incomes of the fruit farmers in Teso region by provided a readily accessible and fairly priced market for produce.
- To promote value addition and agro processing of agricultural produce.
- To reduce post-harvest losses of produce.
- Produce fruit juice concentrates and pulp that exceed the local, regional and international market.

In 2012, the Government of Korea through their development arm; Korean International Cooperation Agency (KOICA) offered to provide a turnkey project for Soroti Fruit Factory. The MoU required that GoU establish key infrastructure for construction to take off including land, extension of water and power to the project site, paving of neighboring roads, fencing of project site and provision of land for waste disposal in a radius of 10 km.

By June 2015, the GoU had substantially fulfilled its obligations to the construction of Soroti Fruit Factory (paving of roads, extension of water and power to project site and fencing the site).

Planned outputs for FY 2014/15

Non Civil works

- Soroti Fruit Factory Business plan developed.
- Develop Environmental Impact Assessment for the waste disposal land.

Civil works

- Fencing of the waste disposal site.
- Construction of the fruit factory.
- Installation of tea processing equipment in Kisoro and Kabale.

Findings

Financial Performance

The approved budget for Soroti Fruit Factory for FY 2015/16 was Ug shs 4,482,787,000 of which Ug shs 913,412,801 (20%) was released by 31st December 2015 and Ug shs 892,953,616 (98%) expended. Although release of funds was below average, absorption was excellent.

Through this project, GoU appropriated Ug shs 6,000,000,000 for the procurement, installation and commissioning of tea processing equipment in Kabale and Kisoro Districts. A total of Ug Shs 1,500,000,000 (25%) of this component was released and Ug Shs 24,049,321 (2%) spent representing below average release and expenditure performance by half year.

Physical performance of Soroti Fruit Factory

A: Soroti Fruit factory

Non-Civil works

Soroti Fruit Factory Business plan developed: A consultant was secured to develop a business plan for the project and an inception report was produced. The expected completion of the business plan was February 2016.

Develop Environmental Impact Assessment for the waste disposal land: The technical evaluation was completed and submitted to UDC for approval. The EIA was expected to start by end of January 2016. Delays were experienced in the procurement of consultants because UDC opted to use open bidding method which required lengthy processes.

Civil works

Fencing of the waste disposal site: The evaluation of the bids to secure a contractor for fencing off the waste disposal site was completed. However, the best evaluated bidder quoted above the allocated budget to UDC for this component, therefore a market assessment was carried out to ascertain the prices the contractor quoted and a report was awaiting the approval of the accounting officer before the contract is awarded to the best evaluated bidder.

Construction of the fruit factory: The contract for the construction of Soroti Fruit Factory was awarded to Hwanshin Uganda Limited for a period of 15 months commencing 26th March 2015 to May 2016 at a t sum of US$ 7.4 million. The scope of works covers: construction of an office blocks and main factory, 2 internal roads, external storage, treatment plant and an external toilet.

By 14th January 2016, civil works were in progress and estimated at 60%; walling, plastering and fabrication of roof trusses were ongoing. Pending works were; construction of the drainage system, storage house, internal roads and the external toilet. Roofing of the structure was expected to be completed by the end of February 2016.

Left: External wall completed at Soroti Fruit Factory, Centre: Ongoing civil, Right: fabricated trusses on site

Delivery of machinery: Some of the machinery had been shipped into the country and inspected by officials from both UDC and Ministry of Works and Transport (MoWT).

Challenge

Delays due to design reviews and weather affected the works implementation schedule.

B: Value Addition Tea factories (Kisoro and Kabale)

Installation of tea processing equipment in Kisoro and Kabale

The GoU through the Uganda Development Corporation and Kigezi Highland Tea in 2015 entered into a partnership to construct tea factories in the districts of Kisoro and Kabale. The role of UDC will be to procure, install and commission equipment for the two factories while the proprietors will construct the factories.

During FY 2015/16, a total of Ugshs 6,000,000,000 was allocated to tea processing equipment, of which Ug shs 1,500,000,000 (25%) was released and Ug shs 24,049,321 (1.6%) spent by 31st December 2015. Both release and expenditure performances were below average. The below average expenditure was because the procurement of a supplier was ongoing.

The equipment will comprise of the entire processing tea line starting from withering, to curling, cutting and packaging. A supplier M/s T&I Global Ltd was identified through a competitive procurement to execute the project. By January 2016, the contract was yet to be signed pending the Solicitor General’s approval. Overall progress under this component was estimated at 10%.

Overall Challenges

- The installation of tea machinery project does not have a project code and shares one with Soroti Fruit Factory. Thus the purchase of tea machinery is done under the budget line item of purchase of equipment and machinery of Soroti Fruit Factory.
- The contractor is exempted from paying VAT on materials used in the construction of the factory. However, the process of VAT recovery takes a long time hence crippling the cash flow and operations of the contractor.

Analysis

Link between financial and physical performance

There is a good between financial and physical performance. The implementation of Soroti Fruit Factory was under way and civil works were estimated at 60% by half year. The machinery had also been procured and waiting installation once the factory is complete. The business plan was developed.

However the machinery for tea was under procurement and thus implementation had not yet been effected but installation was expected to be done by end of year.

Achievement of set targets

The achievement of set targets was estimated at 60%. Good progress was registered on all components (civil and non-civil works). The business plan was developed; EIA for waste disposal site was at financial evaluation stage while the construction of the factory was estimated at 60%. The machinery for the tea factories was under procurement.

Recommendations

- The MFPED should assign a separate project code to the tea component.
- The MFPED and URA should expedite the process of exempting VAT on construction materials as per the agreement to improve on the contractors' cash flow.

9.4.2 Kiira Ashok Leyland Pre-Investment Study

Background

The Kiira Ashok Leyland is a pre-investment analysis study conducted by UDC in collaboration with Kiira Motors Corporation (KMC), the registered proprietors of Kiira EV on one hand and the Hinduja Group of United Kingdom and India on the other. On 23rd January 2015, GoU represented by the Ministry of Works and Transport and the Ministry of Foreign Affairs signed a MoU with the Hinduja Group to establish a sustainable relationship in the development of a truck and bus manufacturing plant in Uganda. The pre-investment proposal by the Hinduja Group was presented to and approved by cabinet after consideration by a select committee, which recommended establishment of a joint technical task team to explore the possibilities for a joint venture between Ashok Leyland and UDC.

Objective

The objective of this study is to determine the viability of the prospects of establishing a vehicle manufacturing plant in the country in a joint venture with the Hinduja Group of India on a commercial basis. The niche of light and medium trucks, busses and Lorries (5- 25 tonnes) with a life cycle of 4-5 years are majorly used for commercial purposes such as construction and transporting produce, are targeted under this project.

The specific tasks are: To carry out a pre-feasibility study for the formation of the Kiira Ashok Leyland Joint Venture (JV); to develop a comprehensive business proposal for Kiira Ashok

Leyland JV; to negotiate and draft the Kiira Ashok Leyland JV agreement; to develop a mutually agreed inception report for the assignment

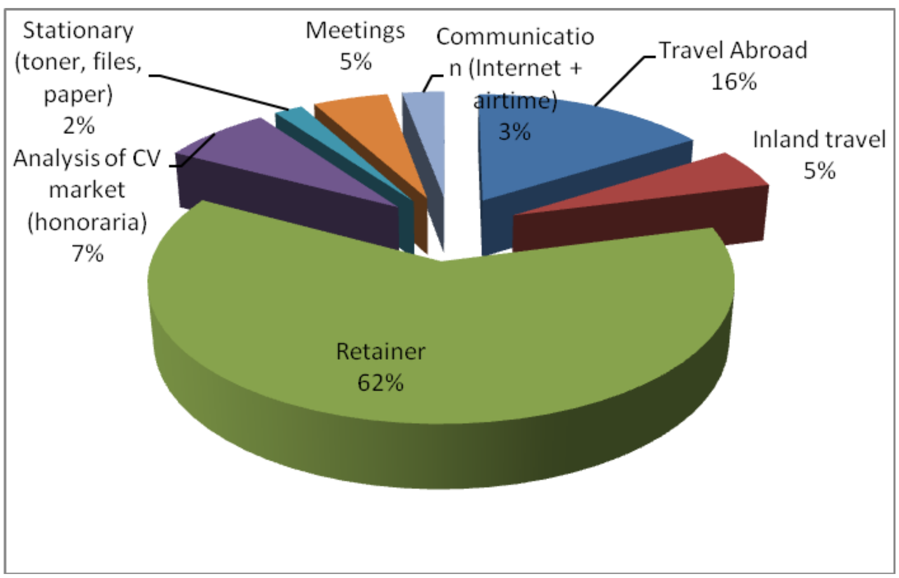
The task started in October 2015 and was expected to be completed in May 2016

Findings

Financial performance

The project was allocated a total of US$316,607 (Ug shs 1,171,445,900) through UDC for a period of seven months. All the funds were released in October 2015. By 31st December, Ug shs 383,045, 652 (33%) had been absorbed. The below average utilization of funds was a result of late release (October 2015) of funds which delayed project take off. The planned activities for August/September were re-scheduled to November/December. Retainer fees for the technical and steering committee was allocated the biggest budget (62%) followed by travel abroad (16%) and 7% on market analysis. Figure 9.2 presents the budget distribution by item.

Figure 9.2: Kiira Ashok Leyland pre-investment budget distribution



Source: Kiira Ashok Leyland JV Pre-Establishment Concept

Physical performance

Formation of Steering Committee

A GoU Steering Committee for the formation of the Kiira Ashok Leyland Joint Venture was constituted to provide policy guidance and direction. The committee is chaired by The Permanent Secretary (PS) Ministry of Works and Transport (MoWT) with the PS Ministry of Trade, Industry and Cooperatives serving as the alternate Chair. UDC serves as the Secretariat of the committee. The 14 member committee has representatives from MFPED, MLHUD, Ministry of Defence (MoD), KCCA, URA, URSB, Attorney General's office, MoESTS, and National Planning Authority (NPA).

Formation of Joint Task Team

A joint task team composed of 12 members representing the two parties in the MoU was formed. The organizations represented on the committee are MoWT, UDC, MoD, KMC, UIA and Office of the Attorney General while a four man team from Ashok Leyland represents the Hinduja group.

Pre- investment analysis

In consultation with the Hinduja Group, the following four stages were proposed to initiate bus and truck manufacturing in Uganda as part of the pre-investment analysis;

i. Training of individuals in vehicle manufacturing.
ii. Start [34]SKD vehicle manufacturing
iii. Continue SKD but with some component manufacturing e.g. fabricating seats and body building.
iv. Explore opportunities for [35]CKD in the country.

The objectives of the pre- investment analysis are;

- To conduct a comprehensive macro and micro market analysis.
- To conduct a production engineering feasibility to investigate capabilities and capacities Vis-a-Viz the set milestones of the project.
- To establish value proposition of car market.

The macro and micro market analysis was undertaken and concluded in December 2015. A report was expected in January 2016. The production feasibility and establishing a value proposition for car market were ongoing. Data was collected on production engineering aspects and the work schedule was internally reviewed. Some preliminary reports have been generated awaiting comments from Ashok Leyland team.

It was reported that three other prospective manufacturers in the sane segment (buses and trucks) had expressed interest in the JV. They include: SINO from China and TATA and Mahindra from India. The committees were open to all proposals and would assess the readiness and capacity of each in the light to medium trucks and buses.

By the end of March 2016, the technical committee would be able to advise on whether a JV is feasible for manufacturing buses and trucks in Uganda.

[34] Semi Knock Down - An incomplete kit needed to assemble a particular product for example paint shop, trimming, final assembly inspection

[35] Complete Knock Down - a vehicle is assembled with all major parts locally fabricated, and technology imported from the country of its origin.

Challenges

- Delayed release of funds from the MFPED as the nature of project is unusual and a project profile/code and budget had not been prepared before budget approval. However, funds were disbursed after negotiations with MFPED.
- Difficulties in communication with the Hinduja group. The Pre-investment analysis is a consultative process between GoU and the Hinduja Group. However, the group was reportedly slow in its correspondence with the project team.
- Lack of a strategic plan to guide the automobile sub-sector.
- Lack of industrial infrastructure for the automobile industry in Uganda.

Analysis

Link between financial and physical performance

There was a good link between the financial and physical performance. Funds were spent according to budget on the items of honorarium, retainers, travel inland for data collection, travel abroad, meetings, communications, stationary and perdiems.

Achievement of set targets

An estimated 35% of the project targets were achieved. The target of completing the macro and micro analysis was on course of being achieved pending a final report. Committees were constituted and several meetings conducted.

Conclusion

The pre-investment analysis was progressing well although behind schedule due to delays in release of funds. The major project target was near completion.

Recommendations

- The MoTIC/UDC should spearhead the development of an automotive strategic plan to guide the sub sector operations.
- The steering committee and technical committees should strengthen communication with the Hinduja Group.
- The GoU through MoTIC/UDC, MFPED, UIA, UIRI and other relevant bodies should develop industrial infrastructure and human resource capacity for engineers, lawyers, economists, and accountants in the automotive field.

CHAPTER 10: PUBLIC SECTOR MANAGEMENT

10.1 Introduction

Public Sector Management (PSM) is a key function for efficient and effective management of public service delivery[36]. It entails establishment of institutions, structures and systems, as well as formulation and enforcement of policies, laws, regulations, standards and procedures for effective coordination and management of public service delivery systems.

The PSM sector incorporates the following entities: Office of the Prime Minister (OPM), Ministry of Public Service (MoPS), Ministry of Local Government (MoLG), Ministry of East African Community Affairs (MEACA), National Planning Authority (NPA), Kampala City Capital Authority (KCCA), Public Service Commission (PSC), Local Government Finance Commission (LGFC) and 133 votes in the Local Governments (LGs).

10.1.1 Sector Objectives and Priorities

The key objectives of PM are: (i) Establishing mechanisms that will promote coordinated and harmonized policy, planning, budgeting, monitoring and evaluation at National and Local government levels; (ii) Attracting, recruiting and retaining a highly-skilled and professional workforce; (iii) Developing management and operational structures for an efficient and effective decentralized service delivery system; (iv) Implementing East African integration through implementation of the East Africa Customs Union; and (v) Establishing the East AfricanCommon Market, a monetary union and ultimately the East African Federation.

The PSM sector will prioritize the following areas as avenues of contributing to the National objectives and the ultimate National Vision 2040.

i) Review systems, structures, processes and procedures for effective coordination of service delivery
ii) Harmonize policies, laws and regulations at the Local Government, National, Regional and international level.
iii) Spear head reforms and manage talent to create a well-motivated, competitive public service
iv) Coordinate information flow
v) Coordinate resource allocation towards Government priorities including the special progamme areas
vi) Spear head comprehensive and integrated development planning at local and National Level
vii) Develop mechanisms for Local Government Financing

[36] NDP II

10.1.2 Scope

The Chapter reviews progress in implementation of selected programmes/projects under PSM during Q1 and Q2 of FY 2015/16. Monitoring in 20 districts including several sub-counties covered eight selected projects/programmes[37] in three out of eight votes (Table 2.1).

Table 2.1: PSM projects/ programmes monitored

Vote	Project/Programme	Sampled institutions/ districts
Vote 003: Office of the Prime Minister	Project 1078:KIDP	Moroto, Napak, Abim, Nakapiripit
	Project 0922: Humanitarian Assistance	Kiryandongo, Bulambuli, Kampala (Kisugu)
	Project 1235: Resettlement of Landless Persons and Disaster Victims	Kiryandongo, Namanve, Kisugu (Kampala)
	Project 0022: Support to Luwero Rwenzori Development Programme	Bundibugyo, Ntoroko, Kabarole, Mubende, Wakiso, Mukono,Lwengo
Vote 005: Ministry of Public Service	Project 1285: Support to Ministry of Public Service	Kampala, Wakiso (Namanve)
	Public Service Reforms: Upgrading the Civil Service College; Public Performance Management; Management of thePublic Service Payroll and WageBill; Demand for Service Delivery Accountability strengthened through Client Charters; Development and Dissemination of Policies, Standards and Procedures; Payments of Statutory Pensions, implementation of pension reforms.	Moroto,Napak, Abim, Iganga, Masaka, Bundibugyo, Ntoroko, Kabarole, Jinja, Kyegegwa, Kamuli,Luuka, Lira, Kiryandongo, Wakiso, Mukono Districts Mukono , Moroto, Jinja, and Lira Municipal Councils
Vote 011: Ministry of Local Government	Project 1087: Community Agriculture Infrastructure Improvement Programme-2	Kamuli, Jinja, Wakiso, Iganga, Mpigi, Lira, Mukono, Luuka
	Project 1088: Markets and Agriculture Trade Improvement Project-1	Masaka, Kabarole,Jinja, Lira, Wandegeya, Mbale, Kampala
Vote 108: National Planning Authority	Project 0361: National Planning Authority	National Planning Authority Headquarters
Vote 146: Public Service Commission	Project 0388: Public Service Commission	Public Service Commission Headquarters
Vote 147: Local Government Finance Commission	Project 0389: Support Local Government Finance Commission (LGFC)	Local Government Finance Commission Headquarters

Source: Authors compilation

[37] *Reforms are under recurrent programmes of Ministry of Public Service*

Overall Sector Financial Performance

The approved budget for the PSM sector (excluding local governments) in FY 2015/16 was Ug shs 948.08 billion inclusive of external financing, and exclusive of taxes and arrears[38]. The release performance was good and absorption excellent. The sector performance for FY 2015/16 for eight out of the nine votes is summarized in Table 10.1.

Table 10.1: Financial performance of PSM sector by 31st December 2015 (Ug shs billion)

Institution	Approved budget	Releases	Expenditures	% Budget released	% Release Spent
Office of the Prime Minister (OPM)	123.354	78.986	63.190	64	80
Ministry of Public Service (MoPS)	34.845	14.876	11.216	42.7	75.4
Ministry of Local Government (MoLG)	32.739	10.395	7.922	11.2	98.3
Ministry of East African Community Affairs (MEACA)	27.286	22.814	21.812	83.6	95.6
National Planning Authority (NPA)	16.105	7.779	5.404	48.3	69.5
Kampala City Capital Authority (KCCA)	45.634	58.048	45.988	127.2	7902
Public Service Commission (PSC)	5.619	2.577	2.246	45.9	87.1
Local Government Finance Commission (LGFC)	5.183	2.128	1.988	41.1	93.4
TOTAL	**290.765**	**197.603**	**159.766**	**67.9**	**80.8**

Source: MFPED Budget Directorate

Physical performance

10.2 Office of the Prime Minister- Vote 003

Four Government of Uganda (GoU) projects were sampled and monitored. These included: Humanitarian Assistance project; Karamoja Intergrated Development Programme (KIDP);

[38] MFPED 2014

Resettlement of Landless Persons and Disaster Persons project; and Support to Luwero Rwenzori Development Programme (LRDP).

10.2.1 Humanitarian Assistance (Project 0922)

Background

The Humanitarian Assistance Project was established in 2008 to handle disaster emergencies. The main objective is to coordinate timely response to disasters and provide food and non-food relief to disaster victims. The project is mainly involved in assessing disaster risks and vulnerabilities, identification of the needs of the victims and provision of relief interms of food and non-food items.

The GoU funds the project and implemention is coordinated by OPM under Disaster Preparedness and Management. The project period is five years (7th January, 2015 to 30th June 2020).

The expected outputs by June 2016 include:

The National contingency plan for foods, landslides and drought risk preparedness developed, International community and government actors coordinated to provide for the basic needs of internally displaced people (IDPs) and livelihood of disaster victims supported, Disaster vulnerabilities of the community addressed and human suffering from disasters alleviated, Mine fields in the North and Rwenzori regions cleared and mine risk educationcreated, Food and non-food items for disaster victims procured.

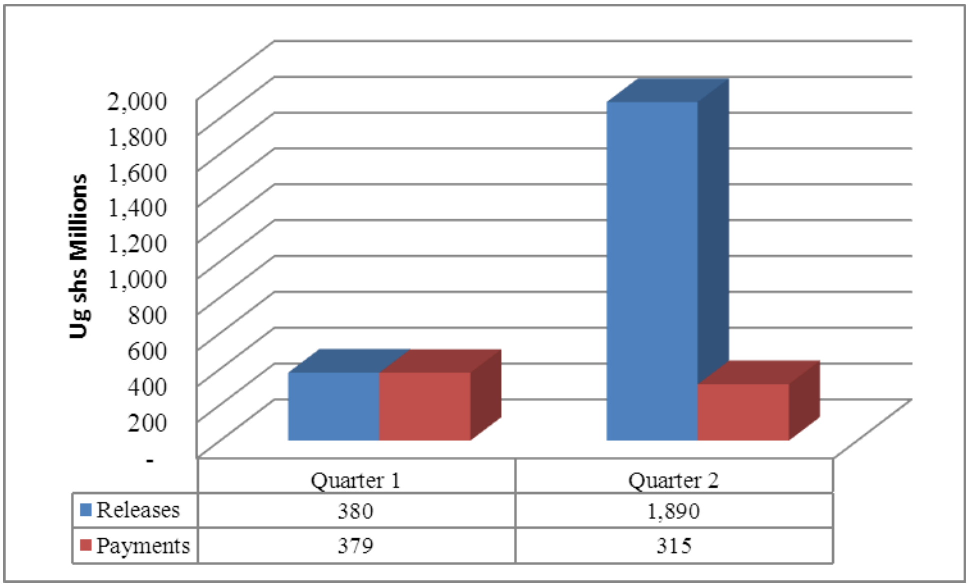
The keyplanned annual outputs for FY 2015/16 included: 900 plots of land demarcated and allocated to Ugandan expellees from neighbouring countries, Early Warning messages disseminated through television, radio, print media and social media, Purchase of 2 trailers (wagons) and a single cabin landcruiser 70 series pickup, Acquisition & Development of 1,000 acres for Ugandan expellees, construction of National Emergency 20 District Disaster Preparedness and Contingency Plans, Disaster Preparedness and Management Bill drafted, Public Risk awareness and Strategy implemented, One Pilot Regional Office established in Mbale, 900 new settlements established, Design for large Relief stores; and wall fence built in Namanve.

Findings

Financial performance

The revised budget for FY 2015/16 is Ug shs3,176,248,021 of which Ug shs 2,270,000,000 (72%) was released and Ug shs 695,304,340 (31%) expended by 31st December 2015 representing excellent release and poor absorption. Figure 10.1 shows the financial performance.

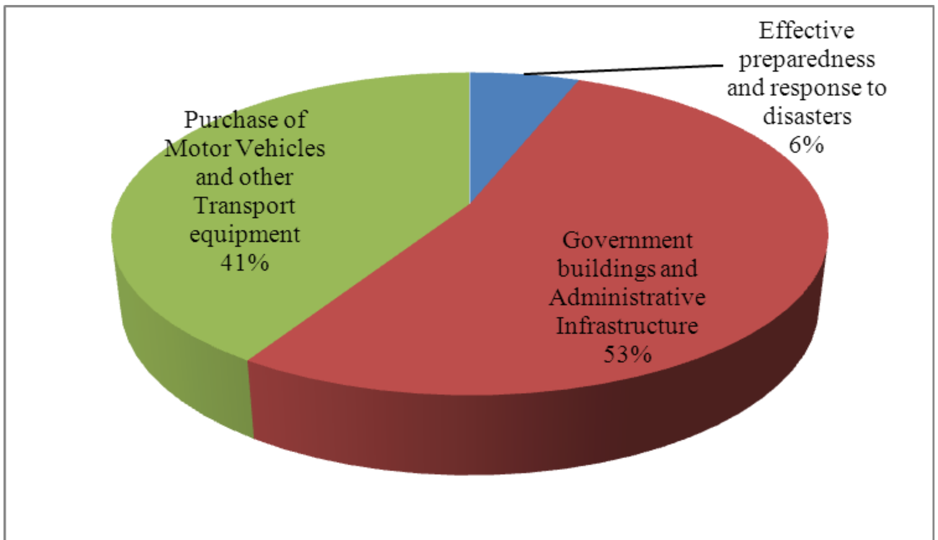
Figure 10.1: Financial performance of Humanitarian Assistance Project by 31st December 2015



Source: IFMS data

The low absorption in Q2 is unspent funds meant for sensitization of communities on disaster resilience, completion of backfilling, Bills of Quantities (BoQs) and NECOC designs, fencing Kisugu land, wall fence and design for a large relief store at Namanve, purchase of two trailers and land cruiser 70 series pickup. All these are at various levels of execution and expected to be completed in Quarter 3.The key expenditures of the Humanitarian Assistance project 0922 incurred are shown in Figure 10.2.

Figure 10.2: Expenditure performance of Humanitarian Assistance Project by 31st December 2015



Source: IFMS

Allocative efficiency was excellent as 53% of the funds were spent on the output that was key to delivery of the stated outputs that was Government Buildings and Administrative Infrastructure.

Physical performance

Past performance

The project recorded the following achievements during FY2014/15:

- Procured 2,868 acres of land to relocate 1,000 households at risk of land slides in the Elgon region.
- The ongoing construction of 60 houses for Bududa landside victims in Kiryandongo.
- Initiated procurement for backfilling of three acres of land in Namanve.

Overall performance

Table 10.2 shows the cummulative physical performance of the project from July 2015 to 31st December 2015.

Table10.2: Overall physical performance of the project by 31st December 2015

Planned outputs (Q1-Q2)	Targets achieved	Remarks
Effective preparedness and response to disasters		**Average target met 10%**
1.One NECOC staff and 2 supportstaff posted to Mbale office	Activity has not been undertaken	Target 10% achieved
2. One Regional Office of Disaster Preparedness and Management facilitated in Mbale	Carried out a survey in Mbale and inliaison with CAO identified space for the establishment of an office	Target 10% achieved
Government Buildings and Administrative Infrastructure		**Average target met 23%**
3. Design for large Relief stores	• Completed the Design for large Reliefstores and contract signed withAfricon Construction Limited	Target 10% achieved
4. Wall fence built in Namanve connection of water and electricity to new store building	• BoQs for the wall fence have been done and submitted to Procurement Unit.	Target 10% achieved
5. Construction of more permanent houses, two stance pit latrines with two bathrooms and water havesting system for landslide victims in Kiryandongo.	• Constructed four houses in Kiryandongoand handed over by Habitat forHumanity and completed 20 houses and latrinesunder Hydra form with 20pit latrines with two bathrooms and 20water havesting tanks	Target 100% achieved

6. Completion of back filling **7.** BoQs and designs for NECOC building made 9. Wall Fencing off Land in Kisugu 10. Namanve stores building completed 11. Reception Center constructed in Bulambuli district 12. Resettlement building materials procured for 500HHs	• Produced BoQs for back filling of three acres • Activity not undertaken • Activity not undertaken • Stores builing not completed • Completed 3 km access road to location where Reception Center willbe constructed materials not yet procured	Target 10% achieved Target not achieved Target not achieved Target70% achieved Target 10% achieved Target not achieved
Purchase of Motor Vehicles and other Transport Equipment		**Average target met 45%**
13. Purchase of 2 trailers (wagons) and asingle cabin land cruiser 70 seriespickup 14. Branding of vehicles for the Department	Procurement process for purchase of one trailer (wagon) and one land cruiserpickup was on-going Branding of vehicles for the Department on-going	Target 40% achieved Target 50% achieved

Source: OPM progress report December 2015

Average physical performance is rated 26%

Field findings

Namanve stores building completed: The contract was awarded to M/s Africon Construction Uganda Limited at a sum of Ug shs 745,296,585 for a period of 12 months with effect from 1st August 2015.

By 31st December 2015, the contractor had put up the structural frame (70%). The contractor had not been paid any funds.

Sub-structure level of Namanve building

Reception Center constructed in Bulambuli district: By 31st December 2015, this output had not been implemented. The only activity that was carried out during quarters one and two was the opening up of a 4.5 km road connecting to different plots 93 and 94 which started in October 2015. The contractor is Bulambuli District Local Government. The proposed site for building is plot 93 and 94 whereas plot 10 is the proposed land for farming. Quality of road was good.


L-R: Opened 4.5 km of access road into Plots 93, 943 and 10; Culverts yet to be placed on gravel road in swampy area in Bulambuli district

Permanent houses, two stance pit latrines with two bathrooms and water havesting system for landslide victims in Kiryandongo constructed:

The contract was awarded to M/s Hydraform International (PTY) Limited on 3rd October 2014 at a sum of Ug shs 470,953,947. The site for resettlement is Bududa Resettlement Zone A village, Kakwokwo Parish, Mutunda Sub-County, Kiryandongo district. By 31st December 2015, construction works of 24 houses was completed in Kiryandongo and handed over to the beneficiaries (elderly; persons with disabilities, persons with a large family and widows). Each of the houses was constructed on two and a half acres of land. Each piece of land has a house, bathroom facility, and a garden for farming for each beneficiary family.

Four houses were handed over by Habitat for Humanity, and the 20 houses by OPM. The floors of the houses under Habitat for Humanity were being redone due to water retention, however, commissioning of houses had not yet been done. A total of seven families were sampled from Zone A and Zone B and visited to assess progress and beneficiary satisfaction.

Beneficiary Nekesa Robinah belongs to the women's group. She has a family of three and resides in Zone A 2. She received a house from Habitat for Humanity. The floor of her house was being redone.

L-R: Robinah Nekesa's house; the bathroom facilities; house where beneficiary is currently residing as the floor of the new house is being completed in Zone A2, Kiryandongo district

Beneficiary Watendo Sam belongs to a large family group and resides in Zone B 1. He received a house constructed by Hydraform International and was grateful.

Beneficiary Weleka Clement belongs to the PWD group and resides in Zone B. He is a peasant farmer and has a family of 10. He received a house constructed by Hydraform and was grateful.

L-R: Sam Watendo with his four children standing by house he received; toilet and bathroom;, Weleka Clement with his three children infront of the house he received in Zone B1 in Kiryandongo district

Left: Moses Kawanga's bathroom facilities; Right: Kawanga with his three children standing infront of his new house in Zone B1, Kiryandongo district

Beneficiary Kawanga Moses belongs to the PWD group and resides in Zone B 1. He is a peasant farmer and received a house constructed by Hydraform and was grateful.

Beneficiary Koroto Steven belongs to the family group and resides in Zone B 1. He is a peasant farmer and received a house constructed by Hydra form. He had planted maize where he earns an income.

Left: newly cemented floor in house of beneficiary; middle: bathroom facilities in Zone B1, Kiryandongo district

Left: Munyana Robina's house; Right: bathroom facilitiesin Zone A2. Kiryandongo district

Beneficiary Munyana Robina belongs to the family group. She lives with her husband and two children Bukoma Andrew and Ibra Wamano in Zone A 2.

She received a house by Habitat for Humanity. The floor of her house was being redone. However she was grateful to the project.

Challenges

- Lack of feeder roads in the communities where houses were built.
- Lack of toilet facilities in areas where some members have not yet benefitted.
- All beneficiaries could not be considered for the allocation of houses because of the budgetary constraints and this has created a lot of conflicts in the communities
- Lengthy procurement processes for some of the planned outputs.

Analysis

Link between financial and physical performance

The link between the financial and physical performance was weak. Only 31% of released funds were spent on the planned outputs.

Achievement of set targets

The Humanitarian Assistance project did not perform well in terms of delivery of the key planned outputs in the first half of FY 2015/16. Three out of the 14 planned outputs were significantly achieved by 31st December 2015. Four houses in Kiryandongo district which were handed over by Habitat for Humanity and 20 houses with latrine and bathroom facilities under

Hydraform International were completed; and the 3km access road to the location where the Reception Center will be constructed was completed. Procurement process for purchase of one trailer (wagon) as well as a land cruiser pickup was on-going.

Conclusion

The performance of the project during the first half of FY 2015/16 is rated below average (26%). Whereas release performance was very good (72%), resource absorption was poor at 31%. Low arbsorption was attributed to unspent funds meant for sensitization of communities on disaster resilience, lengthy procurement processes for completion of backfilling, Bills of quantities (BoQs) and NECOC designs, wall fence and design for a large relief store at Namanve, purchase of two trailers and land cruiser 70 series pickup.

NOTE: There is repetition of planned outputs in this project and the Resettlement for Landless Persons Project, raising the need for OPM to harmonize outputs to avoid double allocation of resources

Recommendations

- The OPM in liason with the district should construct feeder roads in areas where
- communities are re-settled.
- The OPM and the districts should construct bathroom and latrine facilities for communities who have not yet benefitted from the housing project.
- The OPM should step up the monitoring of this project to achieve the intended objectives.
- The OPM should set realistic performance targets considering the meager resource envelope.

10.2.2 Karamoja Intergrated Development Programme- Project 1078

Background

Karamoja Intergrated Development Programme (KIDP) is a medium-term development framework specifically tailored to address the unique context and development challenges in Karamoja sub-region. The overall objective is to contribute to human security and promote conditions for recovery and development in Karamoja as part of the broader National Development Plan and the Peace, Recovery and Development Programme (PRDP). Box 10.1 shows the project profile.

The KIDP project operates in the 11 main components which include: (Education; Agriculture; Water; Health; Roads; Special Programme on “Community Reconstruction and Improvement of Alternative Livelihoods in Karamoja; Special Programme on: Coordination, Community Mobilisation and Peace Building in Karamoja; Special Programme on: Law and Order in Karamoja; Special Programme on: Providing and Ensuring Adequate Security for the People of Karamoja; Social Protection and Food Security for Poor and Vulnerable Households; and Special Programme on: Enhancement of Coordination, Monitoring and Evaluation of KIDP Interventions in Karamoja.

Box 10.1: Project profile for Karamoja Intergrated Development Programme (KIDP)

Project period: 1st July 2015 to 30th June 2020

Other Programme objectives

- To address the unique context and development challenges in the Karamoja region.
- To harmonize the various development interventions by Government, bi-lateral and multi-lateral development partners, international and national NGOs and CBOs.
- It therefore represents an attempt by the Government of Uganda to Integrate development interventions; conflict management and peace building

Expected outputs by FY 2020

- Institutional structures built 7. Cattle in high risk areas branded 8. Gardens openned for crop growing
- Clean and safe water for human consumption and for livestock production provided
- Food and nutrition security for the poor and vulnerable Households improved.
- Crop and livestock production and productivity increased.
- Housing facilities for people in Karamoja improved.
- The quality of education in Karamoja improved.

Programme components

- Provide and ensure adequate security for the people of Karamoja, Establish law and order in Karamoja
- Support the Provision and Delivery Basic Social Services to the People of Karamoja
- Enhance the Coordination, Monitoring and Evaluation Systems
- Support the Development of Alternative Means of Livelihood
- Undertake Stakeholder Mobilisation
- Sensitisation and Education
- Crosscutting Issues

Source: MFPED PIP FY 2015/16-2017/18

The planned outputs for FY 2015/16 include:

- Coordination of the implementation of KIDP
- **Pacification and development**: 10 valley tanks (Parish dams) constructed: four in Nakapiripirit, two in Abim and four in Kaabong districts;
    - 800 ox-ploughs procured and distributed to selected groups;
    - 1,600 oxen distributed to farmers in Karamoja;
    - 100 Bulls and 100 Heifers for cattle breed improvement procured and distributed in collaboration with Nabwin;
    - 2,000 Heifers procured and distributed;
    - 51 Micro projects supported in Karamoja;
    - 1,000 Local Goats procured and distributed;
    - 500 improved he-goats provided to farmers in Karamoja;
    - One tractor procured for Koblin rehabilitation centre;
    - Koblin rehabilitation centre supported;

- Prisons supported to produce food for schools in Karamoja;
- Cassava cuttings procured and distributed to farmers in Karamnoja in Collaboration with Nabwin;
- 50,000 Cattle branded in Karamoja;
- Irrigation water provided to 12 farmers in Karamoja;
- Surveying and monumentation of Nakapiripirit- Katakwi border, Amuria Napak Abim border, and Kotido- Abim Border;
- Dips constructed in Karamoja for cattle disease control;
- 7,000 Basins 7,000 Jericans; 1,000 Iron sheets procured and distributed

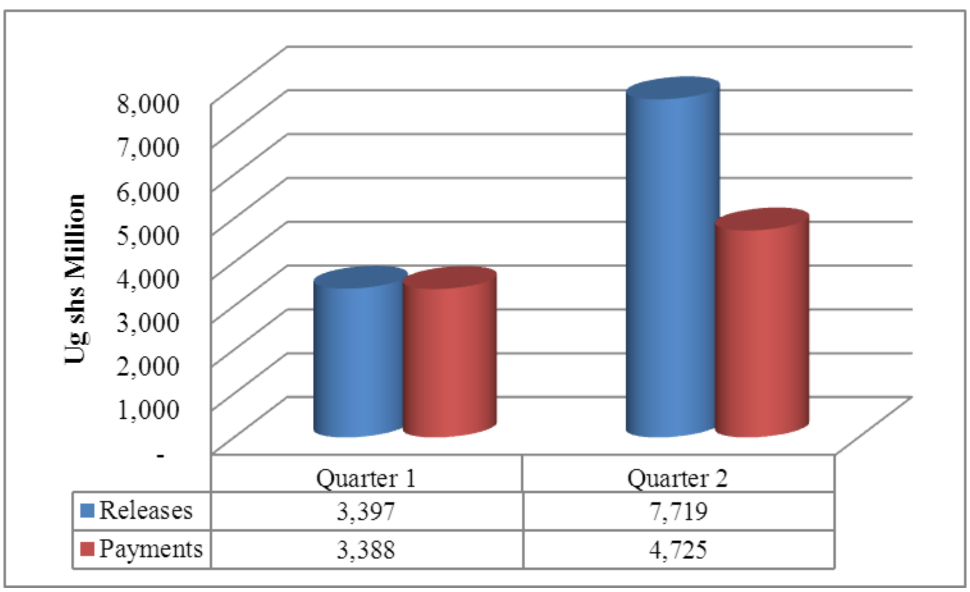
- **Government Buildings and Administrative Infrastructure**: Ten (10) Dormitory blocks constructed for selected Primary schools in Karamoja; 10 Construction of kitchens for schools.
- **Purchase of Motor Vehicles and Other Transport Equipmen**t: Two pickups double cabins procured.

Findings

i) Financial performance

The approved budget for FY 2015/16 is Ug shs 15,705,098,000 of which Ug shs 11,116,400,000 (71%) was released and Ug shs 8,112,277,358 (73%) spent by 31st December 2015. The project exhibited excellent release and resource absorption, however expenditure in Quarter Two was low (Figure10.3).

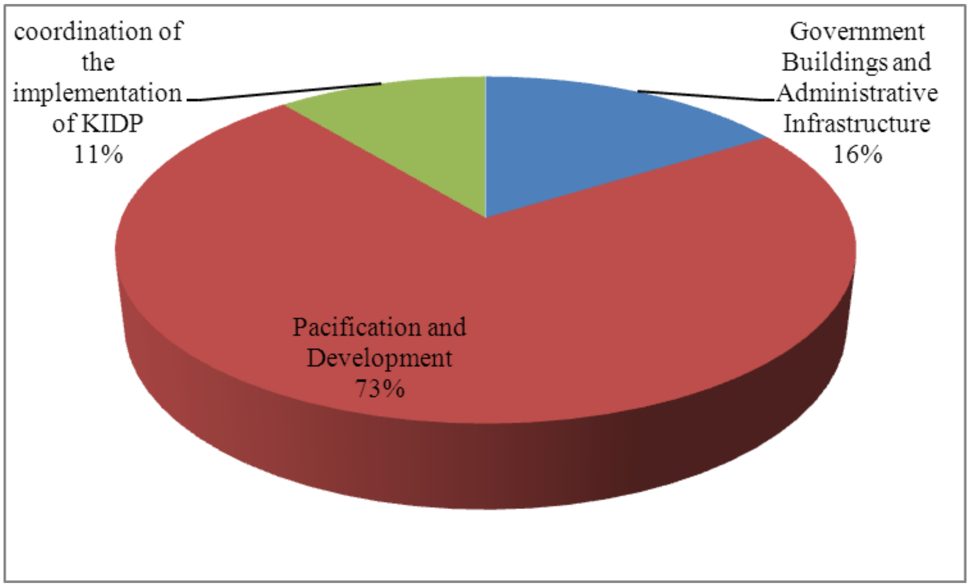
Figure 10.3: Financial performance of the KIDP by 31st December 2015



Source: IFMS data

The low absorption in Quarter Two was attributed to late release of funds to projects(funds are released in the second month of the quarter) and lengthy procurement processes.The key expenditures incurred are shown in Figure10.4. Pacification and Development output incurred the highest expenditure (73%).

Figure 10.4: Expenditure performance of KIDP by 31st December 2015



Source: IFMS data

ii) Physical performance

a) Past performance

For FY 2014/15, the project achieved the following:

- Facilitated One Karamoja policy committee meeting; one Cross border meeting; one peace meeting; an elder's meeting and two exposure visits and study tour for Karamoja farmers and youth
- Advanced payment made for construction of teachers houses at kalita P/S, Lolachat P/S , Kacheri P/S, Lobala P/S and Moroto High School
- Conducted One KIDP TWG regional meetings and five National KIDP TWG meeting
- Monitored Government and NGO programmes and projects implemented in Karamoja
- Supported Prisons to open land for food for school feeding in Karamoja
- Procured 1250 Ox-ploughs and1,000 Oxen to farmers in Karamoja
- Paid Funds for construction of 10 valley tanks to MoWE
- Monitored and supervised the construction of teachers houses
- Branded 4,610 branded in Karamoja

a) Overall performance

The overall physical performance of the KIDP during FY 2015/16 is summarized in Table 10.3.

Table 10.3: Overall physical performance of the KIDP by 31st December 2015

Annual output	Status	Remarks
Government Buildings and Administrative Infrastructure		**Average target 29%**
10,000 Iron sheets procured and distributed	The contract is ready for signing by the Permanent Secretary.	Target not achieved
Construction of a warrior's house in Napak District	The construction has been completed. Awaiting handover to the beneficiary Mzee Angolere Beeye.	Target achieved
3.Karamoja Regional Office rehabilitated and operationalized	The CAOs for Moroto and Napak Districts submitted lists of pre-qualified companies to OPM and the bidding process for rehabilitation and repairs is on going	Target not yet achieved
4.Four staff houses constructed at Moroto High School	NEC Construction Ltd is at finishes level for the construction of four staff houses at Moroto High School.	Target at 75% completion
5.Four Dormitory blocks and eight kitchens constructed in selected Primary Schools in Amudat, Nakapiripirit, Napak, Moroto, Abim, Kotido and Kaabong	Works at Kacheri and Lobalangit are at 85%; Lolachat and Karita at 30%.	Target at 57.5% completion
6.48 Housing shelters for Grinding Mills of Women Groups in Karamoja constructed	20 housing units have been constructed	Target at 42% completion
Purchase of Motor Vehicles and Other Transport Equipment		**Average target 60%**
7. Four Double Cabin Pick-Ups and One Station Wagon for the Press Team.	The contract for the four double cabin pick-ups has been signed and currently processing 30% (US$42,391) being Advance Payment for the supplier. The contract for the Press Team Vehicle has been cleared by the Solicitor General for signing by OPM and Toyota Uganda.	Target at 60% completion
Coordination of the implementation of KIDP		**Average target 20%**
8. Six KIDP TWG regional meetingsconducted. 9.12 National KIDP TWG meetingconducted 10.Four Cross border meetings heldand	Two Regional meetings have been conducted in Moroto Six meetings have so far been held at the Karamoja Headquarters. One meeting was facilitated and held at	Target 33% achieved Target 50% achieved Target 25% achieved

facilitated 11.Two (2) Karamoja policy committee meetings conducted 12. Peace building initiatives supported. 13.Government and NGO programmesand projects implemented in Karamoja coordinated and monitored 14. Four exposure visits and study toursconducted and facilitated. 15.Elders meeting facilitated and conducted	Lodwar Kenya. The Ugandan delegation was led by the Minister for Karamoja Affairs. Ug shs 76,000,000 was used to facilitate the meeting. Awaiting further guidance by the Minister for Karamoja Affairs Consultations with the RDCs to fix dates for intra-district meetings are ongoing. (Starting with Kaabong/Kotido, Moroto/Kotido and Moroto/Amudat Two Monitoring trips have been conducted for Q1 and Q2 by the Minister for Karamoja Affairs in conjunctiom with the District Authorities of all the seven districts of Karamoja. Study tour for two groups of Abim and two from Moroto is yet to be done as guided by the Minister for Karamoja Affairs Waiting for the Minister's guidance on a possible date.	 Target not achieved Target not achieved Target 50% achieved Target not achieved Target not achieved
Pacification and development		**Average target 26%**
16.Ten(10) Parish valley tanks constructed 17.800 Ox-ploughs for procured anddistributed. 18.1600 Oxen procured and distributedto farmers Karamoja. 19.100 Bulls and 100 Heifers for cattlebreed improvement procured anddistributed in collaboration withNabwin 20.2,693 Heifers procured and	Ug shs 2,244,000,000 was disbursed to the Ministry of Water and Environment (MWE). The Solicitor General has cleared the contract to proceed as planned. The Solicitor General has cleared the contract. Contract waits signing. 30 Local Zebu Heifers (1.5 - 2.0Yrs) procured and currently at the ZARDI station; 14 bulls (7 Sahiwal and 7 Boran Bulls) have been procured for breeding. 2,693heifers were procured and distributed to beneficiaries (Women, Youths and Elders) in	Target 20% achieved Target 10% achieved Target 10% achieved Target 22% achieved Target 100% achieved Target 10% achieved

distributed in Karamoja	all the seven districts of Karamoja in Dember 2015.	
21.500 improved hegoats provided to farmers in Karamoja	The Identification of beneficiaries is on-going.	Target not yet achieved
22. One tractor procured for Koblin rehabilitation centre.	Disbursed Ug shs 615Million to Namalu	Target 100% achieved
23.Prisons supported to produce food for schools in Karamoja	Prisons to support the School Feeding Program in Karamoja	Target 100% achieved
24.Cassava cuttings procured and distributed to farmers in Karamnoja in Collaboration with Nabwin	10 acres of cassava were established on station. Procured Cassava cuttings and fastmaturing seeds.	Target not achieved
25.25,000 Cattle branded in Karamoja.	The process of contract renewal is on-going. No animals yet branded	Target 10% achieved
26.Irrigation water Provided to eight farmers in Karamoja	Awaiting installation of Irrigation Equipment at the various sites.	Target not achieved
27.Surveying and monumentation of Nakapiripirit- Katakwi border, Amuria, Napak and Abim border	The TOR has been developed, approved and Bills of Quantities are being developed Evaluation of bids is on-going (particularly at the Technical Evaluation stage).	Target not achieved.
28.15 Cattle crushes constructed in Karamoja	Activity not undertaken	Target not achieved
29.7,000 basins and 7,000 jerricans procured and distributed to households in Karamoja	The procurement for basins has been retendered due to high quotations by bidders. The bids for jerricans are being issued to bidders	
30.Communities mobilized for development in Karamoja	This is meant for support to the rehabilitation of Matany Hospital infrastructure. The MoU	

	has been developed by OPM and sent to the Solicitor General for clearence to allow the organization to work with communities in Karamoja.	

Source: KIDP Coordination Office, January 2016

Physical performance for the four planned outputs of KIDP is rated at 33%

Field findings

The districts of Moroto, Napak, Abim and Nakapiripirit were sampled and five outputs monitored. There included; distribution of heifers; Prisons supported to produce food for schools in Karamoja; Five dormitory blocks constructed for selected primary schools in Karamoja, construction of teacher's houses and 50 housing units constructed for grinding machines.

A.Distribution of Heifers

Background

A total of 2,693 were distributed in Q1 and 2 of FY 2015/16. Table 10.4 shows the distribution of animals per district by 31st December 2015. The districts of Nakapiripit, Napak and Abim were sampled to assess progress and beneficiary satisfaction. Priority was given to the elderly,women,youth, widows and PWDs in the distribution of heifers.

Table 10.4: Distribution of heifers by district by 31st December 2015

No.	District	Heifers
1	Kaabong	575
2	Kotido	237
3	Abim	690
4	Moroto	297
5	Napak	489
6	Nakapiripit	305
7	Amudat	100
Total		**2,693**

Source: KIDP progress reports, February 2016

Note: Animals in all districts monitored were not seen as they had been taken to graze in distant places

Abim district

The district consists of the sub-counties of Lotuke, Molurem, Abim, Alerek and Abim Town Council. However, Abim Town Council and Abim sub-county received heifers by 31st December 2015. Abim Town Council was sampled to assess progress, beneficiary satisfaction and receipt of animals.

Abim Town Council

The town council consists of the parishes of Wewero, Agwatta and Angwe. It received 40 heifers in December 2015. The beneficiary group were the elderly, PWDs, widows and womens' group. Five women per parish received a heifer.

A focus group discussion (FGD) was held with 38 beneficiaries that received heifers. All were grateful to the project and that the heifers were in good condition meaning there was value for money

Five beneficiaries from four parishes were interviewed to assess progress, beneficiary satisfaction and receipt of animals.

Beneficiary Ayepa Jessicca: She belongs to the elderly group and resides in AtuloVillage; Wawero Parish received a heifer in November 2015.
Beneficiary Akello Maria: She belongs to the elderly group and resides in Yanglemi West Village; Agwatta Parish received a heifer in November 2015.
Beneficiary Obora Asanto: She belongs to PWDs group and resides in Entebbe Ward Village; Agwatta Parish received a heifer in November 2015.
Beneficiary Lokim Murep: She belongs to the elderly group and resides inYanglemi West Village; Angwe Parish received a heifer in November 2015.
Beneficiary Akee Joyce: She belongs to the widows group and resides in Yanglemi West Village; Agwatta Parish received a heifer in November 2015.

Women beneficiaries from Abim Town Council, Abim district in a FGD

Nakapiripit District

The distribution of heifers was implemented in the sub-counties of Namalu, Lolachat, Lorengai, Nabulatuk, Lolengedwat, Kakomongole, Morita and Nakapiripirit Town Council. Namalu sub-county was sampled to assess progress. All beneficiaries appreciated the project and said the heifers were young and healthy and there was value for money.

Namalu sub-county

The sub-county received 40 heifers by December 2015. The beneficiary group that benefited from the project was the women's group where five women per parish received a heifer. A FGD was held with 18 beneficiaries that received heifers from the project.

Six beneficiaries from four parishes were interviewed to assess progress, beneficiary satisfaction and receipt of animals.

A.Loperot Parish

Two Beneficiaries Acher Robinah and Rose Morwajorwe who reside in Loperot Village received each a heifer on 20th December 2015.

Women beneficiaries from Namalu sub-county, Nakapiripit district

B.Kaiku Parish

Beneficiary Teko Elizabeth and Amei Lokwamudang who reside in Arionomur Village each received a heifer on 20th December 2015.

C.Lokatapak Parish

Beneficiary Alimu Anna from Lomorunyangai Village received a heifer on 20th December 2015.

D.Kokumaki Parish

Beneficiary Paulina Lokol from Nakayot Village received a heifer on 20th December 2015. She reported that it was sick by the time of collection but feared to return it because she thought she would not be given another heifer, unfortunately it died after two weeks.

Napak District

The project activities are carried out in Ngoleriet, Lokopo, Lotome, Matany, Lopei and Iriri sub counties of which 489 heifers were distributed by 31st December 2015. Ngoleriet sub-county was sampled to assess progress, beneficiary satisfaction and receipt of animals.

Ngoleriet sub-county

The sub-county consists of the parishes of Kautakou, Lokoreto, Naitakwae, Narengemoru, Nawaikorot. It received 75 heifers of which 40 heifers were distributed to women; 30 for elderly and 5 for PWDs. The beneficiaries included elderly, PWDs, widows and women's group.

Five beneficiaries from three parishes were interviewed to assess progress, beneficiary satisfaction and receipt of animals.

Beneficiaries belonging to the elderly group from from Ngoleriet sub-county, Napak district

Challenges

- Insufficient capacity of beneficiaries to purchase animal drugs for the heifers and as a result the elders ended up selling the animals
- Lack of adequate extension workers to provide extension services to the communities, currently there is only one for each district.
- No mobilization by the sub-county staff to sensitize the communities on the benefits of the project. The locals reported that staff had not been working for a while.
- Lack of facilitation for all technical staff supporting the project in the region.
- Drought is a challenge to the region and maintaining the heifers is a challenge.
- KIDP has too many planned outputs that need to be harmonized since they seem to be unrealistic.

Recommendations

- The OPM and Ministry of Water should construct more dams in the region especially in Napak district.
- The OPM should provide a comprehensive package that includes animal drugs to the beneficiaries if the project has to achieve its intended objectives
- MoPS should consider reviewing the staffing levels of extension workers in the region.
- The CAO should supervise staff at the subcounties to support the project.
- OPM should consider motivation of staff involved in the project at all levels.
- Firms that do not have the financial capacity to supply heifers should be blacklisted.
- OPM should set realistic performance targets for the project to realize the intended objectives.
- OPM should ensure that funds are recovered from contractors who abandon sites.

B. Five Dormitory blocks constructed for selected primary schools in Karamoja: This output was carried forward from FY 2014/15. By 31st December 2015; works were still at stand still at all construction sites.M/s Yovel Logistics Limited is the contractor for Lot 2 in Lobalangit and Kacheri Primary Schools where works were still at 85% (plastering, screeding and fittings completed pending installation of tanks). Lolachat Primary School in Nakapiripit was sampled.

Abandoned dormitory at Lolachat P/S, Nakapiripit district

Girls Dormitory block site in Lolachat Primary School: This project was monitored in FY 2014/15 when works were at roofing stage. By 31st December 2015, Pan World Ltd had abandoned the construction of two dormitories and VIP latrines for the two sites at Lolachat P/S and Karita P/S in Nakapiripirit and Amudat Districts.

The contractor signed the contract on 30th July 2014 for a period of one year for Lot 1 for Lolachat and Karita Primary Schools. Project officials reported that after an advance payment of Ug shs 145, 479,253 (30%) was given, the contractor stalled works todate. Lolachat and Karita works were still at 30%.

The civil works had not yet progressed as much as earlier on anticipated and the employer agreed with guidance from the Solicitor General to extend the contract from 29th September 2015 to 29th February 2016 inorder to rectify the defects identified by the findings of the structural intergrity Ttest carried out by Central Materials Laboratory from Ministry of Works.

Left: One of the constructed teacher's houses; Right: One of the houses pending fixing of ceiling in Moroto district

C. Four staff houses constructed at Moroto High School: The contractor for the staff houses is M/s NEC Construction. By 31st December 2015, works were at 75% with plastering, plumbing, screeding and fittings completed. Fitting glass shutters for windows and doors; painting; ceiling and constructing the drainage tankswere ongoing. Quality of works on constructed houses was good.

D.Prisons supported to produce food for schools in Karamoja: The prisons are located in Amaler village, Kokwan Parish, Namalu sub-county, Nakapiripirit district. The Officer-in-Charge of the Prisons, Mr. Godfrey Obbo, reported that funds worth Ug sh20 million were disbursed to the prison account in August, 2015. Ug shs 10 million was used to connect power to the maize milling machine and Ug shs 10 million to repair three maize millcribs. The food harvested is meant to support schools in Karamoja region. The shelled maize sacks are stored in two large stores with a capacity of 5,300 bags each 50 kgs. A total of 7,236 shelled bags were available in store ready for milling under the school feeding programme.

Left: One of the three repaired maize cribs; Left: Functional powered maize mill at Namalu Prison, Nakapiripit district

E. A total of 50 housing units constructed for grinding machines in Karamoja region: The contract was awarded to M/s National Agro Machinery Ltd. So far Ug shs181 million has been paid. Only 20 grinding machines were supplied to Moroto district stores of which eight were for Napak, six for Moroto and six Kotido districts.

By 31st December 2015, 20 shades had been completed in each of the sub-counties in the districts. The construction for the next 28 is planned for January/February 2016. Mobilization for the identification of sites with the 28 groups is currently on-going in Abim, Kaabong, Nakapiripirit and Amudat. Napak and Moroto districts were sampled to assess progress. Nadunget and Katikekile sub-counties in Moroto and Ngoleriet sub-county in Napak district were sampled. Quality of works on constructed housing units was good.

Left: Maize mill store in Nadunget sub-county; Left: Grinding machines in store in Moroto sub-county

Challenge

- There were no clear workplans and performance targets under this outpu**t.**
- Late release of funds in the first quarter affects implementation of planned outputs.

Recommendation

- The OPM should come up with realistic performance targets in implementing outputs
- MFPED should release funds on timefor achievement of planned outputs.

Analysis

Link between financial and physical performance

The link between the financial and physical performance of the KIDP was poor. Despite the fact that 73% of funds released were spent, only two targets out of 30 planned outputs/targets were achieved.

Achievement of set targets

The project didnot perform well in terms of delivery of the key planned targets by 31st December 2015. Only two targets were achieved. These included: distribution of 2,693 heifers and disbursement of Ug shs 615 million to Namalu Prisons to support the School Feeding Program in Karamoja; the four staff houses constructed at Moroto High School are near completion.

Comparative analysis

Distribution of the heifers compared to civil works perfomed well particularly the women groups that benefitted from the project than the elderly that sold the heifers because they could not afford drugs.

Conclusion

The performance of the KIDP was rated below average (33%). Although the project exhibited good release and resource absorption, only two targets were achieved. The other targets were not achieved due to delays in procurement process for most of the items and renewal of contracts for other items.

Benefits of KIDP

The project is appreciated by the people of Karamoja. Originally it was based in the urban area but now, the rural communities have benefited, especially the youth and the women groups resulting in an improvement in household income.

10.2.3 Resettlement of Landless Persons and Disaster Victims

Background

The project started in 2006 to resettle landless persons displaced by both manmade and natural disasters. It is based on the assessment of the Internal Displaced Persons (IDPs), indentication, regitration, sensitization of the IDPS. The land is procured, surveyed and then IDPs settled. These include people of northern Uganda displaced by the LRA war, those from Teso affected by cattle rustling and rebellions, persons from Mt. Elgon affected by landslides and the Ugandans expelled from Tanzania. The project is coordinated by the Department of Disaster Preparedness and Management in the OPM

The key planned annual outputs for FY 2015/16 included:

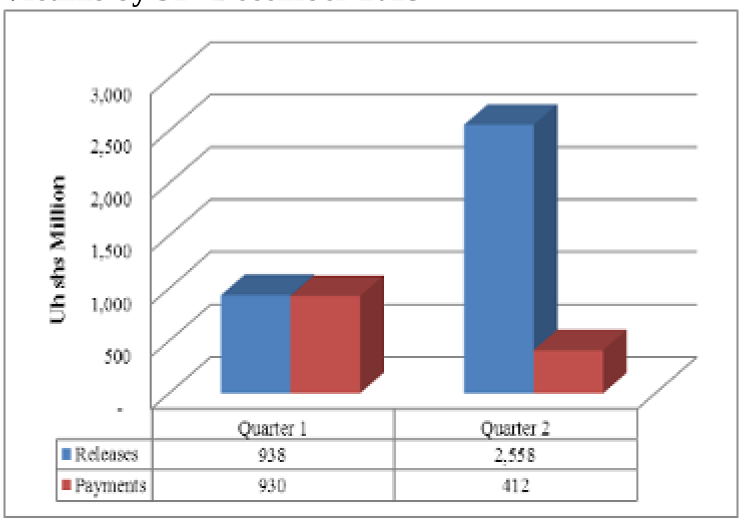
- A total of 500 Households of landless persons and disaster victims resettled in Bulambuli/ Sironko District
- Wall fence built, connection of water and electricity to new store building
- Bills of Quantities (BoQs) and designs for NECOC building made
- Completion of back filling
- Wall fencing of Land in Kisugu
- Namanve stores building completed

Findings

i) Financial performance

The approved budget for FY 2015/16 is Ug shs 9,198,770,021 of which Ug shs 3,495,000,000 (38%) was released and Ug shs 1,341,662,205 (38.4%) spent by 31st December 2015. The project exhibited poor release and resource absorption (Figure 10.5).

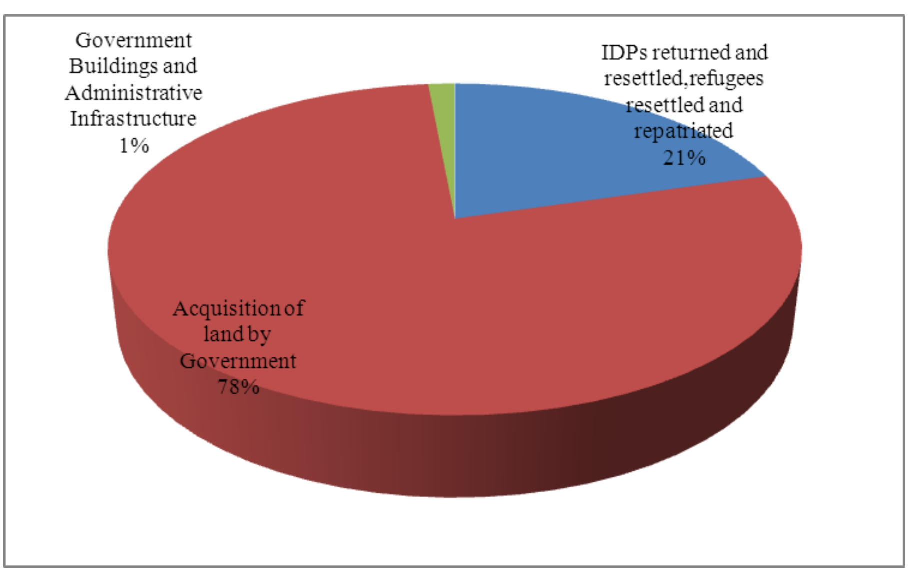
Figure 10.5: Finanical performance of Resettlement of Landless Persons and Disaster Victims by 31st December 2015



Source: IFMS data

The low expenditure in Quarter Two was attributed to ongoing procurement process of Purchase one twelve tonne truck; and activities that were halted due to elections regarding new settlements for Bulambuli. The key expenditures incurred in the Resettlement for Landless Persons Project is shown in Figure 10.6.

Figure 10.6: Expenditure performance of Resettlement of Landless Persons and Disaster Victims Project by 31st December 2015



Source: IFMS data

Allocative efficiency was good with 78% of the released funds spent on items that are key to delivery of the stated outputs namely Acquisition of land by Government.

ii) Physical performance

a) Past performance

The OPM recorded the following achievements during FY 2014/15:

- Trained Iganga, Busia, Butaleja, Ngora; Kanungu DDMCs and DDPCs prepared draft contingency plans for Iganga, Busia, Butaleja, Ngora; Kanungu districts .
- Organised 3 regional trainings on DRR with Education sector for districts of Karamoja, Acholi; West Nile, Western and South Western Uganda.
- Established and functionalized NECOC and Butaleja flood Early Warning systems.
- Identified 3,000 acres of land for resettlement of Ndorobo and Yatui displaced Communities.
- Conducted disaster assessments in Namutumba, Buhweju, Kumi, Moyo, Koboko, Nebi, Kabale, Rakai, Amuria, Rukungiri, Mbarara, Alebtong, Bukomansimbi, Rubirizi Sironko, Amuria, Katakwi, Nebi, , Ntoroko, Pader, Agago, Kabale, Kamwenge, Mbarara, Gulu; Serere districts.
- Distributed 5,983 bags of Maize flour and 1894 bags of beans @ 100kg to 31 districts.Distributed 13,960 iron sheets, 7,850 tarpaulins, 3,040 blankets, 1,950 jerry cans, 2,700plastic cups and 2,600 plates, 1,660 mosquito nets and 1,550 saucepans and 150 basins to 24 districts.-Approximately 91,000 lives benefited from the relief items

b) Overall performance

The cumulative performance of the Resettlement of Landless Persons Project by 31st Decemebr 2015 is shown in Table 10.5.

Table 10.5: cumulative performance of the Resettlement of Landless Persons Project by 31st Decemebr 2015

Planned Output	Cummulative status by 31st December 2015	Remarks
IDPs returned and resettled, Refugees settled and repatriated		**Average target achieved was 0%**
1. 900 plots of land demarcated	Identified and inspected 300 plots	Target was not met

andallocated to Ugandan expellees fromneighbouring countries	ofland. Other activities such asdemarcation and allocation suspendedbecause people cannot be movedbefore general elections due on 18thFebruary 2016	
2. 500 HH's of landless persons anddisaster victims resettled	Resettlement of 125 HH's of landless persons suspended because people could be moved before general elections due on 18th February 2016	Target was not met
Acquisition of Land by Government		**Average target is 22%**
3.Acquisition and Development of1500 acres for Landslide victims inMt Elgon Region	Facilitated the on going Procurementprocess for 1500 acres for Landslidevictims in Mt Elgon Region which isin advanced stages. Opened up 5 km key road connecting plots 94 to plot 10. Completed the Draft Physical plans forplots 93, 94 and 10. Conducted Sensitization in Elgon Region for this resettlement programe. Completed the Draft architectural Models and BoQ's.	Target was 20% met
4. 900 new settlements established inBulambuli	Designed 700 new settlements forBulambuli	target was 10% achieved
5. 900 families settled	Activity has not been established	Target was not achieved
6. Completion of Kiryandongo housing units	Constructed 5 houses in Kiryandongoand handed over by Habitat forHumanity. Completed 40 houses and latrines UnderHydra form.	Target was 100% achieved
Government Buildings and Administrative Infrastructure		**Average target is 30%**
7. Design for large Relief stores	Construction of large Relief stores about to be completed	Target was 60% achieved
8. Wall fence built in Namanve	Activity has not been established	
Purchase of Motor Vehicles and Other Transport Equipment		Average target is 40%
9.Purchase 1 twelve tonne truck	Procurement process on-going	

Source: OPM Progress reports December 2015

Average physical performance is rated at 23%

c) Field findings

Top: Houses and bathroom constructed by Hydraform, in background is a garden where beneficiary is practicing small scale farming;
Bottom: Beneficiary house and bathroom constructed bathroom by Hydraform and handed over by Habitat for Humanity in Zone A2, Kiryandongo district

Completion of Kiryandongo Housing units: By 31st December 2015, all five houses constructed by Habitat for Humanity and 40 houses by Hydraform International were completed and handed over to beneficiaries in Panyadoli village. It was difficult to assess the beneficiaries since they were attending an election rally at the district headquarters.

Acquisition and Development of 1500 acres for Landslide victims in Mt Elgon Region: The land was acquired and purchased. The only activity that was carried out was the opening up of a 5 km key road connecting plots 94 to plot 10. Activities were postponed to Q3 after the Uganda general elections. However quality of works on the road was good.

Left: Part of the access road that was opened up pending installation of culverts in Bulambuli district; Right: Site at Namanve pending construction of a wall fence

Wall fence in Namanve built: This activity had not been implemented. Designs for wall fence were under procurement.

Implementation Challenges

- Lengthy procurement processes affected implementation especially on designs of wall fence
- Political interference- activities were postponed until after general elections.

Analysis

Link between financial and physical performance

The link between the financial and physical performance of the project was poor. Both release and resource absorption was low and 38.4% of the funds were spent on planned outputs.

Achievement of set targets

The project did not perform well in terms of delivery of the key planned targets in the first half of FY 2015/16. Only one target was fully achieved and that was construction of Kiryandongo housing units.

Conclusion

The performance of the project was below average (23%). Both release and resource absorption was below average. Only one target was fully achieved. The other outputs were not achieved due to long procurement process that was at evaluation stage and development of land in Bulambuli district that was put on hold until after general elections.

10.2.4 Support to Luwero Rwenzori Development Programme

Background

The Support to Luwero Rwenzori Development Programme (LRDP) is a joint comprehensive development interventionthat was designed to offset the general effects caused by the NRM liberation war (1981-1986) and Allied Democractic Force insurgency of (1996-2003) that disrupted development of 43 districts[39]in the sub-regions of Luwero and Rwenzori Triangle.

[39]Bundibugyo, Ntoroko, Kasese, Kabarole, Kyenjojo,Kyegegwa, Mityana, Mubende, Luwero, Nakasongola, Nakaseke, Kyankwanzi, Kiboga,Wakiso, Mukono, Kibaale, Butambala, Bukomansimbi, Gombe, Buvuma, Kalangala, Kayunga,Kiruhura, Kiryandongo, Mpigi, Kalungu, Lwengo, Masaka, Masindi, Rakai, Hoima, Bullisa, Insingiro, Ibanda, Lyantonde, Sembabule, Buikwe, Kamwenge, Mbarara

The two major areas of focus for the programme are household income enhancement and social mobilisation for development and peace building (see Box 10.2 for project profile). The project period is 1st July 2015 to 30th June 2020.

Box 10.2: Profile of the Support to Luwero Rwenzori Development Programme

Mission: To revamp the social and economic infrastructure; poverty reduction; and revive the productive systems among others affected.

Objectives of the project: To redress the adverse socio economic effects of the NRM liberation war (1981-1986) and ADF insurgency of (1996-2003) that disrupted development of 39 districts in the sub-regions of Luwero and Rwenzori and reduce the number of people living below the poverty line by 5% by 2020.

Expected outputs by June 2015

- Enabling communities in the 39 districts enhance their household incomes by promoting and supporting activities that increase agriculture production and productivity, value addition, processing and marketing, small and medium scale enterprises.
- Provide support to districts in order to improve critical district infrastructure in the health, roads, education, energy, water and environment sectors.

Source: MFPED PIP 2015/16-2017/18

The key planned annual outputs for FY 2015/16 include:

- **Transfers to Government units**: This included grants disbursed to 16 LRDP districts to support community driven enterprises to enhance their household incomes and 60 micro projects to enhance household incomes for youth, women, farmer groups and people with disabilities (PWDs) supported.

- **Government Buildings and Administrative Infrastructure**: Completion of Nalutuntu HC III-Final Phase and One Regional Office Constructed.
- **Coordination of the implementation of LRDP**: Four Policy committee meetings (regional meetings) held;
  - Four LRTWG meetings held;
  - One Luwero Rwenzori Technical Working Group (LRTWG) monitoring conducted in the 43 districts of Luwero Triangle;
  - 16 technical support supervision and monitoring missions undertaken in 43 districts of Luwero Triangle;
  - Four political monitoring missions undertaken in Luwero Triangle;
  - Two benchmarking visits undertaken to Asian/or African countries;
  - Four reports on household income assessments in 14 districts prepared;
  - Seven vehicles for Luwero Triangle operational and maintained;
  - Office operational costs for 10 officers met;

- Staff welfare and development needs met;
- Specialized training through institutions (Enterprise Uganda, USSIA and UCSCU) offered to beneficiaries of LRDP funds

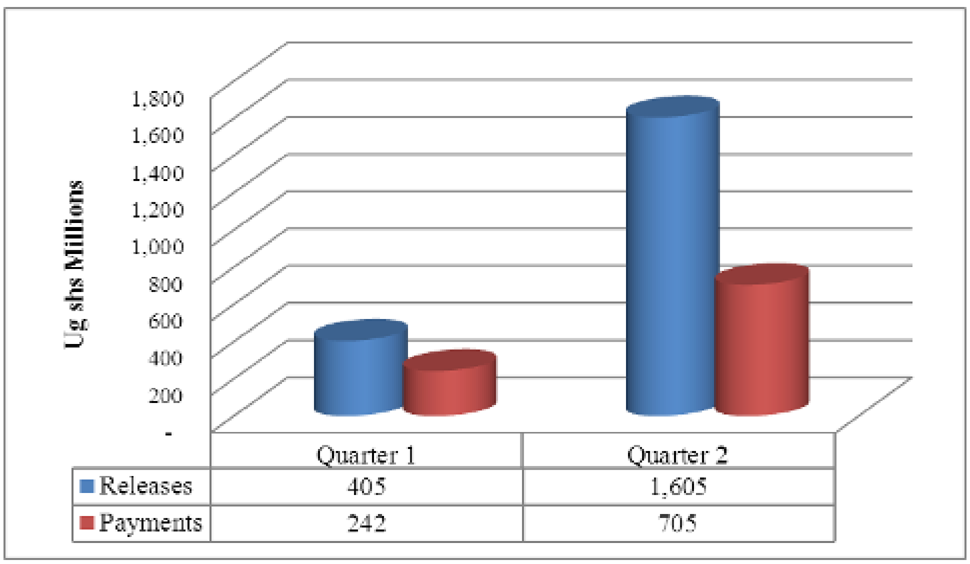
- **Pacification and development**: 2,000 spray pumps and 10,000 handhoes procured and distributed; 10 crop nurseries established in former war zones

Findings

Financial performance

The approved budget for FY 2015/16 is Ug shs 3.489 billion of which Ug shs 2.009 billion (58%) was released and Ug shs 0.946 million (47%) expended by 31st December 2015. The project exhibited excellent release and good resource absorption (Figure 10.7).

Figure 10.7: Financial performance of LRDP project by 31st December 2015



Source: IFMS data

Allocative efficiency was good with 47% of the released funds spent spent on Coordination of the implementation of LRDP. The unspent funds (Ug shs 1.063 billion) are meant for establishment of crop nurseries, support to micro projects and cottage industries, procurement of 14,000 handhoes, completion of Nalutuntu HC III and the regional office. Figure 10.8 shows expenditure performance of the Support to LRDP.

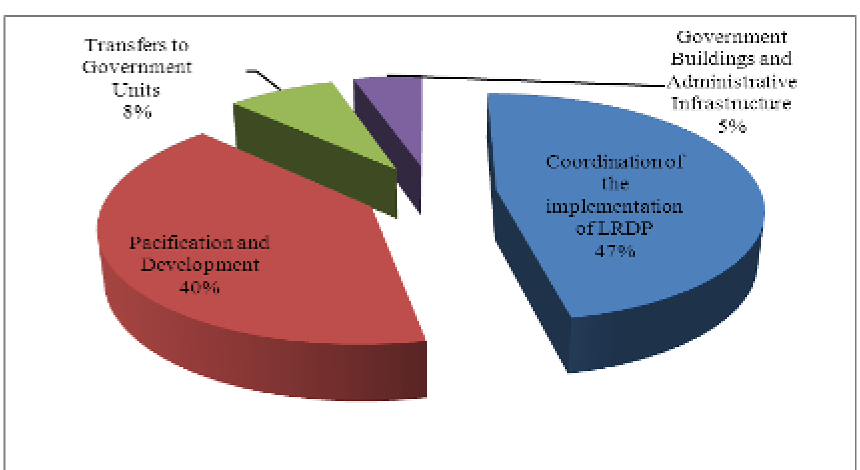


Figure 10.8: Expenditure performance of LRDP project by 31st December 2015

Source: IFMS data

Physical performance

(a) Past performance

The OPM recorded the following achievements during FY 2014/15:

- Undertook eight technical support supervision and monitoring missions; these included Joint monitoring trip with LRTWG members, appraisal of construction works and project proposals, distribution of inputs etc, in 43 districts of Luwero Triangle.
- Disbursed Grants to 16 LRDP districts (Bundibugyo, Ntoroko, Kabarole, Kasese, Kyenjojo, Luwero Kyegegwa,Mubende, Mityana, Kiboga, Kyankwanzi, Kayunga, Nakaseke, Wakiso, Nakasongola, Mukono) to support community driven enterprises to enhance their household incomes.
- Facilitated 16 Micro projects to enhance household incomes for youths, women,& farmer groups and PWDs
- Completed approximately 35-40% of the construction works. These included ceiling for OPD, Maternity Ward Staff Quarter.
- Toilet for staff, Kitchen, staff preparatory room, security house roofed. Chain link fence, one placenta and medical pits completed.
- Established five crop nurseries in former war zones (Butambala, Lwengo, Mukono, Nakaseke districts)
- Undertook three political monitoring missions in Luwero Triangle.
- Maintained seven vehicles for Luwero Triangle
- Met office operational costs for 10 officers.
- Two LRTWG meetings held.

Field Findings

The cumulative physical performance of the project is shown in Table 10.6 below.

Table 10.6: Physical performance of the project by 31st December 2015

Planned outputs	Status	Remarks
Government Buildings and Administrative Infrastructure		**Average target is 24%**
1. Completion of Nalutuntu HC IIIFinalPhase.	Assessed the completed work at Nalutuntu HCIII	Target still at 72%

2. Construction of Regional Officestarted 3.Renovation of Monuments in Luwero Triangle	Assesment of Architectural design bythe Luwero Town council completedbut still awaiting approval. Funds for renovation of monuments have been dispatched to Office of thePresident	Target not yet achieved Target not yet achieved
Purchase of Motor Vehicles and Other Transport Equipment		**Target 80% met**
4.Vehicle for monitoring LRDP activities procured	Signed the Contract. Awaiting delivery.	
Transfers to Government units		**Average target is 100%**
5.G rants disbursed to 16 LRDP Districts (40%)	Submitted Q1 and Q2 IPFs to MOFPED to directly remit the LRDPgrants to the 16 Districts	Target met is 100%
6.15 Micro projects to enhance Household incomes foryouths, women,farmer groups andPWDs supported.	Supported 32 micro projects in Q2 toenhance household incomes for youths,women,& farmer groups and PWDs	Target met is 100%
Coordination of the implementation of LRDP		**Average target is 52%**
7.Three Policy committee meetings (regional meetings) held. 8. Four LRTWG meetings held. 9.1 Luwero Rwenzori Technical Working Group (LRTWG) monitoring conducted in the 43 districts of Luwero Triangle. 10.16 technical support supervision and monitoring missions undertaken in43 districts of Luwero Triangle. 11. Four political monitoring missions undertaken in Luwero Triangle. 12. Two benchmarking visits undertaken to Asian/or African countries. 13. Four reports on household	Activity not undertaken Held 2 LRTWG meetings Monitored LRDP grants disbursed to16 districts Undertook 3 technical support supervision and monitoring missionsin Luwero Triangle Undertook Three(3) political monitoring mission in Luwero Triangle,Kabarole and Bundibugyo Undertook 1 benchmarking visit toSouth Africa to study Hydro formbusiness concept	Target not achieved Target 50% achieved Target 50% achieved Target 19% achieved Target 75% met Target 50% met

income assessments in 14 districts prepared. 14.Seven vehicles for Luwero Triangle operational and maintained 15.Office operational costs for 10 Officers met. 16. Staff welfare and development needs met. 17.Joint Sector monitoring of the implemented activities	Prepared one report on household income assessments in 14 districts Maintained all seven vehicles for LuweroTriangle Met office operational costs for 10officers Met Staff welfare and developmentneeds Joint Sector monitoring of the implemented activities to be done in Q3	Target 25% met Target 100% met Target 100% met Target 100% met Target not met
Pacification and development		**Average target is 40%**
19. Five crop nurseries established in former war zones. 20. 14,000 handhoes procured and distributed. 21.Specialized training through institutions (Enterprise Uganda, USSIA and UCSCU) offered to beneficiaries of LRDP funds	Appraised and recommended 2 Proposals for crop nurseries from Buhweju; four more requests for Setting up CropNurseries; 1 from Bundibugyo,1 from Buhweju and 2 from Luwero await field appraisal Contracts documents for 14,000 hand hoes have been submitted to the Solicitor General for approval conducted a Customized training in financial literacy for 32members(8 groups)of crop nurserybeneficiaries and Completed Training needs assessment for SACCOS	Target 10% achieved Target 10% achieved Target achieved

Source: MFPED documents, January 2015

Average physical performance is rated at 59.2%

Transfers to Government units (Grants): By 31st December 2015, 16[40] LRDP districts where given grants to support community driven enterprises to enhance their household incomes (100% output achieved) and 34 out of 60 (57%) microprojects to enhance household incomes for youth, women, farmer groups and (PWDs) supported were visited. All districts had accessed and spent some of the funds.

Eight out of 16 districts were sampled to assess interventions financed by the project through local government (conditional grants) and those whose funds are sent directly by the MFPED to beneficiaries (micro projects).

A. Kabarole District

The project activities are implemented in all subcounties of the district. These include Karambi, West Division, Kiko, Karangura, East Division, Buheesi, Bukuuku, South Division, Busoro, Kabende, Kabonero, Karago, Katebwa, Kijua, Kisomoro, Mugusu, Kichwama, Ruteete, Rwenzori Diocese, Rwiimi and Kibito T/C.

The key planned annual outputs for FY 2015/16 were:

- Swamp raising and muraaming 3.7 km of road in Buheesi, Karambi and Mugusu sub-counties
- One Bbridge constructed in Kibito sub-county
- Game field grading in Karambi, Mugusu, Katebwa, Kisomoro, Buhinga sub-counties
- Electricity for bakery and value addition extended for projects in Busoro, Kiko town council, Ruteete
- Liquid and bar soap making equipments for one group in Busoro
- SACCO capitalization extended to 22 groups in Buheesi
- Five saloon driers procured for one group in East Division
- Public adress system procured for income generation for seven groups in Karangura, Kisomoro, East Division, South Division and West Division
- Five maize haulers purchased for three groups in Kabende, Katebwa, Rubona, Rwimi
- Two groups supported in bakery projects in Karago and Karambi subcounties.
- One group supported with procurement of wine processing machine in Karambi.
- One group supported with procurement of Ice cream making refrigerators in Kisomoro
- Five groups supported with procurement of carpentry tool boxes in Buheesi and Busoro
- One group supported with procurement of kniting materials in South Division
- Twelve groups supported with procurement of tents for hire in Mugusu, Buhesi, and Nyakatonzi Parishes.
- Eight groups supported with procurement of plastic chairs for hire in Busoro andRubona T/C

[40] Bundibugyo, Ntoroko, Kabarole, Kasese, Kyenjojo, Luwero, Kyegegwa, Mubende, Mityana, Kiboga, Kyankwanzi, Kayunga, Nakaseke, Wakiso, Nakasongola, Mukono

- One group supported with procurement of mechanical tool boxes in West division
- One group supported with procurement of coffee hauler in Katebwa
- Four groups supported with procurement of 200 bee hives to six groups in Mugusu, Ruteete and Rwimi
- A total of 345 high breed's goats to 64 groups; 25 heifers to nine groups; and 6,500 poultry chicks procured to five groups in buheesi, Bukuuku, Busoro, Kabonero, Karago TC, Karambi, Kasenda, Katebwa, Kibiito, Kiko, Kijutra TC, Kisomoro, Hakibaale, Harugomgo, Mugusu andRwimi

Financial performance

The indicative planning figure (IPF) of Kabarole district for FY 2015/16 is Ug shs 613,267,000 of which Ug shs 211,350,503 (35%) was released and Ug shs 132,650,911 (63%) spent by 31st December 2015. Table 10.7 shows half-year expenditure performance for the LRDP project in Kabarole district. Transfer to micro projects incurred the highest expenditure (67%).

Table 10.7: Half-year Expenditures of LRDP (Ug shs)

Activity	Expenditure
Transfers to micro project beneficiaries	85,000,000
Monitoring and supervision	10,230,000
Development projects	37,113,832
Bank charges	307,079
Total	**132,650,911**

Source: Kabarole DLG

Physical performance

By 31st December 2015, 43 groups were supported under the micro projects. One development activity (Construction of a bridge at Kibito) and two groups supported under micro projects in Kibito and Rwiri sub-county were sampled to assess progress.

Kibito sub-county

Construction of Yerya Bridge connecting Yerya Sisters' Convent-The bridge is located at Yerya village,Yerya Parish, Kibito sub-county. The contract for its construction was awarded to M/s Mpaija Construction Limited at a contract sum of Ug shs 48,073,200 for a period of eight months starting July 2015. The bridge connects the villages of Yerya and Kisolile. By 31st December 2015, the bridge had not yet been completed and one certificate amounting to Ug shs 39,482,800 had been paid to the contractor. Works were of good quality.

L-R: Side view of bridge and the temporary road used by community in Yerya village, Kabarole district

Beneficiary group: Abakyara N'abaami Group

The group composed of 30 members of which eight are female and 22 male, is located in Ntabagu village, Kasunganyanja Parish, Kibiito sub-county. The group was given Ug shs 1million as an increment of household potential to generate income through purchase of a calf in September 2015. It was also given Ug shs 1 million to procure 40 chairs for hiring. Each plastic chair cost Ug shs 25,000.

Left: Chairs procured by the Abakyara na Baami group members; Right: Black in-calf heifer belonging to the group in Ntabagu village, Kabarole district

The group intends to rear the calf until it's mature to produce another calf which would be handed over to a member of the group for the same purpose of reproduction until each member of the group has a cow.

<u>Rwimi sub-county</u>

Beneficiary group 1: Rural Community Development Centre (RUDEC) group

The community group is located in Kasunganyanja village, Kaira Parish, Bunyangabu County, Rwimi sub-county. It is composed of 30 members including 15 male and 15 female. During Quarters one and two, the group was given Ug shs 10 million as an increment of household potential to generate income. Part of the funds were used to construct two fish ponds and also purchase 100 chicken layers as well as construct a chicken house. The ponds have 1,500 catfish and 2,000 tilapia fish.

Left: Some of the chicken layers bought by the group; middle: Newly constructed chicken house; Right: Constructed fish ponds in Kabarole district

Bundibugyo District

The project activities are implemented in Busaru, Ngamba, Ndugutu, Mirambi, Kisubba, Kasitu, and Ntotoro sub-counties.

The key planned annual outputs for FY 2015/16 included:

- Improved safe water coverage through extension of piped water to Bundibuturo
- Welding machines for youth groups procured
- Improved pigs, goats and cows procured
- Sewing machines supplied to Kinyate and Busengerwa in Busaru sub-county
- Extension of water to slaughtering slab constructed at Bundimasoli Trading centre

Financial performance

The IPF of the district for FY 2015/16 is Ug shs313,200,524 of which Ug shs 32,303,500 (10%) was released and spent by 31st December 2015. Table 10.8 shows half-year expenditure of project 0022.

Table 10.8: Half-year expenditures of LRDP (Ug shs)

No.	Activity	Expenditures
1	Transfer to SACCOs	10,000,000
2	Monitoring	4,689,500
3	Expenditure on Development projects	17,614,000
	Total	**32,303,500**

Source: Bundibugyo DLG LRDP Coordination Office

Physical performance

The following activities had been implemented in Bundibugyo district.

- Transferred funds to one SACCO group in Bundibugyo Town Council
- Procured 10 goats and one cow for beneficiaries in Ngamba sub-county
- Procured and distributed five sewing machines to women groups in Busalu sub-county

Bundibugyo Town Council and Busalu sub-county were sampled and monitored to assess progressof activities.

Bundibugyo Town Council

Mpoku Youth Development Association

Left: Mpoku Youth group members showing types of liquid soap production; right: Brick making factory in Bundibugyo district

The Association comprises of 30 members of which 12 are female and 18 male. They received Ug shs 10 Million in September 2015. Part of the funds were used for setting up a liquid soap making factory and brick making business. The group has so far sold 10,000 bricks with each brick sold at Ug shs 150 and collected Ug shs 1,300,000 on the group account.

Each bottle of liquid soap is sold at Ug sh 1,000 and a jerrycan at Ug shs 35,000. The group had so far sold 10 jerrycans.

Benefits of the project

- The group has gained experience in liquid soap making and marketing.
- The group members have also started their own small businesses such as buying fresh cocoa beans and selling to individual buyers.

Beneficiary of sewing machines: Kinyate Group LC

The group is located in Bumate village, Kirinde Parish, Busalu sub-county. It comprises of 35 women and two men. The group was given five singer sewing machines in October 2015 worth Ug shs 500,000 each. The women are learning how to sew and they are also teaching others in the village.

The group member reported that after teaching the women sewing skills, some members will be selected to sew cloths, uniforms for schools and other income generating products so as to earn a living.

Two of the five singer machines at the home one of the members Mrs. Oliver Katusiime in Busalu sub-county, Bundibugyo district

Ntoroko district
The project activities are implemented in Kibuuku Town Council, Rwebisengo, Bweramule, Butungama and Nombe.

The key planned annual outputs for FY 2015/16 were**:**

- One group of 14 women supported to acquire cultural items to hire out on functions
- One group of 12 youth supported with music equipment to play at functions
- One group of 14 members supported to improve on tailoring projects
- A total of six groups supported to improve on goat rearing
- One group of 16 members supported to improve farming
- One group of 14 youth supported in capentry projects
- veterinary Livestock examination laboratory and animal breed improvement centre constructed
- Kakatoroogo bridge in Rwebisengo sub-county constructed

Financial performance
The IPF ofthe district for FY 2015/16 is Ug shs 225,892,932 of which Ug shs 19,485,000 (9%) was released and spent by 31st December 2015. Other activities were under procurement. Table 10.9 shows half-year expenditures for the project at 31st January 2016.

Table 10.9: Half-year expenditures of LRDP in Ntoroko district (Ug shs)

No	Activity	Expenditure
1	Funds used for preparation of Bills of quantities for veterinary Livestock examination laboratory and animal breed improvement centre	1,820,000
2	Funds were used for preparation of Bills of quantities for construction of Kakatoroogo bridge	2,090,000
3	Operations and maintainance	6,478,000
4	Supervision and monitoring of sub-county and parish projects	2,697,000
5	Support to farmer's group in Bweramule sub-county	6,400,000
	Total	**19,485,000**

Source: Ntoroko LRDP Coordination Offices

Physical performance
By 31st December 2015, the following activities were implemented in Ntoroko district:

- Finalized the procurement process for Kakatoroogo bridge construction
- Selection of beneficiaries in the four sub-counties
- Supported one beneficiary group in farming in Bweramule sub-county

Bweramule sub-county was sampled to assess progress and implementation. A FGD was held with beneficiary groups of micro projects in Bweramule.

Bweramule sub-county

Beneficiary Group: Rwamambale Agahikaine Farmers Group
The group comprises of 17 members of which, six are female and 11 male. The group activities are located in Kirunga village, Rwamabare Parish. It received Ug shs 6,400,000 meant for construction of group's offices, purchase of 35 goats, pineapple suckers, and construction of a goat's kraal.

A FGD was held with five members of the group to assess progress of activities. The group had just finished constructing an office and had purchased construction materials for the goat's kraal. The goats will be purchased after constructing the kraal.



Left: Timber purchased by the group; Middle: Iron sheets for roofing; Right: Pieces of wood for construction in Kirunga village sub-county, Ntoroko district

Mukono District

Introduction

The project activities are implemented in the sub-counties of Seeta-Namuganga, Kyampisi, Ntenjeru, Nabbale, Kasawo and Nakisunga.

The key planned annual outputs for FY 2015/16 were:

- A total of 450 Piglets; 100 Beehives; Three irrigation kits; 4,000 poultry; two maize grinding mills; eight wet coffee processors; and 20 incalf heifers procured.
- Two coffee nurseriesand one cocoa nursery supported.

Financial performance

The IPF for FY 2015/16 is Ug shs 290,540,602 of which Ug shs 133,008,000 (46%) was released and only Ug shs 2,100,000 spent by 31st December 2015. Expenditure performance was low because projects with high expenditures (Procurement of animals, maizemills, coffee processors and irrigation kits) were still in procurement process. The advert was submitted on 30th October 2015. Table 10.10 shows half-year expenditures of project 0022.

Table 10.10: Half-year expenditures of LRDP (Ug shs)

No.	Activity	Funds spent
1	Identification of beneficiaries	2,100,000
2	Evaluation of contracts	
	Total	**2,100,000**
Note	Funds for technology procurement had not yet been spent; the district had advertised for suppliers by January 2015	

Source: Mukono LRDP coordination office; Field findings

Wakiso district

Wakiso district is composed of 23 sub-counties. The project activities are implemented in Wakiso, Namayumba, and Masulita Town Councils and sub-counties of Wakiso, Mende, Kakiri, Kakiri Town Council, Masulita, Namayumba, Gombe, Kira, Maya-Bujasi and Busukuma.

The key planned annual outputs for FY 2015/16 include:

- Welding machines and assorted metal fabrication equipments (Welding generator, Bench Shear Bench welding machine); Sewing Machines; Gilts (Mature female pigs); feeds in bags; drug kits; Friesian heifers; birds (Kuroilers); Hurtery Generator; Water pumping system for irrigation; *Bodabodas*/Motorcycles; Maize hauler and Accessories purchased and procured
- Programme coordination and planning activities (Meetings, assessment and appraisal of projects); Quarterly technical support Supervision and monitoring of supported projects and Capacity Building of Beneficiary Groups and multi sectoral monitoring of supported projects (LLG) and Project Profiling.

Financial performance

The IPF of Wakiso district for FY2015/16 is Ug shs 316,345,658, of which Ug shs 99,142,000 (31%) was released and spent by 31st December 2015. The funds were sent to 22 beneficiary groups.

Physical performance

The following activities were implemented:

- Disbursement of funds to 22 beneficiary groups of dairy, dairy, piggery, generator and irrigation equipment
- LRDP Programme Implementation Team held committee meeting
- Beneficiary verification, assessment and appraisal of proposed groups

Two groups in WakisoTown Council and Mende sub-county were visited to verify receipt and progress. The district project focal point person reported that other groups were still in process of procuring the proposed items.

Wakiso Town Council

Kwewayo United Group: The group, located in Kisimbiri comprises of 10 members of which five are female and five male. The chairman confirmed receipt of Ug shs 4million] used to purchase an incalf heifer at Ug shs 2.5 million. The balance is being used for treatment of the incalf heifer and buying food supplies.

A discussion with the group members confirmed that each member would be given a heifer after birth to increase on number of animals as well as reproduction.

LRDP Beneficiary incalf heifer in wakiso town council

Mende Sub County

Four groups comprising of Kwewato United group, Tukolebukozi Development group, Tusubira Development group and Talk and Work group were selected to benefit from the project through purchase of piggery and dairy. Talk and Work Group was sampled and visited to assess progress.

Talk and Work Group: The group comprises of 12 members of which five are female and seven male. The project is located in Bujuuko Village, Bakka Parish. The chairman of the group confirmed receipt of Ug shs 5 million of which Ug shs 3 million was used to purchase an incalf heifer.

The balance of Ug shs 2 million will be used to build a kraal for the heifer, and buy food supplies. Each member will be given a heifer after birth to increase on number of animals as well as reproduction.

LRDP incalf heifer belonging to a beneficiary group in Wakiso district

Challenges

- Group formation, cohesion and sustainability are still a challenge among beneficiaries which affects sustainability.

- Groups still lack capacity to effectively implement projects, progress reporting and financial management and accounting for received funds.
- Disease outbreak such as swine fever for piggery, cocidiocese for poultry leading to loss of stock.

Recommendations

- Capacity building of beneficiary groups in basic accounting, record keeping,group dynamics, basic financial management, project management, continous community
- Sensitization and strengthening monitoring systems at all levels and sustainability; community mobilization for full participation effective participation in order to benefit from the program.
- Instituting quarantine measures.

2. Government Buildings and Administrative Infrastructure; (Completion of Nalutuntu Health Centre III and construction of a regional office): One output, completion of Nalutuntu Health Centre III was monitored to assess progress of works. Construction of a regional office was not carried out, hence one out of the two targets was achieved.

Nalutuntu Health Centre III: The health centre is located in Nalutuntu sub-county, Mubende district. The contract was awarded to M/s Aswangah Construction Services Limited at sum of Ugshs 681,900,266 for a period of six months. The start date was 3rd September 2014 ending February 2015. A total of Ug shs 381,471,637 had been paid to the contractor by 30th June 2015. MoWT had submitted a report of verified works on Certificate 2 that awaited payment.

Scope of works included: The completion of civil works on Maternity Ward, OutPatients Department (OPD), Staff house/kitchen, Staff dressing room, Fencing (fitting chain link and gate), lLatrine, gate and gate house, Medical and placenta pits, Leveling, and Water harvesting.
By 31st December 2015 civil works were at 72%, these included: shuttering of the OPD, Maternity Ward and Staff quarter block; internal and external plastering; fitting of ceiling; leveling/ landscaping; fencing plus installation of gate; staff kitchen and toilet constructed up to roofing stage.

Left: The Maternity Ward, Middle: Outpatients Department, Left: Staff Quarter blocks at Nalutuntu Health Centre III in Mubende district

Challenge

- Delayed completion of works due to change in designs. Awaiting clearance from Solicitor General to approve change in designs.

Recommendation

- The OPM should fasttrack process of clearance for contractor to finish civil works at Nalutuntu

Pacification and development: By 31st December 2015, funds were disbursed to the eight crop nurseries and seven banana mother gardens out of 16 were established in former war zones in the districts of Butambala, Lwengo, Mukono, Kiboga, Gomba and Nakaseke. A total of Ug shs 181,450,500 was disbursed to seven beneficiary groups of the crop nurseries.
Lwengo and Mukono districts were monitored to assess progress. Two out of the eight crop nurseries in the sub-counties of Nama in Mukono district and Lwengo district were sampled to assess progress and implementation of activities.

A. Lwengo District

The project activity is being implemented in the sub-county of Kingo. Masaka Veterans Historical SACCO group was monitored to assess progress of activities.

Masaka Veterans Historicals SACCO
The group was given Ug shs 41,653,500 to establish a banana crop nursery and mother garden. The garden is on two acres of land in Kamenyamigo village, Kingo parish. The focal point person of the crop nursery reported that the funds were used for purchase of agricultural materials, banana suckers, maize seeds, purchase of coffee seedlings and also payment of workers.

Left: Coffee seedlings in nursery; Right: Banana plants in mother garden in Lwengo District

B.Mukono District

Operational Wealth Creation Mwanga 'B' Mukono Zone group: The group consists of over 30 war veterans. The project activity is located in Mpoma parish, Nama sub-county. The group received Ug shs 37,086,000 in November 2015 and all funds were spent on crop nursery and banana mother garden establishment on 2 acres of land, construction of a water source, administrative costs, allowances, stationary and fuel for monitoring.

The group planted 550 banana suckers on one-and-a quarter acre, planted 200,000 coffee seedlings, constructed a nursery bed and a water source near the banana garden in December 2015. Observation indicated there was value for money.

Left: Crop nursery worker fllling soil in polythene preparing to plant coffee seedlings; Right: Mother banana garden with banana ready for harvesting in Mukono district

Benefits of this project

The project offers employment opportunites to the local community and income generation for former war veterans.

Challenges

- Lengthy procurement processes have affected the achievement of the planned targets
- The focal point officer is not assertive to drive this project and needs constant follow up and technical guidance to the beneficiaries.

Analysis

Link between financial and physical performance

The link between the financial and physical performance of the Support to LRDP was good as 47% of the funds were spent to achieve 59% of the planned outputs.

Achievement of set targets

The targets for FY 2015/16 for Q1 and Q2 were not achieved. Only one out of five outputs was fully achieved.Grants were disbursed to 16 LRDP districts and 32 micro projects supported.

Conclusion

The performance of Support to LRDP is rated fair (59%). Although release and absorption of funds was good, only one output from the five planned outputs was fully achieved by 31st December 2015. The project is yet to achieve its intended objectives. Low absorption was attributed to the unspent funds meant for establishment of two new crop nurseries, support to Micro projects and cottage industries, procurement of 14,000 handhoes, completion of Nalutuntu HC III and the Regional Office.

Recommendation

- The OPM and district should strengthen community mobilization for full and effective participation in order to benefit from the program.
- Constant supervision of CAOs and focal point persons on implementation of projects in communities
- Sanctions should be implemented on focal point persons who have a laisser faire attitude towards the project

10.2.5 Support to Ministry of Public Service (project 1285)

Background

The project was designed to revamp the Ministry of Public Service in achieving its core mandate, which is *"to develop, manage and administer human resource policies, management systems and procedures for the Public Service*". The project implementation period is 1st July 2015 to 30th June 2020. The project objectives are: (i) To support the Ministry of Public Service to ensure efficient and effective utilization of the human, financial, inspection function and material resources and, (ii) Coordinating and providing technical guidance on policy development, planning and budgeting, monitoring and evaluation.

The expected outputs by 30th June 2018 were: (a) Office equipment, computer supplies and IT equipment purchased; (b) Various planning and sector issues coordinated; (c) Inspection function strengthened; and (d) Resource centre operationalized.

The key planned outputs for FY 2015/16 were:

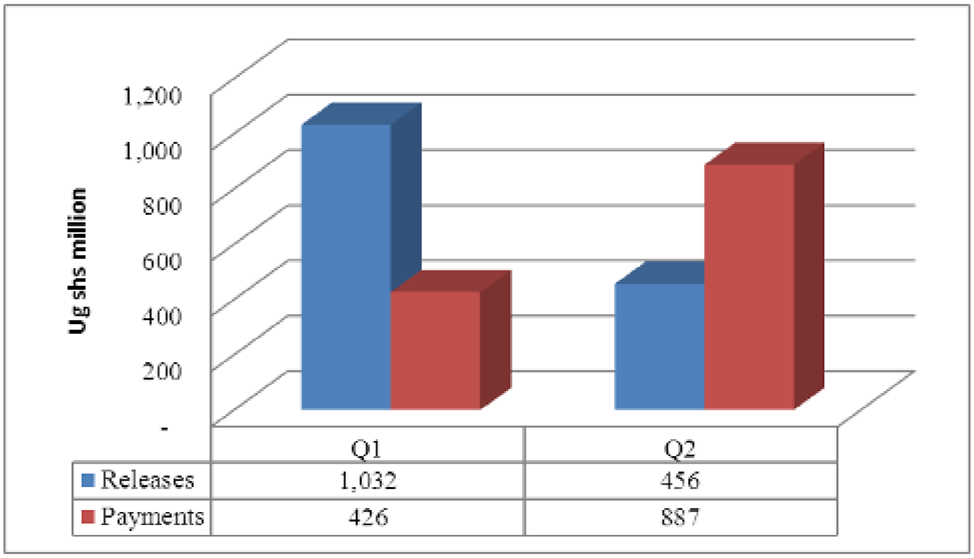
- Government Buildings and Administrative Infrastructure: This output included the Completion of the construction of the first phase of the National Records Centre and Archive
- Ministerial and Support Services: These included Office equipment provided; Computers and IT equipments procured
- Purchase of Motor Vehicles and Other Transport Equipment: Motor vehicles purchased.

Findings

Financial Performance

The approved budget for FY 2015/16 is Ug shs 6,879,831,489 of which Ug shs 1,488,269,295 (22%) was released and Ug shs 1,313,213,914 (88%) spent by 31st December 2015. The project exhibited poor release performance and excellentresource absorption (Figure 10.9)

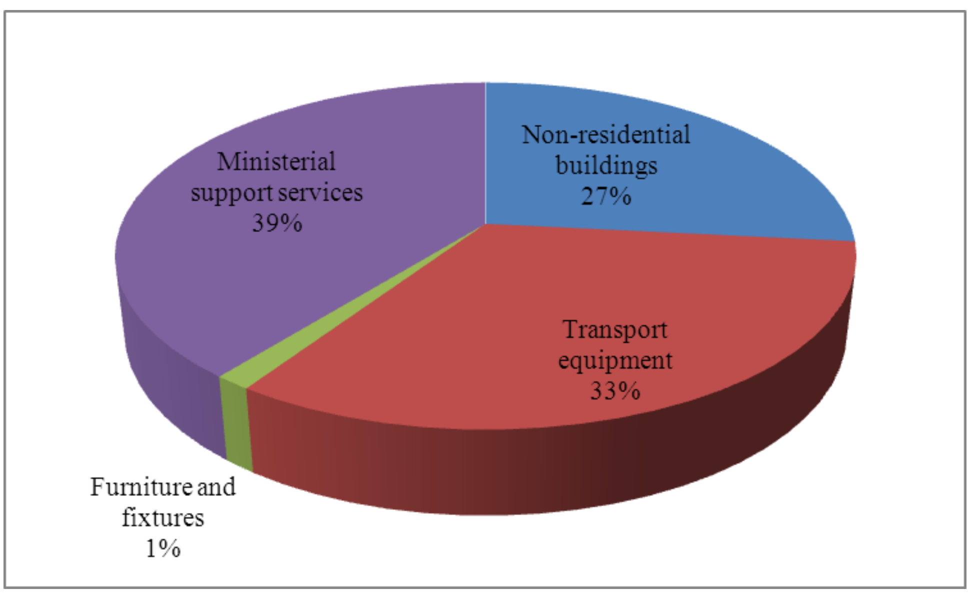
Figure 10.9: Financial performance of Ministry of Public Service project by 31st December 2015



Source: IFMS data

The low absorbtion is due to procurement process for purchase of vehicles which is still on-going and this explains the balances of unutilised funds. The expenditure performance of other outputs is shown in Figure 10.10. The greatest expenditure was on Ministerial Support Services output.

Figure 10.10: Half-year expendituresof project 1285 by 31st December 2015



Source: IFMS data

Physical Performance
Past performance

During FY2014/15, the project recorded the following achievements: motorvehicles were repaired and maintained and the ministry buildings were also maintained.

Overall performance

Table 10.11 shows the cumulative performance of the Support to Ministry of Public Service project by 31st December 2015.

Table 10.11: Physical performance of Public Service Ministry Project by 31st December 2015

Output	Status	Remarks
Government Buildings and Administrative Infrastructure:		**Achieved 100% of set targets**
1. Phase 1 of the construction of the NARC completed.	Overall work progress was at 100%. Construction of the National RecordCentre Phase I tested in the defects liability period	Target was achieved
Purchase of Motor Vehicles and Other Transport Equipment		**Achieved 50% set targets**
2.Three Executive Motor Vehicles purchased 3.12 double cabin pickups purchased	All three Executive Motor Vehicles were purchased Still under procurement	Target was100% achieved Target not achieved
Purchase of Office and Residential Furniture and Fittings		Achieved 20% set targets
4.Furniture and fittingsprovided	The procurement process is still ongoing for the purchase of office chairs	Target achieved is 20%
Ministerial and Support Services		**Achieved 75% set targets**
5. Office facilities, logistical and supportservices provided. 6.Computers and IT equipments procured	3 computers, 3 printers, 5keyboards, 25 mice, 5 internal harddisks, 1 wireless router, 20 memory (RAM) cards and 8 UPS Batteries. Atotal of 6 Desktop computers; 6 Printers and one overhead projector procured	

7. Fuel lubricants and oils provided. 8.Motor vehicles maitained	Activity not undertaken Activity not undertaken	

Source: MoPS Progress report

Average physical performance of four main planned outputs is 61.3%

(c) Field findings

Construction of the National Archives and Records Centre (NARC) and certificates for the construction of NRCA paid

The NARC is a GoU facility constructed to create sufficient space to accommodate and manage public records/archives holding of the country, decongest satellite record centers, assure proper retention and disposal of records, and provide secure and economical storage and rapid retrieval service for inactive records. It is a component portion of the Uganda Public Service Performance Enhancement Project (UPSPEP), which is funded by the International Development Agency (IDA).The premises are located in Nakasero within Kampala Capital City. See Table 10.12 for detailed project profile.

Table 10.12: Construction of the NARC project summary

Project	Construction of the National Records Center and Archives Building
Client	Government of Uganda
Implementing agency	Ministry of Public Service
Contractor	M/s China Railway Jianchang Engineering (T) Ltd
Consultant	Mutiso Menezes International
Funding Agency	Government of Uganda, International Development Agency (IDA) and World Bank
Contract No.	MPS/WRKS/2012-2013/00026/01
Commencement date	27th June, 2013
Contract period	23 months
Original completion date	25th September 2014
Revised completion date	30th June 2015
Time elapsed	23 months (July 2013-July 2015)
Contract sum	Ug shs 20,313,180,571.85
Amount Certified and paid	95%

Defects Liability period	12 Calendar Months
End of Defects Liability period	30th June 2016

Source: MoPS half -year Progress report FY2015/16

Physical performance

By 31st December 2015, overall work progress was 100%. The NARC building handed over by contractor to the Ministry on 14th August 2015 and 12 months Defects Liability Period commenced.

Staff of the Department of Records and Information Management have now transferred to the new building.

Left: Front view of NARC building; Left: Archives centre in NARC building

Implementation challenges

- There are outstanding arrears totalling to Ug shs 2,006,013,228 as costs of supervision and construction of NARC building phase -I.
- Delayed payment of VAT leading to high interest rates
- Lack of equipment in terms of furniture and archives equipment

Purchase of Motor Vehicles and Other Transport Equipment: By 31st December 2015, three executive motorvehicles were purchased. The vehicles were meant for the executive officials of the ministry and were handed over between the months of July-December 2015.

One of the new vehicles purchased by the ministry for the Permanent Secretary of MoPS

Analysis

Link between financial and physical performance

There was a good link between the financial and physical performance of the Support Ministry of Public Service project by 31st December 2015 as 88% of the funds were spent on 61.3% of planned targets/outputs.

Achievement of set targets

One out of the four outputs/targets was fully achieved by 31st December 2015. This was the construction of the NARC building.

Conclusion

The performance of the Support Ministry of Public Service Project is rated good (61.3%). One out of the four outputs/targets was fully achieved by 31st December 2015.Other outputs were substantially achieved. The performance is on track though there are outstanding arrears totalling to shs 2,006,013,228 as costs of supervision and construction of NARC building, VAT and interest on delayed payments

Recommendation

The MFPED should clear outstanding arrears and VAT to avoid high interest costs.

10.2.6 Public Service Programmes (Reforms)

Introduction

Public Service Reforms are part of strategic responses to present economic situations as a sustained and effective reform is critical if the state is to deliver essential services to the public in an environment of significantly reduced expenditure and staff numbers. The Ministry of public service is mandated to develop, manage and administer human resource policies, manage systems and procedures for the public service, strengthen results oriented management and service delivery through implementation of client charters across ministries, departments and agencies (MDAs) and Local Governments (LGs) as well as spear head implementation of public service reforms.

In order to achieve the above, the government adopted the following reforms; Upgrading of the Civil Service College; PerformanceManagement; Payroll and Wage Bill Management;Construction of the National Archives; Development and Dissemination of Policies, Standards and Procedures; ClientCharters; Result Oriented Management/OOB; Payment of Statutory Pensions and implementation of Public Pension Reforms.

Findings

(i) Financial performance

The approved non-wage recurrent budget of the Ministry of Public Service for FY 2015/16 is Ug shs 24.019 billion of which Ug shs 11.414 billion (47.5%) was released and Ug shs8.129 billion (71.2%) spent by 31st December 2015. Both the release and resource absorption was good.

Ten outputs were monitored. These included:Upgrading of the Civil Service College, MDAs and LGs Capacity building, Public Service Performance Management, Management of the Public Service Payroll and Wage bill, IPPS implementation, Development and dissemination of standards, Service delivery standards development, Client Charter Strengthening, Implementation of decentralized Pension Reforms and pension statutory payments .

1. Upgrading of the Civil Service College (Output 131202)

Background

The Civil Service College (CSC) is an in-service, practical oriented centre similar to the former Kitante in-service training Centre. The purpose of the college is to inculcate right attitudes in public servants, provide focused skills enhancement to targeted public servants and a cadre of staff well equipped for transformation of the Ugandan Public service. It is instrumental in public service research and development of civil service. It shall also provide leadership and management training, corporate development opportunities for senior managers, staff induction for newly recruited officers and professional skills development for public servants.

The Civil Service College in Jinja district

The main objectives of the Civil Service College include:

- Support the implementation and roll out of government policies and public service reform initiatives through design and delivery of needs- oriented in service training, consultancy and applied policy services
- Promote ethical values and reshape attitudes
- Support the creation of a professional and committed public service to serve the public.
- Provide public servants with an opportunity to share and learn from each other's experience
- Supporting public policy research and innovations to enhance socio economic development

The key planned annual outputs for FY 2015/16 included:

- 400 newly recruited officers in MDAs and LGs inducted
- Leadership and change management for Ministries delivered to 100 officers
- Public procurement and contract management delivered for 100 officers
- 50 public officers trained in Innovation management
- 4th Public sector innovation conference organized
- Monitoring and evaluation training for local governments delivered
- Pre retirement planning training for Ministries and departments delivered
- Curriculum for the public sector and accountability program developed and launched
- 30 members and secretaries trained in competency based recruitments

Financial performance

The approved budget for FY 2015/16 is Ug shs1,468,000,000 of which Ug shs 377,442,188 (26%) was released and Ug shs 325,106,086(86%) spent by 31st December 2015.The output exhibited low release and excellent resource absorption. Figure 10.13 shows the key expenditures incurred under this output.

Table 10.13: Expenditure performance of the Civil Service College by 31st December 2015

Activity	Upgrading of the Civil Service College facility	Civil Service College
Advertising and Public Relations	569,000	-
Workshops and Seminars	159,546,738	127,683,738
Staff Training	24,162,503	-
Books,periodicals and newspapers	2,030,600	-
Welfare and entertainment	16,091,900	-
Telecommunications	1,390,000	-
Guards and security services	8,138,000	-
Electricity	23,460,000	2,369,000
Water	16,998,000	4,999,000
Cleaning and sanitation	15,000,000	-
Travel inland	22,014,424	22,014,424
Travel abroad	20,644,921	20,644,921
Fuel,lubricants and oils	15,060,000	3,215,000
Total	325,106,086	180,926,083

Source: IFMS data

The highest expenditures incurred were on workshops and seminars item (68%) as stated in the key delivery outputs.

Physical performance

The following were achieved:

- 39 members trained in contract committee in MDAs in Public procurement and contract management
- 24 Senior Government delegates from South Sudan public service hosted to benchmark Ugandas reform initiatives
- 22 directors, commissioners and undersecretaries trained in leadership management
- 13 top management team trained in public management
- Curriculum for induction programme reviewed
- 108 new officer in MDAs and LGs inducted
- 30 technical officers in MDAs trained in the use of evidence policy making

Challenges

- Inadequate funding and budget cuts affected implementation of planned outputs

- Lack of clear setting of performance indicators and repetition of line items in the planned outputs
- There is a duplication of outputs and line items in this programme

Recommendations

- UCS should develop clear planning outputs and performance targets within the meagre resource envelope
- MFPED should merge the duplicated votes under Uganda Civil Service College

2. MDAs and LGS Capacity building (Under Human Resource Management)

Background

Human resource management is mandated to develop, interpret and review human resource policies for the public service. The department is responsible for management, reviewing and updating terms of conditions of service as well as public service policies, procedures and regulations with a view to promoting good governance, accountability, transparency in the delivery of services

Planned outputs for FY 2015/16 included:

- Gender lens disseminated in LGs
- Review and disseminate 2 schemes of service
- Capacity building guidelines for MDAs developed and disseminated

Financial performance

The approved budget for FY 2015/16 was Ug shs 474,700,000 of which Ug shs 90,660,204 (19%) was released and Ug shs 85,401,475 (94%) spent by 31st December 2015. The reform exhibited low release and excellent resource absorption. The key expenditures incurred are shown in table 10.14.

Table 10.14: Expenditure performance of output – MDAs and LGs Capacity Building by 31st December 2015

Activity	Human Resource Development Programme	Human Resource Management Programme
Computer supplies and IT	-	783,500
Allowances	17,614,500	18,580,428
Workshops and Seminars	6,143,745	1,319,782
Staff Training	1,015,000	1,065,000
Books,periodicals and newspapers	331,000	-

Welfare and entertainment	1,692,000	1,120,000
Printing,stationary and photocopying	1,691,521	337,999
Travel inland	8,461,000	16,922,600
Travel abroad	1,353,000	-
Fuel,lubricants and oils	1,692,000	3,538,400
Maintainance-vehicles	338,000	1,402,000
Total	40,331,766	45,069,709

Source: IFMS data

The highest expenditures were on allowances.

Physical performance

- Concept paper and tool for the situational analysis to inform human resource planning framework developed
- Tools for monitoring and evaluation of the training function in 3 MDAs and 27 LGs developed
- Training function in the Ministry of Agriculture, Trade, MOPS monitored
- The training function in the districts of Bulambuli, Budaka, Kibuku, Pallisa, Kaliro, Buyende, Kamuli, Iganga, Jinja, Ntungamo, Kabale, Kisoro and Municipalities of Mbale, Jinja and Iganga

Challenges

- Lack of coordination of the department with other sectors to harmonize the training function and avoid duplication of the training programmes.
- The achievements are not in line with the planned outputs hence no output was achieved.
- There is no clear comprehensive Human development plan to guide the capacity building initiative.

Recommendations

- The MoPS, MoLG, MFPED, and NPA should develop a clear human resource framework for the coordination and as well public service to guide the human resource development function in the public sector that will add value and return on investment.
- The focus of HRD should be on strategic priorities with a clear plan of action to guide the training function in the public sector for example development of leadership development strategies; strengthening systems for workplace learning, benchmarking good practices for E- learning to reduce costs of capacity development.
- The department should implement activities in line with planned ouputs

3. Public Service Performance Management

Background
Performance agreements provide consistent criteria for assessing the level of achievement of key outputs and targets to enable government recognize and reward excellent performance, sanction underperformance and take corrective measures for performance improvement.

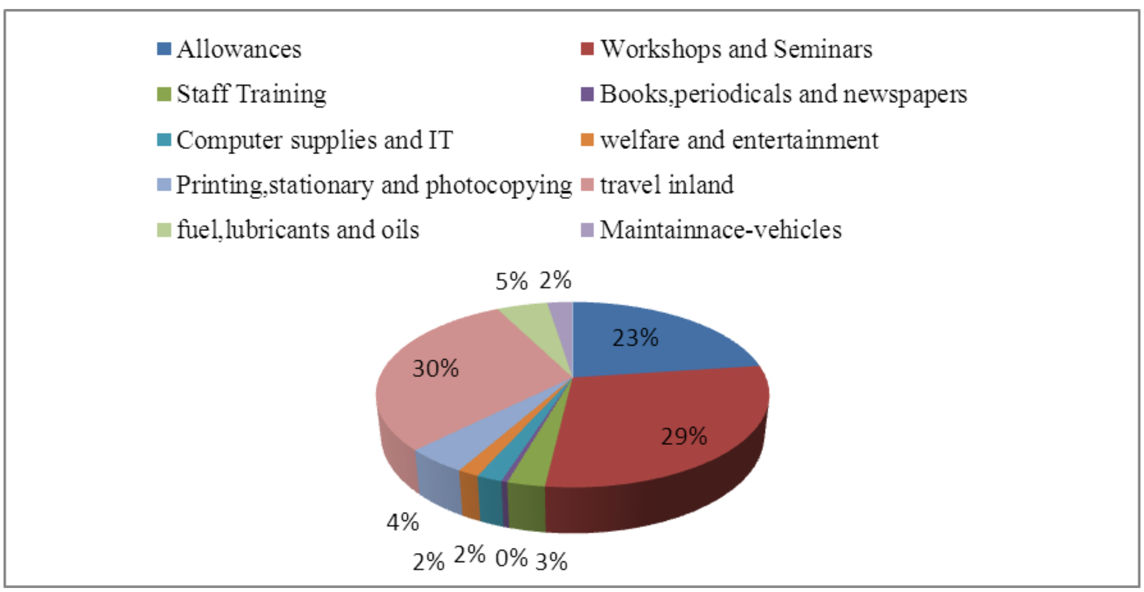
These were introduced in phase's beginning with Permanent Secretaries, Chief Administrative Officers and Town Clerks of Municipal Councils, Head Teachers for Primary and Secondary Schools, Medical Superintendents of general Hospitals and Health Center IVs, Heads of HR in Ministries, Regional Referral Hospitals and Local Governments, Heads of Department in LGs, Hospital Directors, and Executive Directors of MDAs.

The key planned annual outputs for FY 2015/16were:

- Impact assessment of implementation of performance agreements carried out
- Carrying out field visits to monitor signing of performance agreements in health and secondary schools

Financial performance
The approved budget for FY 2015/16is Ug shs 317,757,000 of which Ug shs 59,694,037 (18%) was released and Ugshs 56,751,827 (95%) spent by 31st December 2015. The reform exhibited poor release and excellentresource absorption. The key expenditures incurred are shown in Figure 10.11.

Figure 10.11: Expenditure performance of Public Service Performance Management by 31st December 2015



Source: IFMS

The highest expenditures incurred were on allowances item (29%).

Physical performance

By 31st December 2015,

- 8 votes were visited to determine the impact assessment of performance agreements
- Field visits were carried out in Bushenyi, Ntungamo, Kisoro, Busia, Bugiri, Tororo, Kasese and Bundibugyo

Challenge

- There were no clear performace targets against the planned outputs despite the meagre resource envelope.
- The department is understaffed and yet this a core function in the human resource management function.
- There is lack of a comprehensive report on the performance on performance agreements and the appraisal system in the public sector to be shared by all stakeholders.

Recommendations

- Despite the meagre resource envelope, MoPS should develop realistic performance indicators for this major HR function
- MoPS should identify competent staff in the Public service to spearhead this very important HR function in the public sector

4. Management of the Public Service Payroll and Wage bill
Background

The objective of Human Resource Management (HRM) is to initiate, formulate and plan policies and manage human resources functions in the entire service and the major outputs are to ensure that human resource regulations, guidelines, standards, procedures and systems are developed, implemented, monitored and evaluated.Moreover, within the public service reforms the MoPS are spearheading Intergrated Personnel Payroll System (IPPS).

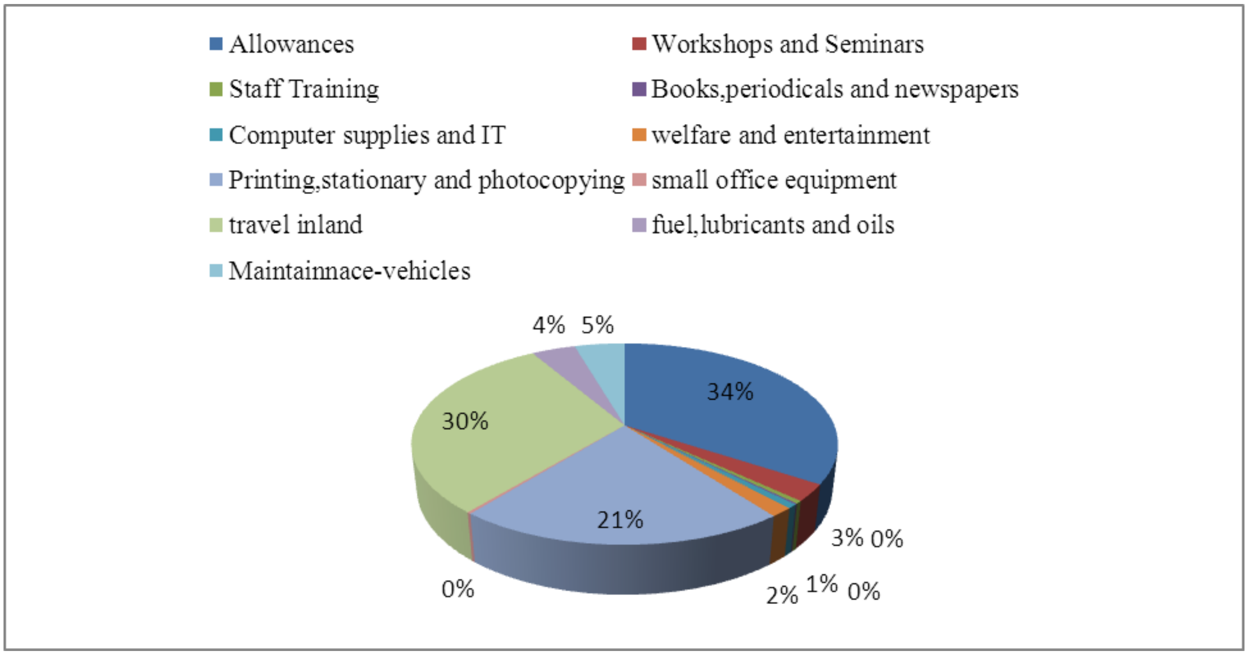
The key planned annual outputs for FY 2015/6 were: Recommendations of a comprehensive payroll audit implemented; Payroll and wage bill management support supervision and monitoring implemented; Payroll guidelines revised and disseminated; Technical guidance and support on wagebill management provided to MDas and LGs; Implementation of hard to reach framework monitored; and Public service negotiations consultations and disputes Act 2008 operationalized.

Financial performance
For FY 2015/16, the approved budget is Ug shs 1,187,945,000 billion of which Ug shs 426,345,763 (21%) was released and Ug shs 388,955,349 (91%) spent by 31st December

2015.The reform exhibited low release but excellent resource absorption. The key expenditures incurred are shown in Figure 10.12.

5. Figure 10.12: Expenditure performance of Management of the Public Service Payroll and Wage bill by 31st December 2015

Source: IFMS



The highest expenditures incurred were on allowances item (34%) and travel inland.

Physical performance

By 31st December 2015, the following was achieved:

- A study to establish the challenges of payroll management in view of decentralization was conducted in 21 votes, Kasese, Mityana, Wakiso, Mubende, Luweero, Nakasongola,Gulu, Kitgum, Iganga, Luuka, Kaliro, Mayuge, Buyende, Kabale, Mbarara, Rakai, Arua, Kiryandongo, Moyo, Yumbe, Manafwa
- A total of 21 votes were supported in payroll management policies and procedures

Challenge

- Lack of a comprehensive report on the actual numbers of employees in the public sector agains the current wage bill.
- The slow pace of clearance of vacancies for central and local governments that has a bearing on service delivery.
- Inadequate training in new payroll management for staff in local governments.
- Lack of priotization of implementation of planned outputs within the available resources; the ones opted for are too administrative in nature.

Recommendations

- MoPS should develop a comprehensive report on the actual number of employees in the public sector against the wage bill.
- MoPS should improve the slow pace of approving strategic positions in LGs as this has a bearing on service delivery.
- MoPS should continue refresher training in payroll management for local government staff.

6. Integrated Personnel and Payroll System (IPPS)

The IPPS is atool for managing, monitoring and controlling the level of public service employment as well as the wage bill within the targets specified in the medium term pay strategy. It facilitates the storage, retrieval, and effective use of complete and reliable HR information. The IPPS has an automatic interface with IFMS to allow information on public service salaries to be shared, thereby minimizing data entry errors. The IPPS utilizes the IFMS infrastructure including its area network.

The key planned annual outputs for FY 2015/16 were;

- Fuctional and support staff supported to all IPPS phase 1, 2 and 3 sites
- Techinical and functional support provided to IPPS-IFMS interface operationalization
- Job description to facilitate operationalization of recruitment management module collected
- IPPS user guides udated and disseminated to users
- Training users in 39 sites on HR modules
- Change management strategy prepared and reviewed
- IPPS data centre support contracts made
- EDMS support and maintenance contract
- IAN extension connectivity testing and user training carried out in 11 votes
- 8 regional IPPS support centre established

Physical performance
By 31st December 2015, IPPS had achieved the following

- All the 91 sites phase 1,2 and 3 sites were supported
- 223 end users in phase 1 and 2 sites as well as 9 referral hospitals trained
- 8 regional support centres established
- Technical guidance and monitoring undertaken in 33 selected non IPPS sites
- Routine servicing and maintenance of the IPPS centre biometer
- Frequency of upgrades done

Challenges

- Limited resources to roll out IPPS to all votes.

- Lack of setting clear performance indicatorsare
- Inadequate computers in some regional centres
- More training required in some sites in the pension modules(almost all in LGs)
- Step up monitoring of IPPS sites in LGs
- Lack of funding to hasten the other HR modules eg Leave, recruitments, performance management in Local Governments and Municipal councils

Recommendations

- The MFPED should allocate more funding for IPPS- to role out IPPS to all votes as coming to MoPS is costly and time consuming for instance Ntoroko DLG is supposed to use IPPS regional centre of Hoima but the distance is far and Kampala is nearer.
- Some regional centres were set up but with very few computers
- There is still more need for training for staff in the pension modules as some HR officers still make a lot of errors e.g Moroto and Mukono DLGs, Mukono Municipal Council,

7. Demand for Service Delivery Accountability strengthened through Client Charters

Background

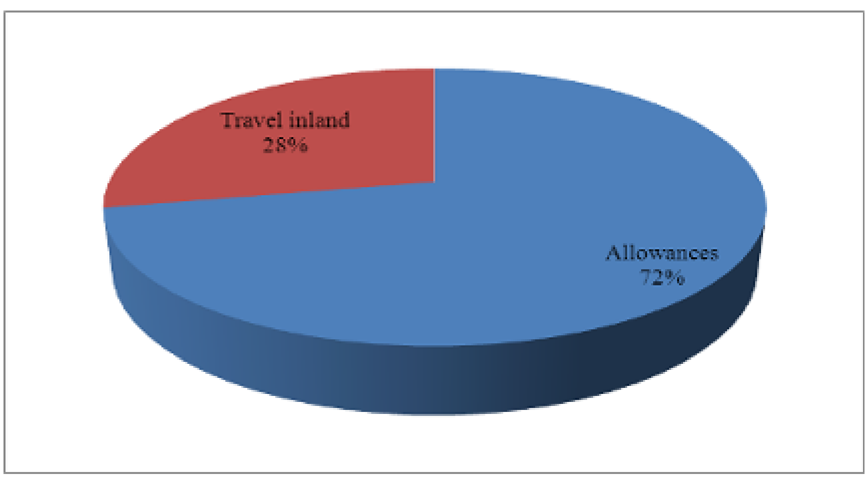
This reform aims to promote compliance with policies, standards, rules, regulations and procedures in order to enhance efficiency and effectiveness of the MDAs and LGs. Its major outputs are; result oriented management systems strengthened across MDAs and LGs; technical support supervision and guidance provided to public service institutions; service delivery standards developed, documented and their utilization monitored

The key planned annual outputs for FY 2015/16 include: Support to MDAs and LGs in use of Client Charters provided; and Support to MDAs and LGs to institutionalize the Client Charter feedback mechanism provided

Financial performance

The approved budget for FY 2014/15 is Ug shs 208 million of which Ug shs 81,500,000 (39%) was released and Ug shs 24,999,921 (31%) spent by 31st December 2015. The reform exhibited poor release and resource absorption. The key expenditures incurred are shown in Figure 10.13.

Figure 10.13: Expenditure performance of Demand for Service Delivery Accountability strengthened through Client Charters by 31st December 2015



Source: IFMS

The highest expenditure incurred was on the allowances item (72%) as stated in the key delivery outputs.

Physical performance

By 31st December, 2015, the following were achieved:

- Supported MGLSD to disseminate client charters in MoPS
- Monitored implementation of the client charter in MoPS
- Supported DLGs of Pader, Oyam, Apac, Kole, Lamwo, Kitgum and their Urban councils

Challenges

- Lack of awareness about the rationale and content of client charters due to inadequate dissemination.
- Lack of commitment to implement the service delivery standards contained in the client charters and lack of sanctions for non compliance.
- Inadequate funding to sensitize stakeholders, public servants on the client charter and printing the updated copies.

Recommendations

- The MoPS and MoLG should to carry out a wider coverage and joint monitoring on the implementation of the client Charter at levels because after development, it is put on shelves.
- The MoLG should institute sanctions for MDAs and local governments who despite getting the guidelines and training have failed to develop or implement the client charter.
- The MoPS should increase awareness among stakeholders by also translating the client charters into local languages

8. Implementation of Public Service Pension Reforms

Background

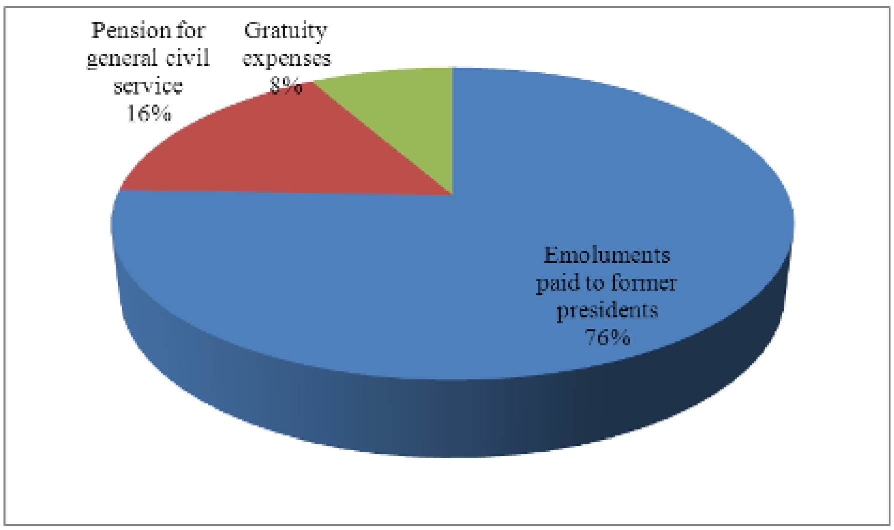
The purpose of this reform is to manage the pension's scheme for the traditional public service, the police force, the prisons force, the education service, defense and the compensation of the former employees of the defunct East African Community (EAC) and the major outputs are terminal benefits paid, pension scheme for the traditional public service, the police force, education service, and the defense forces managed.

The key planned annual outputs for FY 2015/16 include: (i) Public service pension reform of decentralization of pension and gratuity payments implemented; (ii) Pension payroll cleaned and verified and records migrated from the legacy system to the integrated personnel and payroll system; (iii) Pension files verified, assessed, audited approved and paid through the IPPS system

Financial performance

The approved budget for FY 2015/16 is Ug shs 578,889,000of which Ug shs 168,959,982(29%) was released and Ug shs 161,308,000(95%) spent by 31st December 2015.The reform exhibited poorrelease andexcellent resource absorption. The key expenditures incurred are shown in Figure 10.14.

Figure 10.14: Expenditure performance of Implementation of Public Service Pension Reforms by 31st December 2015



The highest expenditure was on emoluments paid to former Presidents item (76%).

Source: IFMS

Physical performance

By 31st December 2015, the following were achieved:

- Pension verification, functional and technical support offered to Accounting Officers and heads of Human departments in central government, local governments and municipal councils in both quarters in 111 LGs and 96MDAs.
- Pension payroll cleaned and verified records migrated from legacy system to IPPS.
- 423 files verified, assessed, audited and approved , paid
- 63,041 pensioners veified and migrated to IPPS
- 826 files assessed through IPPS
- In Q1 a total of 157560 pension files were cleared and all paid up.
- In Q2 a total of 182,714 pension files were cleared and paid.

Challenges

- Inadequate funding to roll out pension reform to respective institutions and district LGs in terms of staffing, equipment, and capacity building for all stakeholders and space.
- Inadequate staffing to handle the workload of submissions from Local Governments
- A proper records management system to make the right decisions to pay pending cases
- Staff in the pension and local governments still have capacity gaps in the pension modules.
- The department lacks a prompt feedback mechanism to LGs on the progress of pension payment arrears.
- The bureaucracy of pension and gratuity payments in the MoPS is too long and as result files take long to be cleared and the funds remitted to MFPED.
- Failure of MDAs and LGs to maintain standard records management systems as evidenced during the decentralization of payment of pensions and gratuity. ManyMDAs and LGs lacked personal records of their former staff.

Recommendations

- The MFPED should consider more funding for MoPS to roll out the pension reforms to LGs.
- MoPS should set realistic targets on submissions on pension and gratuity for officers handling pensions in MoPS.
- MoPS should consider recruiting more staff to address the issue of staffing in the compensation department.
- MoPS should develop a clear records management system to address the issue of personal pension files that delay payments
- MoPS and MFPED should develop a clear feedback mechanisn on updates on payment submissions on pension arrears and gratuity for LGs.
- MFPED should come out with clear guidelines on the decentralized pension and gratuity management.
- Sanctions should be instituted on officers who delay to take action on pension and gratuity files.

Payment of Statutory Pensions
Planned Outputs

- Payments for former leaders, presidents and vice presidents made
- Monthly pension paid a total of 33,147 trditional civil servants a total of Ug shs 10,287,250,000
- Monthly pension of a total of 17,108 teachers worth Ug shs 5,188,416,600 paid
- Monthly pension of a total of 7,532 worth Ug shs 2,395,676,665 paid
- LG gratuity paid
- Gratuity for traditional civil service, teachers and military serviced

Challenge
Budget cuts affected implementation of planned outputs

Physical performance
By 31st December, 2015, the following was achieved:

- Funds totaling to Ug shs 41 million paid to former leaders
- Treatment of Professor Apollo Nsibambi to the tune of Ug shs75 million
- Ex gratia paid to the Late Benedicto to the tune of Ug shs 800 million; Alexander Waibale Ug shs 350 million
- 165 pensioners paid Ugshs 650 million
- 9 pensioners paid gratuity totaling toUg shs 473 million

9. Development and Dissemination of Policies, Standards and Procedures

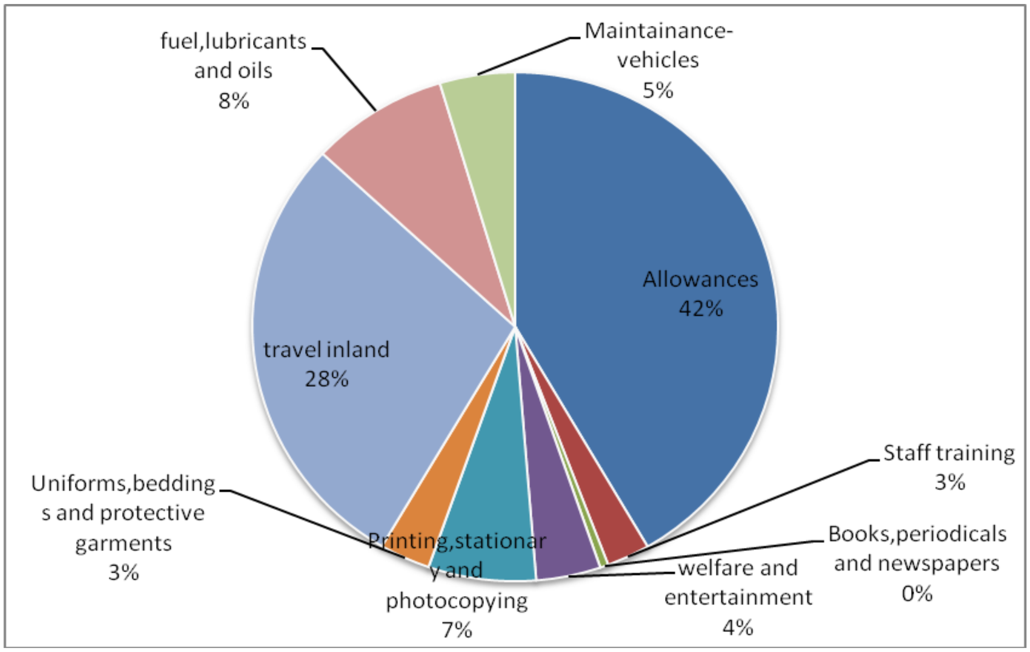
Background
The objective of records and information management is to promote efficient, economic and effective records and information management systems to the public service and oversee the preservation of the documented heritage for Uganda prosperity.

The planned outputs for FY 2015/16 were:

- Records and archives policy developed
- Records management sysytems streamlined in 6 DSCs
- Records management audits carried out in 4 MDAs and 25 LGs
- Retention and disposal schedule rolled out in 4 MDas and 10 LGs
- Revised records procedures Manual printed and disseminated to MDAs Records

Financial performance
For FY 2015/16, the approved budget was Ug shs 293,365,000 of which Ug shs 110,552,791 (38%) was released and Ug shs 104,367,980 (94%) spent by half-year. Figure 10.15 shows expenditure performance by 31st December 2014. The highest expenditure was on allowances item (62%) as stated in the key delivery outputs.

Figure 10.15: Expenditure performance of Development and Dissemination of Policies, Standards and Procedures by 31st December 2015



Source: IFMS data

Physical performance
The following were achieved:

- Records management audits carried out in 6 LGs, Yumbe, Koboko, Zombo, Maracha, Amudat, and Kaabong including authorities and KCCA.
- Records management systems streamlined in four District Service Commissions Kiruhura and Ntungamo, Kamuli, Buyende
- Records Retention and Disposal schedule rolled out in One Local Government that is KCCA, Kasese Municipal council, Budibugyo, Kamwenge,Nwoya, Kole and Gomba
- Draft manual developed and circulated to stakeholders for input

Challenges

- Insufficient funds to train records staff in specialized records and archives management.
- Failure of LGs to sustain the records management systems to the standard set up by the department.
- High labor turnover in LGs as many trained records staffs leave the LGs on transfer, promotion or resignation. This negatively affects the maintenance of systems.
- Insufficient office accommodation for records management functions especially in the LGs including DSCs.
- Inadequate storage equipment in MDAs and LGs;

Recommendations

- Records management is a crucial function in the implementation of the HR reforms both at the center and local governments funding this function should be a priority.

- The department should carry out a human resource audit of all records managers both in central and LGs and come out with appropriate recommendations

Left: An abandoned records centre in Moroto district; Middle: Disorganized registry in Bundibugyo district; Left: A former teacher aged 96 years following up pension arrears in Masaka district

Decentralized Pensions and Gratuity Reform

Background

Pension is every important component of the terms and conditions of service. In accordance with the Constitution of Uganda Article 254(1) and (3), Public officers on retirement are entitled to receive pension that is commensurate with their ranks, salary and length of service. The payments should be prompt, regular and easily accessible to the pensioners.
Government has decentralized the payment of pension and gratuity to the respective institutions where pensioners retired from as part of the reform pension system. The objective of the policy is to improve the management and accountability for pension payment.

A total of 20 districts were sampled to determine the financial and physical implementation progress of the decentralized pension for the 1st and 2nd quarters for FY 2015/6. The Chief Administrative Officer, Deputy Chief Administrative Officers, Principal Human resource Officers, Chairmen Pensioners associations, were among the staff interviewed.

Findings

Financial performance

The pension budget is entirely funded by GoU and with effect from July 2015, payment of pensions and gratuity was decentralized to Ministries and Local Governments. MFPED for the FY 2015/16 released a total of Ug shs 202,131,324,393 to facilitate payment of pension and gratuity in Central and Local Governments.

Central Government

A total of Ug shs 111.91 billion was allocated for payment of Pension under Central government votes. So far, Ug shs 68.45billion has been released and Ug shs 14.26 spent (**21%**). A total of Ug shs 79.91billion was allocated for payment of Gratuity under Central Government votes. So far, Ug shs 38.25 billion has been released and Ug shs 3.35 billion spent (**9%**) which is below average.

Local Government

A total of Ug shs 127.93 billion was allocated for payment of Pension and Gratuity for Local government votes of which Ug shs 66.47 billion has been released and Ug shs 13.93 billion spent (20%) which is below average.

Physical performance

Vote: 505 Bundibugyo District Local Government

MFPED released Ug shs 634,295,770 for Q1 and Q2 and so far Ug shs 72,164,304 (11%) was spent which was below average.

Implementation Progress

Monthly pension

A total numbers of 136 pensioners out of 142 were verified, assessed, audited and so far 134 have accessed the pension payroll and paid only pension.

Gratuity

The pensioners have not been paid gratuity and pension arrears since July 2015 despite several reminders with MoPS and no feedback has been effected yet.

Challenges

- Although the human resource department has staff they lack the skills, competence and knowledge of the human resource management function in the public sector to internalize the pension reforms and this has a bearing on the quality and quantity of pension files submitted to MoPS.
- Lack of a competent records officer to build and handle the files of pensioners who submit the missing information for onward transmission to MoPS.
- Constant errors in the pension files submitted to MoPS on the few cases submitted for clearance thus delayed payments.
- Lack of timely feedback on the submissions made to MoPS so that errors are corrected in time.
- Lack of documentation in the processing of pension especially secondary and primary teachers.

Vote 510: Iganga District

A total Ug shs 825,881,920 for only pension payment during the 1st quarter and Ug shs 452,467,176 was spent representing 54.7% which was fair ; while in the 2nd quarter Ug shs 721 123,404 was released and Ug shs 102,966,965 spent representing 14% which was below average. There was no recorded short fall however there was a supplementary of Ug shs 203, 336,352 and a balance of Ug shs 991,571,183

Implementation progress

A) Monthly pension

The CAO and the Principal Human Resource Officer confirmed **767** pensioners had been decentralized on the pensioners payroll by MoPS and from July and todate **555** have been paid monthly pension; **135** pensioners were identified, verified but not accessed the payroll by MoPS; **120** unknown pensioners were returned to MoPS. A total of **7** pensioners receiving pension from Opportunity Bank were deleted by MoPS. The CAO communicated to MoPS on 2nd December, 2015 but no feedback by the time of monitoring.

B) Gratuity

No gratuity has so far been paid to any pensioners in the district since the decentralization of the pension payroll in July 2015.

Challenges

- The human resource departments and finance are understaffed with only one PHRO and in finance to handle the pension and payroll reforms.
- Lack of sensitization of the political leadership and technocrats on the new decentralized pension payments and importance of documentation to access the pension payroll.
- Most pensioners who have not accessed the pension payroll lack appointment letters, retirement letters by the DSC especially the teachers.
- Submissions are made to the district service commissions but take time to be regularized and this affects timely processing of pension payments
- Lack of feedback from MoPS on submissions from local governments

Vote: 513 Kabarole District Local Government

The District has an approved budget of Ug shs 2,874,229,000 for payment of gratuity and pensions in FY 2015/6 out of which Ug shs 1,437,114,686 (50%) released for Q1 and Q2 and Ug shs 231,249,555(10%) was spent by December, 2015 which was below average.

Implementation Progress

A) Monthly pension

MoPS submitted 288 pensioners to the DLG for verification and all pensioners were verified after display of the names and accessed the payroll from July 2015, 120 pensioners have not accessed the decentralized pension payroll mostly teachers, Assistant Agriculture Officers, Head teachers from secondary schools; 7 records were omitted from the decentralized public service list and resubmitted to MoPS since 2012 no feedback from MoPS; 79 files submitted in the 80s and 90s to MoPS were queried and returned to the district; 8 records were not migrated to the IPPS pension module.

B) Gratuity

Despite submissions to MoPS no feedback has been effected by December 2015

Challenges

- Timely clearance of queried cases submitted from the district local government arising out of the lengthy bureaucracy at MoPS. For instance the process is handled by 8 offices who do work at the same pace and a file could spend 3 months in a single office.
- Lack of a robust information dissemination, sharing and timely feedback amongst the key stakeholders managing pensions and gratuity, for example those paid and not paid are unknown to the district which affects the planning and budgeting for the pension.
- Lack of physical records from MoPS to districts to make faster and informed decisions about queries raised delays payments.
- The pension module training by MoPS that took one day was insufficient to internalize the reforms.
- Lack of documentation such asappointment letters, confirmation letters, registration certificates for teachers, birth certificates to verify dates of birth, pay slips, retirement letters.
- Delays by the DSC to regularize rejected cases from MoPS take time and this affects timely resubmission of cases.
- Some pensioners of the 80s and 90s have since passed on and have no relatives to follow up the cases.
- The delay to clear cases of secondary school teachers where the cases are forwarded to MoES for regularization of appointments with the Education Service Commission all delay payments

Vote 517: Kamuli District

In FY 2015/16 MFPED released Ug shs 1,528,207,815 (21%) for Q1 and Q2 so far Ug shs 333,598,561 (33%) of the release has been spent by December, 2015 which is below average.

Implementation progress

A) Monthly pensions

The PHRO and the OC salary confirmed that out of 1,049 pensioners in the district, only 575 had been verified by MoPS and have accessed the monthly pension payroll; 475 were paid; 100 pensioners have been verified by the district and accordingly a submission made to MoPS by the CAO for clearance in a letter dated 4th September, 2015 but to date no feedback has been made to the district. A total of 84 pensioners are unknown and have not appeared for verification at the district headquarters despite the display of their names on the noticeboard.

A total of 24 pensioners have not been paid since July 2015 because they have not been migrated from by MoPS to the Kamuli pensioners payroll since October 2015; however despite several reminders implementation is delayed and this has resulted into accumulation of pension arrears for the district.

A total of 5 pensioners initially on the monthly pension payroll were not included on the December, 2015 payroll and these were; Mukembo John Herbert (Late), Kisambira George William; Byansi George William, Late Waako Kamanya Elukanah and Mugolosa Brian and up-to-date despite submissions from the LG there is no feedback from MoPS and the result is anxiety from pensioners and accumulation of pension arrears.

B) Gratuity

A total of 12 out of 33 cases of pensioners claiming pension and gratuity worth Ug shs 274,000,000 was submitted to MoPS for verification and so far only 16 cases have been verified and cleared and only the monthly pension payment was paid without gratuity. No feedback has been communicated to the DLG on the gratuity submission neither from MoPS or MFPED.

Challenges

- With the decentralization of the payroll and pensions in district local governments the workload in the HR department is overwhelming and currently the HR department and Finance departments, Audit are understaffed and yet these are the core departments in the implementation of public service reforms. For instance there is only one SHRO in the HR department; the PHRO left.
- Lack of a clear communication feedback strategy from MoPS on the several submissions made from the DLG causes a lot of anxiety to the pensioners. A pensioner could take an average of 3 to 4 months in accessing the payroll despite the early submission from the Local Governments and no feedback from MoPS
- The process of verification and assessment of the physical submissions of pension personal files from local governments in MoPS is long, slow and cumbersome. For instance the process from assessment to the final approval goes through **8** offices in MoPS who do not work at the same time thus delaying the whole process and the result is delayed payment and accumulation of pension arrears or money remitted back to the treasury and allocated to other sectors that need it.
- Lack of support from the MoLG to attend to IPPS-IFMS technical issues delays the implementation of reforms since in most cases the support staff are not in office or lack facilitation to address the accruing problems. This affects service delivery.
- Teachers lack appropriate documentation and in most cases the DSC takes time to regularize these appointments hence delayed payment of pension and accumulation of pension arrears and besides the submission on clearance of registration certificates has to be done by MoESTS that normally is slow for instance in Kamuli DLG.
- Non-payment and Slow clearance of gratuity payments by MoPS despite submission with all the required documents on personal files.

Vote: 533 Masaka District Local Government

The district has an approved budget of Ug shs 341,330,323 for payment of gratuity and pensions in FY 2015/out of which Ug shs1,372,305,746 was released and Ug shs 886,054,087(64%) so far spent. The release was more than the approved budget.

Implementation Progress

Monthly pension

Since July 2015, MoPS has submitted 644 pensioners on the master payroll for verification that were displayed on the notice boards; out of which 421 pensioners were verified by the district;

223 pensioners are still under verification by the district and 231 were identified and confirmed as pensioners but not on the MoPS list initially submitted. A total of 626 pensioners have so far accessed the payroll while 14 pensioners were unknown and thus returned.

Gratuity

No gratuity has been effected since the decentralization of the pension payroll however; a submission of gratuity worth Ug shs 81,645,224 dated 9th July,2015 was made by the district Local government to MFPED copied to MoPS of 5 pensioners as indicated in the Table10.15 below to date there is no feedback on the progress of the submission.

Table 10.15: Pensioners whose gratuity was not effected as of 9th July 2015

Nos	Name	Title at the time of retirement	Category	Amount
1	Lugaju John	Night Watchman	Traditional	2,987,292
2	Muwonge Leo	Head teacher	Teacher	59,261,312
3	Mwesezi john	Education Assistant	Teacher	11,599,061
4	Buka Francis Xavier	Head teacher	Teacher	3,183,371
5	Kabandize Theodora	Building inspector	Traditional	4,614,188
Grand Total				**81,645,224**

Source: HR department Masaka DLG

Challenges

- The human resource department is understaffed with only 2 staff; the SHRO (also acting PHRO) and the newly recruited HRO who is in the learning curve.
- The acting PHRO was formerly a senior records officer and transferred his services to HR in April 2015 and although he has computer and people skills, he is still in the learning curve to fully internalize the HR public sector decentralized reforms.
- Delay to access verified pensioners on the district pensioner's payroll by MoPS.
- Pensioners are deleted from the payroll by MoPS without any reason, for example Namujusi Cotilda IPPS No 178548 was deleted and reactivated in October 2015 but not paid pension arrears hence accumulation of pension arrears; Mr. Ntale Mutebi was deleted in August, 2015 and reinstated in October 2015 and not paid any arrears.
- Failure to include pension arrears of those who did not access the payroll as at July 2015 by MoPS.
- Lack of proper personal records by the pensioners and MoPS and this slows down the whole process especially for teachers who have to be cleared by MoESTS.
- Lack of a clear feedback mechanism to the district local government on submissions made to MoPS and MFPED on payments especially gratuity and schedules.
- Inadequate quarterly releases by MFPED, currently the district has a shortfall on pension of Ug shs195,000,000 and the total gratuity arrears have risen to Ug shs 270.327,341 by December 2015.

Vote: 538 Moroto District Local Government

The district has an approved budget of Ug shs 297,389,535 for payment of gratuity and pensions in FY 2015/16 of which Ug shs 147,446,633(49%) was released which was good; and Ug shs 135,295,219 (91%) spent which was excellent.

Implementation progress

A total of 20 pensioners were decentralized by MoPS and at December,2015. All were verified and have accessed the payroll and receive monthly pension; 3 pensioners have not yet accessed the payroll and these are Odeke Richard, Alibu Paul, Wasukira and Longit Samson this has already attracted pension arrears.

Gratuity

A total of 3 officers were verified by MoPS and paid gratuity worth Ug shs 151,932,130 (51%).

Challenges

- The department has a PHRO and recently recruited staff however the SRHO and the two HROs lack the knowledge and experience to handle the public service reforms which affects service delivery
- MoPS trained the HR staff, however the time spent to train was inadequate for the new HR team to internalize the reforms. The SRHO is not well conversant with the calculation of pension formulas
- The pensioners who were transferred to the district local government lack personal files.
- Lack of feedback from MoPS on pensioners who were not paid July, August, and September, 2015 resulting into accumulation of pension arrears for example; Okotel John Mark.

Vote: 542 Mukono District Local Government

The district has an approved budget of Ug shs 857,382,121 for payment of gratuity and pensions in FY 2015 of which Ug shs 1,300,007,659 (151%) was released and Ug shs 165,170,649 (13%) spent. The release was more than the approved budget while the capacity absorption is far below average.

Implementation Progress

Out of the 1,000 pensioners, only 670 pensioners have been verified and have accessed the pensioner’s payroll and paid only monthly pension. Majority were formerly paid by MoPS before the decentralization of the payroll. The majority who have not accessed the payroll are teachers and a few traditional civil servants. The district has not received any gratuity as no submissions have been made to MoPS for verification.

Challenges

The Human Resource department and Finance departments are grossly understaffed with a PHRO and Acting CFO who is in a learning curve of the finance and the human resource function and as a result the submissions made have a lot of errors and omissions that affect payment of pensioners on time and attracting pension arrears.

- The training received by MoPS on pension modules and knowledge on pension matters was not sufficient and affecting service delivery in the district with disgruntled pensions and so many pending files for action.
- There is a high rate of absenteeism of officers in the HR and finance departments which has a bearing on the outputs. Accessing the pensioner's payroll on average takes 5 months with no clear reason from the department.
- Records management in the district is in a sorry state especially for teachers where processing their pension is a challenge with so many missing personal files.
- The poor work culture and laisse fair attitude and lack of people skills is affecting the timely processing of pensions and gratuity and as a result the funds are remitted to MFPED.

Vote: 592 Kiryandongo District Local Government

The district has an approved budget of Ug shs 791, 278,757 for payment of gratuity and pensions in FY 2015/16 of which Ug shs 110,040,946 (13%) was released and Ug shs 8,146,064 (1%) spent.

Implementation progress

A) Monthly pension

The acting PHRO substantively a Town Clerk confirmed that 7 pensioners had been decentralized on the pensioners payroll by MoPS. From July todate, 8 pensioners were not verified by MoPS and yet they are bonfide pensioners of the district (Table 10.17) .

Table 10.17: Pensioners not yet verifired by MoPS by 31st December 2015

Nos	Name	Title
1	Mwanyanya Hadijah	Nursing Officer
2	Karakaba Anna Mary	Nursing Officer
3	Kisembo Cyprianus	Assistant Education Officer
4	Bigiriwenkya Nehemiah	Head teacher secondary school
5	Atuhairwe Dorcas	Nursing Assistant
6	Bukirwa Tereza	Enrolled Nurse
7	Marunga Alfred	Head Teachers Primary
8	Banduni Micheal	Head Teacher

Source: Kiryandongo DLG

Gratuity

No gratuity payments have been effected despite the release from MFPED and no feedback from MoPS on the progress of the files submitted.

Challenges

- Lack of qualified staff with experience to handle HR reforms; currently the HR department has been managed by the Town Clerk who is in the learning curve.
- Despite submissions made to MoPS to have the position of PHRO advertised there has been slow feedback from MoPS regarding the wage bill allocation.
- Pension files take long to be approved by MoPS after HRO and CAO have finished the data capture.
- Some pensioners get gratuity first and take long time to access monthly pension.
- Lack of IFMS and IPPS sites at the LGs which makes staff travel to MoPS and MFPED costly.
- The pension and gratuity payrolls are still managed by the MoPS despite the decentralization of the payrolls.
- A pensioner appears on the pension IFMS file once and the name disappears the following months without and any prior communication.
- The IFMS interface file has names of staff who left service long ago e.g. Banduni Michael, IPPS NO 942721. Even his gratuity is ready but his name has not been sent by MoPS to MFPED for payment.

Vote: 604 Napak District Local Government

The district approved budget is Ug shs 125,273,268 for payment of gratuity and pensions in FY 2015/6. A total of Ug shs 74,917,275(59%) was released by December 2015, and Ug shs 1,000,320 (1%) paid only to one parish chief which includes pension arrears for 3 months this is below average.

Implementation Progress

Monthly pension
So far only one pensioner is paid. The other verified cases are still with MoPS. No feedback had been effected by December 2015.

Gratuity
No gratuity has been effected since the decentralization of the pension payroll despite submissions to MoPS.

Challenges

- The human resource department is grossly understaffed and the PHRO and HRO are all in the learning curve of the human resource management function and this has a bearing on the quality of submission to MoPS. This could be the cause of delayed payments.
- Absenteeism of officers in the HR department, at the time of monitoring the PHRO was not in Office; the HRO is pursuing a course in Social Sector Planning in Kampala and on study leave so it is the accountant handling most of HR work.

- Lack of a focal point officer to attend to pensioners and lack of constant follow up with the relevant ministries on the progress of payments.

Vote 755: Jinja Municipal Council

The Municipality approved budget was Ug shs 10,743,780 for gratuity and pensions in FY 2015/16 of which Ug shs 23,174,496 was released and by December 2015, no payments had been effected. The release was more than the approved budget.

Implementation progress

Monthly pension

The PHRO confirmed that 152 pensioners had been decentralized on the pensioners payroll by MoPS and from July 2015 todate, 14 pensioners have been verified. Three unknown pensioners were returned to MoPS.

B) Gratuity

No gratuity has been paid since July 2015. Seven out of 152 pensioners claiming gratuity worth Ug shs 213,507,590 was submitted to MFPED by the CAO in October2015 and copied to MoPS but no feedback has been received.

Challenges

- The HR department is understaffed with only one PHRO who handles salary and pensions and this has affected the verification exercise of pensioners for timely payment of pension; moreover he is still in the learning curve of the HR function.
- Lack of documentation from the claimants e.g. those that retired in 1986 claim the documents were burnt and turn it political if no timely action is taken.
- Lack of a clear feedback mechanism to the district local government on the delayed implementation of approvals and payments

Vote: 758 Lira Municipal Council

The district has an approved budget of Ug shs 1,711,912,916 for payment of gratuity and pensions in FY 2015/16 of which Ug shs 64,404,546 (4%) was released by 31st December, 2015. This is below average and so far no payments have been effected.

Implementation progress

A) Monthly Pension

The Town Clerk and the SHRO confirmed that **f**ollowing the decentralization of pension management and payment MoPS submitted a list of five pensioners to be verified and paid. Sofar four out of five have been paid. However 20 pensioners were wrongly placed on the pension payroll of Lira Municipal council and they were paid up to August 2015.

Names of other pensioners whose names are neither with Lira Municipal Council nor Lira DLG were forwarded to MoPS for clarification on 9th Septmeber, 2015 and todate there is no feedback.

A list of 27 names not included on the MoPS payroll and yet are bonafide pensioners of Lira Municipal council that have not been paid are attached (Appendix attached) communication to this effect is dated 8th October, 2015 to MoPS and to date no feedback has been effected.

B) Gratuity
A total of 3 pensioners were submitted to MoPS for payment of gratuity on 20th November, 2015 as shown in table 10.16 but todate there is no feedback on the progress of the submission.

Table 10.16: Pensioners whose gratuity has not been effected by 30th November 2015

No	Payee	Acct No	File No	MDA	Amount	Bank
1	Etin Bernard	9030002957662	24335	Lira MC	34,327,972	Stanbic
2	Odongo Bernard	1020509930	D- 6789	Lira MC	15,277,318	Centenary
3	Okwir Otim	01051091640179	D6723	MOES	10,846,257	DFCU
Grand Total					**60,451,547**	

Lira Municipal Council, HR Department

Challenges

- Lack of timely feedback on the submissions by MoPS.
- Submission of pensioners who donot belong to Lira MC distorts the planning and budgeting of pensioners.
- Despite the submission of the 27 pensioners that did not access the payroll from July 2015, there is no feedback from MoPS and this has resulted into accumulated pension arrears

Vote: 772 Mukono Municipal Council

The Municipality has an approved budget of Ug shs 111,230,052 for payment of gratuity and pensions in FY 2015/out of which Ug shs 5,371,890 (5%) was released for Q1 and 2. and so far Ug shs 2,171,220 (40%) Release and absorption are below average.

Implementation progress

A) Monthly pension

The SHRO confirmed that 16 pensioners had been decentralized on the pensioners payroll by MoPS and from July 2015 todate, three pensioners have been verified and paid only monthly pension; 10 pensioners have not received pension because of insufficient funding.

B) Gratuity

No gratuity has been paid since the decentralization of the payroll.

Challenges

- Understaffing in the human resource department. There is only the SHRO who was recently recruited and still in learning curve and she lacks the competencies and skills in handling the HR reforms.
- MoPS adding pensioners onto the pension payroll without notifying the municipality, for instance in December 2015 MoPS submitted three names who were not paid.
- Bank of Uganda balances not easily accessible.
- Feedback mechanism of cases submitted on pension and gratuity is insufficient from MoPS and MFPED.
- DLGs lack personal records of pensioners cleared by MoPS.

Overall Challenges

- Lack of clear operational guidelines to guide the implementation of the pension decentralized payment.
- Lack of staff skilled staff in Human and Finance departments; most of them have the theory but lack the practical handson skills in HR and people management skills to handle the pensioners.
- A clear records management system to hasten the process of pension decentralized management
- Slow clearance of vacancy positions for critical vacancies in the MoPS affects service delivery and slow implantation of the reforms.
- Lack of a clear feedback mechanism by MoPS and MFPED to inform LGs on the submissions made especially on gratuity and pension arrears.
- The bureaucracy in the MoPS in the verification and assessments, auditing of pension files that can even take a year.
- Lack of sufficient training and rolling over IPPS to more votes in LGs.
- Absenteeism and a poor work culture resulting in poor implementation of performance management.
- Lack of DSC that have expired and awaiting for clearance from PSC to clear backlog cases of temporary appointments especially teachers to qualify for pensions
- Lack of coordination between ECS, MoES, MoPS to clear back log cases of teachers and secondary teachers to access pension

Recommendations

- MoPS and MFPED should come up with clear operational guidelines to handle the pension decentralized reform.
- MoPS, MFPED and MoLG should carry out a human resource audit and streamline the HRD if the reforms have to achieve the intended objectives.
- MFPED should release more funding to MoPS and MoLG to streamline the records management function in LGs if the reforms have to achieve the intended objectives.
- PSC should hasten to approve the DSC that expired such that the pending cases of retired officers appointments are regularized as the delay affects the process of pension payments.

- MoPS and MFPED should develop a clear communication strategy to central and local governments of pensions has to be developed for the reform to succeed.
- MoPS and MFPED have to improve the slow pace of clearing vacancies for strategic positions in Local governments.
- MoLG and MoPS Performance management has to be strengthened for officers who fail to perform to be sanctioned and the best performers rewarded in central and LGs.
- MoPS using the organizational department should carry out a business re-engineering process to improve on the pension process
- MoPS and Uganda Civil Service should develop a comprehensive training program to incorporate training in pensions reforms for all stakeholders.
- MoES, MoPS and ESC should address the documentations and posting of secondary teachers as this is affecting delayed payments of pensions in LGs.

Analysis

Link between financial and physical performance

There was a clear link between financial and physical performance as all funds released were spent on planned outputs, however inadequate funding and setting of realistic core targets within the resource envelope affected implementation of planned outputs and targets.

Achievement of set targets

Overall MoPS achieved 58% of the planned outputs however performance management had partial outputs achieved with no clear performance targets. Wage bill and payroll management had no clear performance targets and only one target was partially achieved; while records management and the client charters had clear performance targets that were at 50% in terms of achievement; the Civil Service College was constructed to address training needs for performance enhancement in the Public Service out of the five planned outputs had partial achievements; the National Archives is at 100% achievement under the development budgetunder the first phase; the implementation of the pension decentralized reforms had fair achievements because they had additional funding from the Financial Management and Accountability Programme (FINMAP).

Comparative analysis

Decentralization of the Pension Payroll performed fairly compared to other reforms in the Ministry of Public Service because of additional funding from FINMAP. The client charter and records management set realistic targets that were met during the two quarters while the other reforms didnot set realistic targets within the resource envelope and failed to meet the core targets.

In the process of implementing the pension decentralized management, DLGs with vigilant Accounting Officers and fully fledged HR departments with experienced HROs have steered the reforms very well e.g. in Moroto, Kabarole, Lira, Bundibugyo, Masaka, Kamuli, Iganga, Lira Municipal council. Mukono, Napak, Ntoroko, Kyegegwa, Luuka, and Jinja Municipal Council exhibited poor performance.

In the pension payments, gratuity and pension arrears were not paid although the pension submissions were submitted for all local Governments visited hence money remitted to MFPED only Moroto DLG and Moroto Municipal Council were paid. The mother districts compared to the newly created districts have too many pensioners and a lot of challenges.

Conclusion

The decentralized reforms have been appreciated in all LGs monitored because the service has been brought nearer to the people, however just like any reform resistance to change is inevitable and has to be addressed as a team by all stakeholders involved for the reforms to achieve the intended objectives.

Generally the problem has been the meager resource envelope however MoPS should set realistic core targets to achieve their mandate and concentrate on strategic work not administrative work where there is no value for money.

10.3 Ministry of Local Government: Vote 011

Introduction

The vote's mission is to coordinate and support local governments in a bid to provide efficient and sustainable services, improve welfare of the people and eradicate poverty. The vote constitutes of the following projects:District Livelihood Support Programme (1066); Community Agric & Infrastructure Improvement Project-CAIIP-2 (1087); Markets and Agriculture Trade Improvement Project(1088); Community Agric & Infrastructure Improvement Project (CAIIP-3 (1236); Uganda Good Governance(1286); Millennium Villages Projects II (1292); and Support to Ministry of Local Government (1307).Community Agricultural and Infrastructure Improvement Project-2 and Markets and Agriculture Trade Improvement Projects were sampled and monitored.

10.3.1 Community Agriculture Infrastructure Improvement Programme-CAIIP-2

Background

The second phase of the Community Agricultural Infrastructure Improvement project 2 (CAIIP-2) commenced in October 2009 and was to be completed by December 2015, covering 65 sub counties in 41 districts41 in Northern and Eastern Uganda and an additional deepening interventions in 32 new subcounties within 16 districts under CAIIP I.CAIIP -2 was launched on 25th November 2009, and has since rolled out to all the subcounties (in old and new districts) at different levels of implementation.

[41] Gulu,Kitgum,Amuru,Nwoya,Pader,Agago,Lira,Otuke,Aleptong,Dokolo,Amolator,Soroti,Katakwi,Amuria,Bukedea,Jinja,Wakiso,Rakai,Masaka,Lwengo,Mpigi,Butambala,Kalungu,Mubende,Kiboga,Kibaale,Mukono,Iganga,Luuka,Butaleja,Tororo,Kamuli,Buyende,Pallisa,Buikwe,Kibuku,Lamwo,Kween,Mbale,Sironko,Bulambuli,Manafwa,Kapchorwa

CAIIP-2 is financed to the tune of UA 50.9 equivalent to US$ 82.526 million, with ADB loan amounting to UA 45 million, GoU contribution of UA 5.1 million and community contribution amounting to UA 0.8million. It is expected to increase the volume of agricultural produce marketed by 45% and increase household incomes by 50% at completion. The project is implemented by the participating districts with oversight from the Project Facilitation Team. See Box 10.3 for project profile.

Box 10.3: Community Agriculture Infrastructure Improvement Programme CAIIP-2

Implementing Institution: Ministry of Local Government

Project objectives:

- To contribute to poverty reduction and economic growth in Uganda through enhanced commercialisation of agriculture.
- To enhance farmers access to markets, attract competitive prices
- Increased incomes through improvements in rural infrastructures and their management by well mobilized communities.

Total project cost: Government of Uganda secured funding of US$ 82.526 million (UA 50.9 million). This includes an ADB loan amounting to US$ 72.960 (UA 45 million); GoU contribution US$ 8.268 million (UA 5.1 million); Community contribution US$ 1.297 (UA 0.8 million)

Project Components:

*Component 1:*Rural infrastructure improvement

Component 2: Community mobilization

Component 3: Project Management

Expected Outputs:

- Support to rural roads improvement
- Support to sub-county market structure improvement
- Rural electrification of markets
- Community mobilization and capacity building

Source: Project documents September 2015, PIP FY 2015/16-2017/18

Planned annual outputs for FY2015/16 were:

- Extension of 54.1kms of grid to 57 APF sites in 23 project districts completed.
- Rehabilitation of all remaining kms of CARs completed
- Execution of civil works for APFs shelters completed
- Rehabilitation of district feeder roads completed
- Installation of APFs completed.

Findings

Financial Performance

ABB loan performance

The total project budget is Ug shs 42 billion of which Ug shs 14 billion (35%) was released and spent by 31st December 2015. The highest expenditures were on the works category. Table 10.18 shows the detailed financial performance of the ADB loan by category.

Table10.18: Expendituresof the ADB Loan from July -December 2015 (Ug shs)

Category	Budget	Expenditure	Variance	% spent
Goods	4,424,173,405	3,127,596,312	1,296,577,093	71%
Works	32,727,541,384	10,438,388,558	22,289,152,826	32%
Services	2,743,953,600	770,491,985	1,973,461,615	28%
Operating costs	2,131,200,000	429,826,860	1,701,373,140	20%
Total	42,026,868,389	14,766,303,715	27,260,564,674	35%

Source: MoLG CAIIP-2 Coordination offices, January 2015

GoU financial performance

The GoUdevelopment budget for FY 2015/16 is Ug shs 2.9 billion of which Ug shs2.8 billion (97%) was released and spent spent by 31st December 2015. Table10.19 shows the development expenditures that were incurred by the CAIIP-2 by 31st December 2015. Taxes incurred the largest share of expenditures.

Table10.19: GoU development expenditures in Q1-Q2 FY 2015/16 in percentage

GoU	Amounts in Ug shs			
Category	Approved Budget	Actual expenditure	Variance	% Variance
Taxes	2,927,000,000	2,845,092,788	81,907,212	97
Total	2,927,000,000	2,845,092,788	81,907,212	97

Source: IFMS data

Physical performance

(a) Past performance

During FY 2014/15, the project achieved the following:

- Rehabilitated and handed over to LGs 1,917.8 km of Community Access Roads (CARS), 735KM of CARs at different stages of rehabillitaion, 02.5km out of DFRs have beeen rehabilitated and handed over to respectivedistricts, review of designs of Batch CARs totalling to 600km have been completed and plans are under to procure civil.
- Works contractors, commenced construction of 80 Agro- Processing shelters, percentage physical progress averaged 30%. 18 lots have been re-advertised, 95 Agro-processing facilities have been shipped and are expected to arrive in the country by the end of October 2013 and their respective installations will commence thereafter and extension of 54km of national power grid to 57 APF sites commenced. Contractors complete

survey on the lines and are in the process of erecting polls and placing condutors.The overall physical performance of the CAIIP-2 is shown in Table 10.20.

(b) Overall performance

Table 10.20: Cummulative performance of the CAIIP-2 from July to 31st December 2015

Planned Output	Cumulative status update	Remarks
Roads, Streets and Highways		
566 kms of community access roads constructed	209.9 kms were constructed and handed over to respective local governments	Target 37% achieved
Purchase of Specialized Machinery and Equipment		
95 agro-processing facilities	95 agro-processing facilities have to date been installed and 76 are so far operational	Target 80% achieved

Source: CAIIP II progress report January 2016

Average physical performance of two planned outputs is rated at 58.5%.

Field findings

Three outputs of the five were monitored and these included: Extension of 54.1kms of grid to 57 APF sites in 23 project districts completed; Execution of civil works for APFs shelters completed and Installation ofAPFs completed.

Installation of meters on the remaining sites under grid extension completed:A total of49 sites were fully connected to hydro electric power during quarter. Completion was at 95%. Energy meter installation in the remaining 8 sites is in progress and expected to be completed by end of next quarter.

The project has further delivered outputs under the agro-processsing facility sub-component and these include the following

- installation and test-running of all the 95 planned Agro-processing machines and 2 produce stores
- operationalized 76 APFs out of 97 (the targeted number) including 34 Maize Mills, 12 Rice Hullers, 21 Grain Mills, 4 Milk coolers, 3 Coffee Hullers and and 2 produce stores.
- A total of 57 out of 97 sites have so far been commissioned and the process is on going for the remaining 40 sites.
- The extension of 54Km of national hydro electric power grid to 57 APF sites is in its final stages with average physical progress of 95%.

The districts of Kamuli, Mukono, Luuka, Iganga, Jinja, Mpigi, Lira, and Wakiso were sampled and monitored to assess level of implementation of CAIIPII and immediate impacts accruing from agro-processing facilities of the project. A number of agro-processing machines were operationalized across project areas. This has started to positively impact on peoples' day to day lives and generating some benefits to the community members.

The benefits realized included:

- Reduction in post harvest losses due to the provided storage facilities
- Improvement in quality of products hence attracting more competitive prices
- Increase in farmers' incomes.

Below are selected cases of operational Agro-processing facilities with the impacts.

Iganga District

1. **A functional rice huller in Nakalama sub county, Iganga district**

Nakalama Rice Mill is located in Nakalama sub-county, Iganga District. It started operations in August 2015 by Akko investments Uganda Ltd.This rice huller serves Nakalama sub-county and the other neighbouring subcounties of Busembatya town council, Buyanga, Namungalye and Namalembe sub-counties.

Before the project intervention, people of Nakalama used to find it difficult to access the local machines to have their rice processed leaving them with no choice than selling unprocessed rice at a very low price of as low as Ug shs 800-1,000. Poor quality of rice processed by the local machines was equally a challenge because the demand would be very low leading to low prices and lack of market for their produce.

Left: Operators checking unshelled rice brought by farmer in rice facility; middle: connected energy source; Right: drying slab in background and bathroom facilities in Nakalama Subcounty, Iganga District

Benefits

- According to the beneficiary community and the sub-county leadership of Nakalama sub-county, the installation of rice hulling machine was a big milestone because it has brought the services nearer to the people, improved on value addition on the farmers' produce hence improving the quality of their products. According to the Private operator, Mr. Dan Isabirye, the rice being processed by the machine is of very good quality and has high demand and market. The farmers sell their rice at the facility to bulk buyers after value addition.

- The prices have also equally increased from Ug shs1,000-1,500 per kilogramme (unprocessed), Ug shs 2,000 to 2,500 (processed) and reduction in post harvest losses havealso been reported.
- Estimated volume of produce processed during peak season, is 1,500-2,000kgs of rice per day at a hulling fee of Ug shs 100 to Ug shs 120 and during off peak season, 800-1,000kg of rice is processed per day
- Farmers benefiting from the facility are over 500-1,000 farmers utilise the facility per month during peak season and over 400 farmers utilise the facility per month during offpeak season.
- Revenue collection is approximately Ug shs 1,500,000 million is collected per month during peak season while Ug shs 300,000-Ug shs 500,000 is collected per moth during off peak season and Ug shs 3,000,000 is remitted to the subcounty annually

Jinja District

2. A functional maize Mill in Mafubira sub-county in Jinja District

The facility is located at Mafubira Parish. It is being operated by Butembe Youth Empowerment who started in September 2015. The group comprises of 30 members of which 20 are female and 10 male. It serves the entire sub-county and the neigbouring sub-counties, parishes, and villages including Mafubira, Butiki, Kayumga, Wakitaka, Buwekula, Mpumudde, Maketike, and Ssaka Busolo. One of the private operators Namuwaya Hamidah reported that the machine process Rice and Maize.

Left: Maize being put in a seed cleaner: Right: Maize flour being measure after milling in Mafubira sub-county, Jinja District

E

- Volume of produce processed per day is between 1000-1500kg of maize per day during harvesting season (peak season) and 250-400kg of maize processed per day during planting season (off peak season)
- Farmers benefiting from the agro-processing facility per Month: 750 farmers utilize the facility during the harvesting season and 155 farmers utilizing the facility during the off-peak season

- Estimated revenue collected is about Ug shs 3,000,000 of revenue is collected pe month during peak season and Ug shs 700,000-1,000,000m is collected during offpeak season of which Ug shs 300,000 is remitted to the subcounty per month

Kamuli District

3. A functional Maize Mill in Kitayunjwa sub-county

Kitayunjwa Maize Mill is located in Kitayunjwa sub county, Kamuli District and it is operated by Plant and shine Maize Millers.

Before situation
According to the beneficiarycommunity members of Kitayunjwa, the price of maize before the intervention of CAIIP used to be extremly low; for instance a kilogramme of maize would cost Ug shs 350 due to lack of value addition, Poor quality of the products which in turn would attract low and less competitive prices leading to low incomes for the farmers and farmers would also experience high post harvest losses from the produce due to lack of storage facilities.

Estimated volume of produce per day: The machine processes 2,000-3,000kgs of maize per day during peak season and 500-800kgs of maize per day off peak at a hulling fee of Ug shs150per kilogram. A collection of Ug shs 300,000-450,000 revenue is realized during peak season and Ug shs75,000-120,000 during off-peak. This machine serves the entire sub county of Kitayunjwa and other neighbouring communities.
An estimated 500 farmers utilize this facility per month during peak season and 200 farmers during off peak season.

Left: Drying of maize grains; Right: Maize flour being measured after milling in Kamuli district

4. A functional Maize mill in Bulawoli sub-county, Kamuli district

The maize mill is located in Nawantale village, Nabulenzi Parish, in Kamuli District. It is being operated by a private individual operator Mr. Moses Kirunda and three assistants of which one is female and the rest male. It serves the entire sub-county and the neibouring sub-counties, parishes, and villages including Kagumba, Nabulezi, Bwese, Namisite and Kasolwe.

Estimated volume of produce processed daily: This machine is a maize mill. During the planting season, the estimated volume of produce processed in the peak season is 50 bags each 100 kgs for all the three different crops at a standard Milling fee of 150 per kg whereas during low season estimated volume of produce processed is 800- 1000 kg. Average revenue collected during harvesting season is estimated at Ug shs 750,000 whereas during low season is Ug shs 300,000. The number of farmers utilizing the machine during harvesting season is estimated at 300 during peak season and 100 during off peak season.

Left: Bulawoli Maize Mill and drying slab in the background; Middle: Maize that has just been hurled ready to be resorted before milling; Right: Installed energy source at Kitayunjwa Maize Mill in Bulawoli sub-county, Kamuli district

Luuka District

5. A functional rice mill in Waibuga sub-county in Luuka District

The rice mill is located in Waibuga sub-county in Luuka District. It is being operated by Waibuga Maize Farmers Cooperative Society which started in September 2015. It serves the entire sub-county and the neighbouring sub-counties, parishes, and villages including Busiro, Nabitabale, Kiyinga, Busalamu, Bitiribina, Walibo, Bugwamala, Nabunanno and Namadipe.

Estimated volume of produce processed daily: During planting season, the estimated volume of produce processed is 200 bags each 100 kgs unshelled at a standard milling fee of Ug shs 150 per kg. Average revenue collected during harvesting season is estimated at Ug shs 3,000,000 whereas during low season is 50 bags each 100 kg and average revenue collected is Ug shs 1,300,000. The number of farmers utilizing the machine is estimated at 300 during peak season and 25 during off peak season.

Left: Functional rice facility; Middle: Rice huller machine; Right: Connected energy source in Waibuga

Lira Disitrct

6. **A non-functional grain mill in Barr sub-county in Lira district**

The project constructed two grain mill facilities in the sub-counties of Barr and Aromo as well as a rice mill facility in Amach. All APFs have been installed with facilities in Barr and Amach having grid connection and the one in Aromo running on a desiel engine generator. However, all facilities are not yet operational. For the facility in Amach, the project is considering powering the facility with a 30KVA generator set since the cost increment is beyond the maximum allowable variation on the contract.For the Barr facility the electricity works are incomplete and there is no generator and partial installments of the grind mill hence the facility has been closed since August, 2015

Left: Non-functional APF, Middle: Incomplete rice mill installation abandoned; Electrical items abandoned by the contractor since August, 2015 at barr-subcounty in Lira district

Mpigi district

7. **A non-functional maize mill in Kibibi sub-county in Mpigi District**

The facility is located in Kabalaga village, Katabira parish, Mpigi district. It is meant to serve the entire sub-county and the neighbouring sub-counties, parishes, and villages. By January

2015, the facility was non-functional. The sub-county officials reported that they had not yet found an operator to maintain the facility. The sub-county chairman reported that the community was taking their maize to neighbouring town for milling.

Left: Non-functional maize facility; Middle: Drying slap and grid connection in background: Right: 1,000 litre capacity water tank connected to bathroom facilities in Kibibi sub-county, Mpigi district

Mukono district

8. A Maize Mill in Nagojje sub-county in Mukono District

Nagojje Maize Mill is located in Nagojja sub-county in Mukono District. It is being operated by Nagojje Kasana Agro-processing Millers comprised of 34 registered members of which 12 are female and 22 male. It serves the entire sub-county and the neibouring sub-counties, parishes, and villages including Nama and Kimenyedde sub-counties, Nakibbaaru and Kyajja parishes, Kasaana Trading center, and Nanfumba, Mangiira and Bubiira villages.

Estimated volume of produce processed daily: The machine operates on a generator. During the dry season, it processes one bag of 100 kg (Maize) daily. During the planting season, the estimated volume of produce processed daily is 500kg at a standard milling fee of Ug shs 200 per kg. Average revenue collected per day during harvesting season is estimated at Ug shs 100,000. The number of farmers utilizing the machine is estimated at 30 during peak season and 1-5 farmers during off peak season.

Left: Nagojja Maize Mill facility; Middle: Maize hurler as one of the operators gathering hurled maize; Right: Maize after being hurled

entire sub-county, Wakiso Town Council and the neighbouring villages. The facility was closed at the time of the monitoring. The sub-county officials reported they had not yet got a private operator, hence facility was non-functional.

Left: Completed maize facility; Right: Drying slab and a bathroom facility in background in Mende sub-county, Wakiso district

Challenges

- The project was affected by delays related to VAT on the projects.
- Some APFs are non-functional because of lack of power and a generator and have been abandoned by the contractors
- Some contractors are overloaded with work according to the subcounty officials at Barr the contractor for electricity has more works in Soroti DLG.
- Lack of sensitization of the communities on the project.
- Some subcounties have failed to outsource private contractors to manage the facilities for a year. The mills have been closed for a long time, even attracting rust in the padlocks and cannot easily open.

Benefits of the Rural Infrastructure Component

The benefits include; improved agricultural productivity and marketing of various commodities like coffee, beans, maize, cassava and rice;Increase in farm gate prices, improved farmers' access to markets, reduction in the volume of post-harvest losses of the major produced commodities, and improved household Incomes and livelihoods.

Changes in household incomes: The household income of the communities in the beneficiary districts was projected to increase by 50% by project completion. With the rehabilitation of community access roads and improved access to markets for their produce coupled with value addition through installation of agro-processing facilities, the household incomes of the communities had increased by 28.1%.

Changes in farm gate prices: The project also anticipated to contribute to increase in farm gate prices by 20% by project year five. There has been an overall increase in farm gate prices of 46% which is above the inflation rate of 4.9%.

Change in proportion of marketed produce: During the project design, the project intervention was expected to increase the volume of agricultural produce marketed by 20%. This was to be to be achieved through improvement of rural road network and value addition would trigger production levels and hence enough surplus for sale. The results show that the volume of marketed produce/staples increased by 20.5% and is expected to increase further by project closure.

Changes in travel times: It was anticipated that the rehabilitated infrastructure would lead to a reduction in travel times using the various means of transport like bicycles, Buses /minibuses, motorcycles, walking, trucks to and from various centres. The overall change in travel time using the different means of transport was found to be 43 minutes (reduction).

Changes in transport costs in Ug shs: One of the assumptions was that the construction/rehabilitation of the community access roads and district feeder roads would lead to a reduction in transport costs since most of the bottlenecks will have been removed. Overall, the transport costs have reduced by 4.75% when compared with the baseline (before situation). Travel costs reduced by 2% using bicycles, 26% using motorcycles, 15% using trucks and an increase of 24% using minibuses.


Left: Produce being loaded for transportation to Mubende town from farms and main roads along the rehabilitated Kansotoka–Buta 14.8km road

Analysis

Link between financial and physical performance

There was a fair link between the financial and physical performance of CAIIP-2 project by 31st Decemebr 2015 as 35% of funds released funds were spent on 58.5% of the planned outputs.

Achievement of set targets

The Roads, Streets And Highways output achieved 37% of its planned outputs and the Purchase of Specialised Machinery and Equipment achieved 80% of its planned outputs.

Comparative analysis

Of all districts monitored, communities were benefiting fully from the operational APFs; compared to the APFs in Mpigi, Lira andWakiso that were non-operational.

Conclusion
The performance of CAIIP-2 Project was rated as fair (58.5%). Of the 35% funds released, more than half of the planned outputs were achieved by 31st December 2015. Most planned outputs were ongoing. The project is achieving its intended objectives of enhancing farmers' access to markets, attract competitive prices and increased incomes through investments in rural infrastructures and their sustainable management by well mobilised communities especially where APFs are functional.

Recommendation

- MoLG should ensure that contractors who have been fully paid and yet abandon sites should be blacklisted and funds recovered from them.
- MoLG should follow up sites that are fully complete, with a full package of equipment installed but not functional because of flimsy reasons hence no value for money.
- MoLG should step up sensitization of the program.

10.3.2 Markets and Agriculture Trade Improvement Project-I

Background
The Markets and Agriculture Trade Improvement Project (MATIP) is a five-year government intervention aimed at attaining prosperity for all, improved market access, infrastructure development and a key function for the transformation of the agricultural sector from subsistence to commercial production.

The Government of Uganda secured funding from the African Development Bank (AfDB) and Arab Bank for Economic Development in Africa (BADEA) to finance the re-development and upgrading of 26 Markets in 19 urban councils, under the Markets and Agricultural Trade Improvement Programme (MATIP).

MATIP I was launched in May 2010 and expected to be completed by September 2015. The first phase of the project (MATIP-1) includes the construction of 7 markets under the ADB loan and 2 markets under BADEA loan namelyJinja, Mbale, Fortportal, Hoima, Gulu, Lira and Kampala Capital City Authority. Box 10.4 shows the summary project profile for MATIP-1.

Box 10.4: Markets and Agriculture Trade Improvement Project-I

Implementing agency: Ministry of Local Government
Funding: Government of Uganda Ugshs 2.070 billion (African Development Bank (ADB) and Arab-Bank forEconomic Development (ABED)
Implementation period: 2/5/2010 - 30/12/2015

Overall sector goal: To contribute to poverty reduction and economic growth in Uganda through enhanced marketing of Agriculturalproduce and other merchandise

Specific Objectives

- To create additional working space and improved working conditions in selected markets by providing better structures, proper access, proper drainage, water, electricity and general amenities
- To reduce street vending and illegal markets, which have caused many roads in the city being blocked almost half way and causing traffic jam
- To reduce solid waste management by illegal markets and street vendors, which usually cause blockage of road drains and make road maintenance expensive.
- To create opportunities for people to generate and raise their incomes
- To increase revenue collection by urban councils

Project Outputs:

- A market place economic and social infrastructure for 900,000 households

Project components

- Market Infrastructure Development
- Market Management and Trade Enhancement
- Programme Management and Coordination

***Source*: MFPED PIP FY 2015/16- FY 2017/18**

The planned outputs of the MATIP-1 for FY 2015/16 are:

- Market management training of urban councils and vendors associations undertaken
- Construction of two markets under Lot- 1(Nyendo and Busega) commenced
- Construction of the remaining two markets implemented and supervised
- Resettlement of vendors completed in completed markets
- Continued mobilization and sensitization of vendors
- Construction of five phase one markets completed

Findings

Financial performance
GoU performance

The approved budget for FY 2015/16 is Ug shs 6.6 billion which was all released and expended by 31st December 2015 (Table 10.21).

Table 10.21: GoU expenditure performance by 31st December 2015 (Ug shs)

Category	Budget	Actual	Variance	% Variance
Taxes - Civil Works	6,571,000,000	6,570,931,678	68,322	100
Operating Costs	100,000,000	95,233,125	4,766,875	95

Total	6,671,000,000	6,666,164,803	4,835,197	100

Source: MATIP-I coordination office, December 2015

ADB loan performance

The total budget for FY 2015/16 is Ug shs 5.74 billion of which Ug shs 2.343 billion (41%) was released and spent by 31st December 2015. Table 10.22 shows the expenditure performance. The variance on the works category was funds earmarked for civil works on markets.

Table 10.22: ADB Expenditure performance by 31st December 2015 (Ug shs)

Category	Budget	Expenditure	Variance
Works	5,000,000,000	1,647,067,100	3,352,932,900
Services	700,000,000	696,007,061	3,992,939
Operating Costs	40,000,000	-	40,000,000
Total	**5,740,000,000**	**2,343,074,161**	**3,396,925,839**

Source: MATIP-I coordination office, December 2015

Physical performance

Past performance

During FY 2014/15, the project completed construction and handed over Wandegeya market in Kampala and Mpanga in Kabarole district.

Overall performance

The overall cumulative performance of implementation of the Markets and Agriculture Trade Improvement Project activities under phase one is shown in table 10.23.

Table 10.23: Status of implementation of project activities by 31st December 2015

Component	Output	Status update
Government Buildings and Administrative Infrastructure	Construction of Nyendo and Busega markets under the BADEA loan continued	Physical progress averaged 48% and 57% for Nyendo and Busega markets respectively. Works are ongoing as planned.
	Market management training of urban councils and vendors associations undertaken	Establishment of the MarketManagement Information System forthe re-constructed markets is still ongoing
	Resettlement of vendors completed in completed markets	A total of 13,213 vendors have so far been resettled
	Construction of the remaining two markets implemented and supervised	All markets are being monitored, supervised and any identified defects are corrected.

	Construction of five phase one markets completed	Market construction was completed and vendors re-settled.
	Continued mobilization and sensitization of vendors	This activity is continous

Source: MATIP-I progress report July – December 2015

Average physical performance is rated at 70%.

Field findings

Resettlement of vendors completed in completed markets: Overall, all the seven markets re-constructed under the ADB Loan have been completed, handed over for use and are now fully operational. A total of 13,213 vendors (7,281 female and 5,932 male) have been resettled to-date in the seven markets of Wandegeya, Mpanga, Hoima, Jinja, Mbale, Lira and Gulu. First priority in the re-settlement was given to vendors who were in the old demolished markets. By 31st December 2015, a total of 1,760 vendors (1,103 female and 657 male) were re-settled in Gulu main market.

The project officially closed at the end of December 2015 for the ADB loan with the exception of a few completion activities such as the completion studies (Final Impact Assessment and the Environmental Audit Study) that are expected to be completed by end of February 2016.

Construction of five phase one markets completed: All the five markets were completed and these included Jinja, Lira, Gulu, Hoima, Mbale, and Wandegeya.The detailed physical progress for the seven markets is shown in the table 10.24.

Table 10.24: Detailed progress in construction of the seven markets

Market Name	Contractor	Contract Sum	Time Progress (%)	Physical Progress (%)	Financial Progress (%)	Remarks
		Amount (Ug shs)				
Lira Main Market	Arab Contractors Ltd	11,235,492,521	100	100	98	All works completed and market facility fully operational.
		US$ 4,740,714			97	
Jinja Central Market	Vambeco Enterprises Ltd	32,335,314,298	100	100	97	All works completed and market facility now fully operational. Defects corrected
Mbale Central market	Ambitious Construction Co. Ltd	22,873,054,714	100	100	97	All works completed and market facility now fully operational.
Wandegeya	Complant	17,920,596,462	100	100	100	All works completed and market facility now fully operational.
Hoima	AMUGOLI	11,625,239,176	100	100	97	All works completed and

Market Name	Contractor	Contract Sum	Time Progress (%)	Physical Progress (%)	Financial Progress (%)	Remarks
		Amount (Ug shs)				
Central market	General Enterprises Ltd					market facility now fully operational. Defects corrected
Gulu Main Market	Dott Services Ltd	6,380,385,262	100	100	92	All works completed Market facility now fully operational.
		US$ 2,664,111			89	
Gulu Main market Extension	Dott Services Ltd	11,616,105,175	100	100	92	
Mpanga Market	Excel Contractors Ltd	9,702,565,265	100	100	100	Market completed and fully operational.

Source: MATIP-I Progress report December 2015

The overall financial performance of the consultants for the seven markets is shown in table 10.25.

Table 10.25: Financial Performance on Payment of Design and Supervision Consultants as at 31st December 2015

No.	Consultant	Market supervised	Currency	Contract Sum	Amount Paid by ADB	Outstanding Balance	% payment
						Contract Currency	
1	Infrastructure Design Forum	Lira	Ug shs	290,707,315	229,505,625	61,201,690	79
2	Arch Design	Jinja	US$	547,919	519,009	28,910.65	95
3	Interface Consulting	Mbale	US$	383,705	363,510	20,195.00	95
4	Kagga and Partners	Mpanga	US$	266,145	252,137	14,007.59	95
5	Technology Consult	Gulu	US$	317,207	300,512	16,695.19	95
6	Arch Tec Consults	Wandegeya	Ug shs	753,350,000	753,350,000	0	100
7	MBW Consulting	Hoima	Ug shs	546,359,250	517,603,500	28,755,750	95

Source: MATIP-I Progress report December 2015

Mpanga Market

L-R: Front view of market; Dry produce stalls in Mpanga Main Market in Kabarole district

Jinja Market

Fresh produce stalls in Jinja market, Jinja district

Mbale Main Market

L-R: Dryand freshproducestalls; Truck offloading Cabbages in Mbale Main Market

Lira Main Market

Challenges

According to the Chairman Vendors Association and the Focal Point Coordinators, they experience the following challenges;

- The design of the market is like a supermarket and not suitable for rural vendors thus some sitting vendors have since resisted occupying the stalls and are still selling goods alongside the roads opposite the market where they can easily attract customers.
- During the relocation of vendors by the committee under Lira Municipal Council, there were tendencies of corruption. Whereas the sitting tenants were to be given priority in the allocation, the stalls were sold to the 'rich' who were allocated strategic positions within the market and have easy access to customers. These 'rich' people have rented the stalls out.
- The council is not benefiting from any revenue as the vendors have refused to pay rent which is as low as Ug shs 5,000 per month.
- The vendors have never undergone any training since they were relocated to the markets for example in fresh fruit handling, hygiene, gender and leadership training as planned.

Recommendations

- The project implementation team under MoLG should ensure that these inadequacies in the designs are addressed for future markets.
- MoLG should investigate complaints of unfair allocation of stalls in Lira market and bring the culprits to book.
- MoLG should carry out the various trainings of the vendors as planned in order to change the mindset of some vendors especially the males.
- The market information systems should be established in the completed markets as planned.

Construction of two markets under Lot- 1(Nyendo and Busega) commenced: Civil works for Busega Market in Kampala Capital City and Nyendo Market in Masaka Municipality under the BADEA loan progressed well with an average physical progress of 52.5% against an average time progress of 47.5%.

A. Nyendo market

The construction of Nyendo Market in Masaka Municipality commenced in FY 2014/15. Table 10.26 shows the project profile.

Table 10.26: Project profile of Nyendo market

Project title	Construction of Nyendo Market - Masaka Municipality
Implementing agency	Ministry of Local Government
Supervising Consultant	Wanjohi Consulting Engineers in association with TEK Consults (U) Limited
Contractor	Ambitious Construction Company Limited
Contract sum	Ug shs 11,680,535,075
Project start date	2nd February 2015
Project completion date	2nd August 2016
Contract period	18 calendar months
Time elapsed	12 months
Defects liability period	365 days
Ammount certified	Ug shs 3,115,034,856.07
Ammount certified and paid	Ug shs 936,018,059.60
Time Progress (%)	50%
Physical Progress (%)	48%
Financial Progress (%)	50%

Source: MoLG progress report, December 2015

Physical performance
By 31st December 2015, the following activites had been completed regards Nyendo market in Masaka Municipality.

Preliminaries: 85% completed. Works included site offices and store; Hording and screening; Sample tests of different materials

Demolitions and alterations: 100% completed. Works included power line diversion, underground service, under ground water pipe diversion, demolitions of existing structure and existing floor.

Substructure: Main building (95% completed) and stalls area (80% completed). Works included removing top soil,cutting and back filling,blinding concrete in foundations, steel work, foundation concrete casting, block work,ground beam reinforcement and casting, back filling and compaction, hard core filling, excavation and concrete casting of open drain channels in the stalls area, ground floor slab.

Ground floor: main building (50% completed and stalls area (30% completed). Works included ground floor columns complete in the main building and 30% for the stalls area; block work for main building is at 85% and stalls at 25%; stair cases and ramps are at 90% for main building and80% for stalls area; mechanical and electrical works are at 9% for main building and 3% for stalls area.

Main building (55% completed). Works included first floor slab casting,steel fixing and foam work for ring beams are 100% complete; block work is at 90%; roofing 80% and mechanical/ electrical works at 6%.



Left: Constructed columns; Middle: dry fish stalls; Right: Ramp for PWDs and other people to enter into the first floor on site in Nyendo, Masaka Municipality

Busega Market in Kampala City

Financial performance

The financial performance of the market by 31st December 2015 is shown in table 10.27.

Table 10.27: Financial performance of Busega market by 31st December 2015

Market Name	Contractor	Contract Sum (Ug shs)	Time Progress (%)	Physical Progress (%)	Financial Progress (%)
Busega market	Arab Contractors Ltd	15,966,732,286	45	57	39

Source: MoLG progress report/ contractor's report, December 2015

Physical performance

Major works done during the quarter included construction of base structure and retainer walls and superstructure.

Analysis

Link between financial and physical performance

There was a fair link between the financial and physical performance of the MATIP-I Project by 31st December 2015, as 41% of the released funds were spent on most of the planned outputs/targets under the ADB loan and 100% of GoU funds on taxes and operational costs.

Achievement of set targets

The targets achieved included: completion of all seven marketsof Mpanga, Hoima, Wandegeya, Jinja, Mbale, Gulu and Lira and commencement of construction works for Nyendo and Busega markets under the BADEA loan; Nyendo and Busega supervised.

Comparative analysis

All completed markets had resettled vendors back into the market except fot Lira market where some sitting vendors have since resisted occupying the stalls and are still selling goods alongside the roads opposite the market where they can easily attract customers.

Conclusion

The performance of the **MATIP-1 p**roject is rated as good (70%). Although 41% of the approved budget was released; most of the planned outputs were achieved by 31st December 2015. The project in particular performed well in terms of completion of the construction phase in time and reviewing works in Jinja Market that were done by the contractor. Resettlement of the vendors was achieved except for Lira Market that had corruption tendencies in the relocation of vendors that have rendered them to remain selling merchandise outside the market.

Recommendation

- The MFPED should fast track payment of VAT on all completed markets.
- MoLG should make a follow on the vendors that have since remained outside the market on protest and sanctions should be implemented on staff involved in corruption tendencies in the Lira Market allocation of stalls.

Impact on beneficiaries

The p has produced instant impact on the lives of the vendors and beneficiary councils in the project area in particular the assessment concluded that the household incomes have increased, agricultural commodities now account for at least 50% of the commodities being traded in the markets, revenue generation by the beneficiary councils has also increased and that the markets are providing employment to many people in the beneficiary areas.

General Lessons Learnt

- Markets provide one of the cheapest and most affordable environments for the urban poor to operate from and improve their incomes.
- Involving stakeholders at all stages of project implementation (design, implementation, monitoring and evaluation and supervision) enhances the quality of project outputs. This has enhanced the quality of the project outputs.
- Markets are a very important element of the supportive infrastructure that must be in place for a successful agricultural sector as it provides a quick and convenient outlet for trading in agricultural produce and other agricultural auxiliary services.

- The sustainable maintenance of any development infrastructure requires the long-term commitment of the political leadership, technical leadership and the community leadership for success.
- Full community involvement and participation in all stages of the project enhances project ownership.

General Challenges

- The designs of some markets were not appreciated by the vendors who claimed they were too enclosed and getting customers was not easy for example Lira Market.
- During the relocation process, some vendors formely sitting tenants were located unstrategic positions that were narrow and dark hence they rejected them for example Lira Market
- There is lack of training and sensitization of the vendors in basic skills in hygiene and financial management skills.
- Delayed payments of VAT on completed markets.
- Delayed clearance and payment of completed certificates that demotivate the contractors

Recommendations

- In future, MoLG should be mindfull of the designs of markets to suit the local situations of vendors who prefer a lot of open spaces not entirely enclosed to easily attract customers.
- MoLG should address complaints in Lira Market on relocation of vendors and also ensure the issues raised on Jinja Market are entirely addressed.
- MoLG should train the vendors in basic skills as some have refused to pay rent as low as Ug shs 5,000 per month e.g in Lira Market and as result power and water were disconnected.
- The MFPED should fast track payments for VAT on all completed markets.
- MoLG should ensure that the contractors are paid on time so that the completion of the remaining markets are on schedule.

10.4 National Planning Authority (Project 0361)

Background

The National Planning Authority was established by the NPA Act (15 of 2002) in accordance with Article 125 of the 1995 Constitution of the Republic of Uganda. The Authority was established on backdrop of the need for: building the national capacity for visionary and long term planning. The Authority establishes a framework that enables short and medium term national priorities to be derived from and guided by agreed strategic objectives, long term development goals and perspective vision aspirations. The project period is 30th June 2015-30th June 2020.

The objectives of the project are:

- To strengthen the capacity of National Planning Authority. Coordinate and harmonize development planning in the country.
- Liaise with the private sector and civil society in the evaluation of Government performance.
- Support local capacity development for national and decentralised development planning.
- Monitor and evaluate of Public Projects and Programmes.
- Advise the Presidency on policies and strategies for the development of the country.

The long term expected outputs were two-four-wheel vehicles procured while at the same time disposing the old ones.

The planned output for FY 2015/16 was two-four-wheel vehicles procured.

Findings

(i) Financial performance

The FY 2015/16 approved development budget for the project is Ug shs 101,354,000 of which all was released and spent by 31st December 2015. The project exhibited excellent release and resource absorption. The funds were expended on the Purchase of Motor Vehicles office Equipment and training of a senior officer in Public investment in Queens University in Canada.

Physical performance

Past performance

For the FY 2015/16, the project secured ICT/GIS equipment for spatial planning.

Field findings

Purchase of Motor Vehicles and Other Transport Equipment: By 31st December 2015, two double cabin pick-ups were procured for office staff.

Purchase of Office and ICT Equipment, including Software: By 31st December 2015, computers and ICT Equipment were purchased.

Purchase of Office and Residential Furniture and Fittings: By 31st December 2015, Office Furniture was purchased.

One of the new double cabins purchased by NPA

Analysis

Link between financial and physical performance

There was a good link between financial and physical performance as all funds (100%) released were spent.

Achievement of set targets

By 31st December 2015, all set targets were achieved.

Conclusion

The overall performance of the development budget was rated good as planned targets were achieved. However staff training according to the performance contract submitted to MFPED appears under purchase of the planned output of Motor vehicles and not in line with the project objectives.

10.5 Public Service Commission (Project 0388)

Background

The Public Service Commission is meant to provide efficient and effective services to LGs through District Service Commissions (DSCs). The objective is to provide facilitation to the PSC for enhancement of DSCs and to provide tools and equipment for the functioning of the PSC. The project period is 30th June 2015 to 30th June 2020.

The long term expected outputs for the project included:

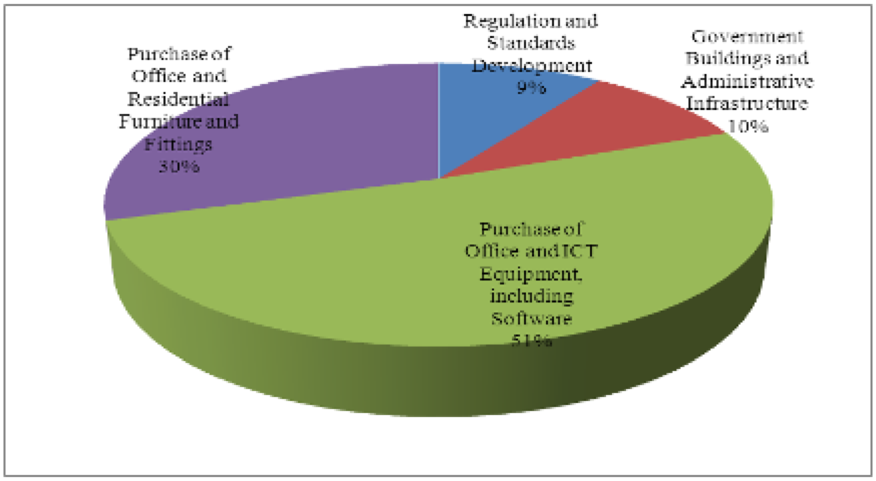
- Local Governments and DSCs capacity building programmes conducted
- Buildings and other infrastructure maintained
- Vehicles and other transport equipment procured
- Office and other ICT equipment procured
- Office furniture and other fixtures provided

Findings

i) Financial performance

The FY 2015/16 approved development budget for the project is Ug shs 655,779,452 of which Ug shs 188,678,018 (29%) was released and Ug shs 29,322,957 (16%) spent by 31st December 2015. The project exhibited low release and resource absorption. The funds were spent on the following outputs as shown in Figure 10.16.

Figure 10.16: Expenditure performance of Public Service Commission by 31st December 2015



Source: IFMS data

Allocative efficiency was good as 51% of the funds were spent on key planned outputs (Purchase of Office and ICT Equipment, including software).

ii) Physical performance

By 31st December 2015, the following were achieved:

Government Buildings and Administrative Infrastructure: Under this output, targets achieved included five toilets refurbished and offices burglar proofed installed for missing offices and drainage works fixed. Hence 100% of the target was met.

Purchase of Motor Vehicles and Other Transport Equipment: These included one vehicle procured (Station Wagon and Double cabin).This was a carry forward activity from FY 2014/15; however, procurement of the two Station Wagon Vehicles is ongoing. Hence 60% of the target was met.

Purchase of Office and ICT Equipment, including Software: These included: Software developed and other software procured; Software license paid; 2 heavy duty printers procured and six computers procured. By 31st December 2015, 1 Photocopier, 1 Printer, 1 Desktop computer were procured. Hence 55% of the target was met.

Purchase of Office and Residential Furniture and Fittings: These included: four sets of Office Furniture procured. By 31st December 2015, office shelves, two sets ofwoolen carpets and one executivechair for under Secretary; Procured Water dispenser, stand fan, Board room door were procured. Hence 80% of the target was met.

Regulation and Standards Development: Targets achieved included: Annual Report for FY 2013/14 compiled and printed.By 31st December 2015, Regulations were compiled; Annual Report FY 2014/15 Compiled, Printed and submitted to Parliament.The Printing of the checklist wasdeffered to next quarter. Hence 80% of the target was met.

Analysis

Link between financial and physical performance

There was a weak link between financial and physical performance as 29% of funds released were spent 16% of the planned outputs; on Regulations and Standards Development; Government Buildings and Administrative Infrastructure; Purchase of office and ICT Equipment; Purchase of office and Residential furniture and Purchase of Motor Vehicles and other Transport Equipment outputs.

Achievement of set targets

By 31st December 2015, more than half of the set targets under the five planned outputs were achieved.

Conclusion

The overall physical performance of the project was rated excellent at 75% as two of the planned targets were fully achieved under the development budget despite low release.

10.6 Support Local Government Finance Commission (LGFC)-Project 0389

Background

The Support LGFC is a development project set up to ensure effective mobilization of local revenues by local governments and equitable distribution of grants between the central and local governments so that service delivery in local governments is done in a more sustainable manner.

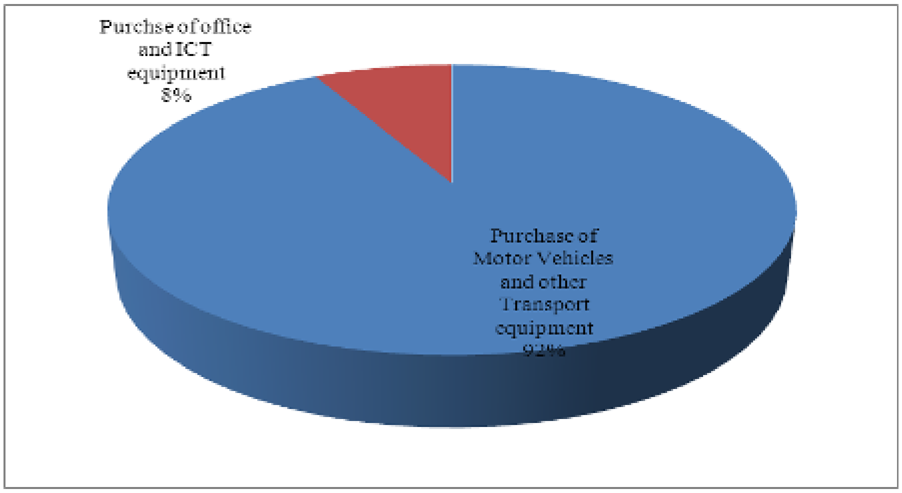
The planned outputs for FY 2015/16 included: purchase of one station wagon, tyres, spare parts, partitions for the sixth floor. Six chairs, filing cabinets, printers and security ICT equipments, computer soft ware, hardware procured and the resource centre enhanced.

Findings

(i) Financial performance

The FY 2015/16 approved development budget for the project was Ug shs 671,699,840 billion of which 279,053,568 (41.5%) was released and 100,365,400 (36%) spent by 31st December 2015. The project exhibited good release and fair absorption. The funds were expended on the Purchase of Motor Vehicles and other Transport equipment and purchse of office and ICT equipment (Figure 10.17).

Figure 10.17: Expenditure performance of Support Local Government Finance Commission Project by 31st December 2015



Source: IFMS data

(ii) Physical performance

a) Field findings

Purchase of Office and ICT Equipment, including Software: By 31st December 2015**,** Good Email flow in and out of the Commission and Servicing of the equipment was done; Updating of the website was done; 1 computer, three printers and central battery were purchased. Some the equipment was not procured because of less release.

Analysis

Link between financial and physical performance
There was a good link between financial and physical performance as all (36%) of the funds were spent on Purchase of Office and ICT Equipment, including software.

Achievement of set targets
The project achieved half of its set targets by 31st December 2015.

Conclusion

The overall performance of the Support LGFC project was rated excellent at 75%.

CHAPTER 11: WATER AND ENVIRONMENT

11.1 Introduction

The Water and Environment Sector (WES) consists of Vote 019- Ministry of Water and Environment (MWE); Vote 0150 – National Environment Management Authority (NEMA); Vote 0157- National Forestry Authority (NFA); Votes 501-850 Conditional Grants to Local Governments (LGs) and Vote 0122- Conditional Grant to Kampala Capital City Authority (KCCA).

The mission of the sector is *'To promote and ensure the rational and sustainable utilisation, development and effective management of water and environment resources for socio-economic development of the country'*[42]

11.1.1 Sector Objectives

i) To provide safe water within easy reach and hygienic sanitation facilities based on management responsibility and ownership by users to 77% and 100% of the population in rural and urban areas respectively by the year 2015 with 80%-90% effective use and functionality of the facilities.
ii) To provide viable Urban Water Supply and Sewerage/Sanitation systems for domestic, industrial and commercial uses.
iii) To develop water supply for production/multipurpose use for socio-economic development, modernize agriculture and mitigate the effects of climate change.
iv) To manage the water resources of Uganda in a wise, integrated, sustainable and coordinated manner so as to secure water of adequate quantity and quality to meet all social and economic needs of present and future generations.
v) To promote a sustainable and productive Natural Resource Base and a healthy environment for improved livelihoods, poverty eradication and economic growth.
vi) To develop capacity and promote sustainable harness and use of climate and weather resources for socio-economic development of Uganda.
vii) To coordinate and ensure compliance with Government policy, legislation, standards and regulation in the Water and Environment sector agencies and institutions.

Scope

This report highlights financial and physical performance of selected projects in the Water and Environment Sector (WES) by 31st December 2015. The projects were selected from Votes: Vote 019 - Ministry of Water and Environment and Votes 500 501-850 Local Governments.
The monitoring covered projects implemented by both Central Government and Local Governments (Table 11.1). In total, 16 districts were covered.

[42] Ministerial Policy Statement FY 2014/15

Table 11.1 WES Projects monitored for Mid-Year Performance FY 2015/16

Vote / Vote Function	Project / Output	Location (District)
Vote 019		
VF 0901: Rural Water Supply and Sanitation	Project 0163: Support to Rural Water Supply • Construction of Bududa-Nabweya GFS • Construction of Lirima GFS	Bududa Manafwa
VF 0902: Urban Water Supply and Sanitation	Project 1074: WSDF-N • Construction of Okollo and Pajule Water Supply and Sanitation Systems.	Arua, Pader
	Project 1283: WSDF-SW • Construction of Nyeihanga and Sanga Water Supply and Sanitation Systems.	Mbarara, Kiruhura
	Project 1075: WSDF-E • Construction of Kagoma, Kaliro and Luuka Water Supply and Sanitation Systems.	Jinja, Kaliro and Luuka
VF 0903: Water for Production	Project 0169: Water for Production • Construction of Andibo dam	Nebbi
Votes: 501-850 Local Governments	Project 0156: Rural Water • District Water and Sanitation Development Conditional Grant (DWSDCG)	Amuru, Jinja, Lwengo, Lyantonde, Mpigi, Nakasongola, Sembabule

Source: Authors' Compilation

11.1.2 Sector budget for financial year 2015/16 (in billion Ug shs)

The sector approved budget for the FY 2015/16 is Ug shs 576.82 allocated as follows; Vote 019- MWE budget is Ug shs 462. 39 (81.1%); 0150-NEMA Ug shs 9.22 (1.6%); 0157-NFA Ug shs 23.39 (4.1%); 501-612 Conditional Grants to LGs Ug shs 68.23 (11.8%) and Vote 0122-Conditional Grant to KCCA Ug shs 13.59 (2.4%).The mid-year monitoring focused on Vote 019 and Votes 501-850[43].

11.2: Ministry of Water and Environment (Vote 019)

Background

The role of MWE is to plan and coordinate all the sector activities. It has the overall responsibility for setting national policies and standards, managing and regulating water resources and determining priorities for water development and management. It also monitors

[43] Approved Estimates of Revenue and Expenditure (Recurrent and Development) FY 2015/16

and evaluates sector development programmes to keep track of their performance, efficiency and effectiveness in service delivery.

Sector strategies and priorities

In the Financial Year (FY) 2015/16, MWE prioritized the implementation strategy for the National Development Plan (NDP II) and realization of Uganda Vision 2040. It will take into account the National Resistance Movement Manifesto 2011-2016 as well as other emerging government programs such as Operation Wealth Creation. High on the agenda will be water supply and sanitation infrastructure development for sustainable economic growth and economic transformation for improved wellbeing of all Ugandans.

Financial performance of MWE (Vote 19)

By 31st December 2015, Ug shs 153.572billion (33.2% of the total budget) was released to Vote 019 and Ug shs 148.695billion (96.8% of the release) was spent. Table 11.2 summarizes cumulative releases and expenditures. Bigger expenditures were on other structures under project 1188 (Protection of Lake Victoria –Kampala Sanitation Program), 169 (Water for Production), 947 (FIEFOC-Farm Income).

Table 11.2: The Vote Financial Performance (in Ug shs Billion)

i) Excluding Arrears, Taxes		Approved Budget	Release	Expenditure	% Budget Released	% Releases spent
Recurrent	Wage	5.356	2.678	2.222	50.0	83.0
	Non-Wage	22.668	7.216	6.956	31.8	96.4
Development	GoU	165.659	51.671	52.140	31.2	100.9
	Ext. Fin.	233.276	77.907	78.780	33.4	101.1
	GoU Total	193.683	61.564	61.318	31.8	99.6
Total GoU+Ext. Fin. (MTEF)		426.959	139.472	140.098	32.7	100.4
ii) Arrears and Taxes	Arrears	0.292	0.083	0.071	28.4	85.7
	Taxes	35.135	14.017	8.526	39.9	60.8
Total Budget		**462.386**	**153.572**	**148.695**	**33.2**	**96.8**

Source: MWE Q2 Performance Report

Physical performance

The overall physical performance was rated fair at 65%. Most of the achieved outputs of the sector included ongoing works from the previous FY (2014/15) or software activities that did not require procurement processes. Thus the major hindrance to attain all the planned outputs was slow procurement as it was either ongoing or had just been completed by end January 2016. There were no substantial contracted works through the procurement process that had been paid for by end of Q2.

11.2.1 Support to Rural Water Supply (Project 0163)

Background

The responsibility for provision of rural water supply and sanitation services was decentralized to Local Governments (LGs). However, implementation of water supply services for Rural Growth Centers (RGCs) with the population between 1,500-5,000 is handled at the central level as the capacity of District Local Governments (DLGs) is being built.

Consequently, the Support to Rural Water Supply project commenced on 1st February 2001 with the objective *"To support the Local Governments, Non-Government Organisations (NGOs), Humanitarian Organisations and Community Based Organisations (CBOs) to build capacity for efficient and effective service delivery in the water and sanitation sub-sector."*[44].

The project is funded by the Government of Uganda (GoU) and Donors (Sida, DANIDA, and DFID) under the Joint (Multi/Basket Financing). The project completion date is 1st February, 2017.

The long term outputs of the project are:

1. A new TSU support modality established and functional to provide technical support to LGs.
2. Districts effectively performing their sub-sector mandates and responsibilities and effectively guided by central government.
3. Water supply and sanitation facilities constructed for selected rural growth centers as on job training is being carried out.
4. Improved financial management, planning and budgeting and procurement procedures (improved sector efficiency and effectiveness).
5. Increased private sector involvement in RWSS development
6. Increased NGO involvement in RWSS development
7. Community level management improved. Effective support from districts to communities, manuals and tools for training and implementation developed.
8. Increased and enhanced involvement of all stakeholders in the water sub-sector.
9. Regional spare parts depots established and monitored.
10. Management and technical skills to handle large scale RGCs and GFS built.
11. Implementation manual, monitoring and evaluation tools developed.
12. Integrated water resources management and implementation of activities in relation to the new TSU concept.

Planned outputs by end of Q2 FY 2015/16

1) 40 boreholes drilled and installed in selected areas in response to emergencies.
2) At least 200 broken down hand pumps rehabilitated.
3) Hydrological surveys in water stressed areas conducted in Isingiro and Kiruhura.
4) Feasibility studies for Isingiro-Kiruhura water stressed area finalized.
5) Performance of four NGOs promoting Rain Water Harvesting Strategy monitored.

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[44] MPS 2015/16

6) 100% completion of Bududa-Nabweya works achieved.
7) 100% construction of Lirima Water supply achieved.
8) Detailed designs of Orom, Potika, Nyamugasani, Ogili, Bwera, Bukedea gravity flow schemes finalized.
9) 100% projected completion of construction works carried out in Kanyampanga.
10) Management structure of Kanyampanga discussed and agreed with all stakeholders.
11) Defects on Kanyampanga water supply monitored.
12) All LGs supported by the TSUs.
13) Four Inter District Meetings and two TSU review meeting conducted.
14) Capacity building in the districts carried out.
15) Hygiene and sanitation campaigns for point water sources under emergency drilling conducted.
16) Consultancy services for Highway sanitation Strategy procured.
17) Hygiene and sanitation campaigns for Bududa/Nabweya GFS conducted.
18) Six site meetings and visits conducted in each of the project sites in Lirima, Bukwo and Bududa.
19) Annual district performance reports compiled and analyzed.
20) Quarterly district performance reports analyzed.
21) Documentation of best practices for sub-county Water and Sanitation Boards finalized.
22) Tools procured and distributed for hand pump mechanics.

Findings

Financial performance

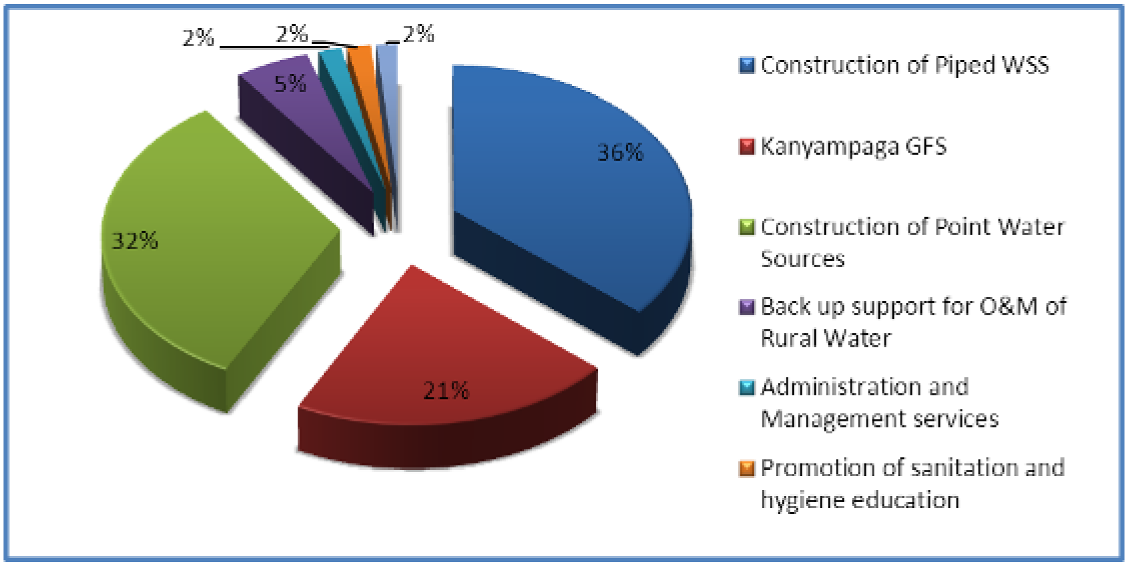
The approved budget of the Support to Rural Water Supply Project in FY 2015/16 was Ug shs 47.09 billion. By 31st December 2015, Ug shs 14.71 billion (31.23%) was released, of which Ug shs 13.01 billion (88.44%) was spent (table 11.3). The release performance was good whereas the expenditure performance was excellent. The GoU funds were spent on the output components in Figure 1.

Table 11.3: Financial performance of the Support to Rural Water Supply project (in Ug shs)

	Approved Budget	Release	Expenditure
GoU	27.93	10.25	9.55
Donor	19.16	3.46	3.46
Total	**47.09**	**14.71**	**13.01**

Source: IFMS; MWE Q2 performance report

Figure 11.1: GoU Expenditure Performance of the Rural Water Supply project by 31st December 2015



Source: IFMS

Physical performance

The overall physical performance of the Support to Rural Water Supply Project is summarized in table 11.4. A score of 72.82% was registered which was very good. Most of the planned outputs were achieved and a few not executed due to insufficient funds. Slow implementation was noted for instance in the finalization of detailed designs for water systems and procurement of consultants for the highway sanitation strategy.

Table 11.4: Physical performance of the Support to Rural Water Supply project

Planned outputs by end of Q2	Status	Achievement (%)
40 boreholes drilled and installed in selected areas in response to emergencies.	47 boreholes were drilled in response to emergencies in the districts of Mukono, Kamuli, Kayunga, Rukungiri, Lira, Otuke and Serere under framework contract arrangement.	100
At least 200 broken down hand pumps rehabilitated.	271 hand pumps were rehabilitated in the districts of Arua, Maracha, Yumbe, Otuke, Dokolo, Amolatar, Katakwi, Kumi, Serere, Sironko, Bulambuli, Mbale, Budaka, Butambala, Lyantonde, Wakiso, Buliisa, Kayunga and Mbarara under three contracts of framework arrangement.	100
Hydrological surveys in water stressed areas conducted in Isingiro and Kiruhura.	Hydrogeological surveys were undertaken and finalized for Isingiro and development of the large diameter wells is ongoing.	50

Feasibility studies for Isingiro-Kiruhura water stressed area finalized.	This output was not achieved. The feasibility studies will be done after completion of the development of the large diameter wells.	0
Performance of four NGOs promoting Rain Water Harvesting Strategy monitored.	The performance of Katosi Women in Mukono and ATC, Busoga Trust in Kaliro, UMURDA in Namayingo and Shuuku Development Foundation in Sheema NGOs implementing rainwater harvesting strategy was done.	100
100% completion of Bududa-Nabweya works achieved.	72% cumulative physical progress of Bududa-Nabweya scheme was realized	72
100% construction of Lirima Water supply achieved.	95% cumulative physical progress of Lirima water supply was attained	95
Detailed designs of Orom, Potika, Nyamugasani, Ogili, Bwera, Bukedea gravity flow schemes finalized.	Feasibility studies were ongoing for the preliminary design stage for Orom, Potika, Ogili, Nyamugasani, Bwera and Bukedea gravity flow schemes	0
100% projected completion of construction works carried out in Kanyampanga.	Kanyampanga water system 100% completed and technically commissioned	100
Management structure of Kanyampanga discussed and agreed with all stakeholders.	The Kanyampanga scheme was gazzeted for Operation and Management by NWSC	100
Defects on Kanyampanga water supply monitored.	The defects were being monitored under the Defects Liability Period (DLP)	100
Technical support given to all Local Governments (LGs) by the TSUs.	LGs were given the technical assistance and support by TSUs	100
Four Inter District Meetings (IDMs) and two TSU review meeting conducted.	One IDM held in Arua district for TSU 1. However the IDMs would not be held any longer as district investments planning strategy has been adopted. Two TSU review meetings held in Jinja and Moroto districts.	75
Capacity building in the districts carried out.	Capacity built among the different districts through different trainings in O&M and formation of Water User Committees in Nebbi, Zombo, Arua, Maracha, Yumbe, koboko,Moyo, Adjumani, Otuke, Kole, Oyam and Apac.	100
Conducted Hygiene and sanitation campaigns for point water sources under emergency drilling.	Hygiene and Sanitation campaigns not carried out for point water sources under emergency drilling due to inadequate funds.	0
Consultancy services for Highway Sanitation Strategy procured.	Terms of Reference (ToR) for the consultancy were generated and the procurement process ongoing.	10
Conducted Hygiene and sanitation campaigns for Bududa/Nabweya GFS.	The assessment of households for sanitation requirements before water connections are	100

	made were done and still ongoing	
Six site meetings and visits conducted in each of the project sites in Lirima, Bukwo and Bududa.	Six site meetings and inspection visits carried out in each of the project sites of Lirima, Bukwo and Bududa	100
Annual district performance reports compiled and analyzed.	The Annual district performance report compiled, analyzed and disseminated in the Sector Performance Review meeting	100
Quarterly district performance reports analyzed.	Quarterly district performance report compiled analyzed and disseminated in the technical meetings	100
Documentation of best practices for Sub-County Water and Sanitation Boards finalized.	Sub county water and sanitation Boards Handbook drafted and shared within the Rural Water and Sanitation Department and also disseminated in the districts of Nebbi, Zombo, Arua, Maracha, Yumbe, koboko,Moyo, Adjumani, Otuke, Kole, Oyam and Apac were the HPMA trainings were carried out.	100
Tools procured and distributed for hand pump mechanics.	Hand pump mechanic Tool kits not procured due to insufficient funds.	0
Average Score		72.82

Source: MWE; field findings

The monitoring focused on construction of Bududa and Lirima GFS.

Field findings

a) Construction of Bududa-Nabweya Gravity Flow Scheme

The Bududa-Nabweya Gravity Flow Scheme (GFS) is located in Bududa district and stretches across Bududa, Bukigayi, Bushiribo, Nabweya, Bulucheke, Bushiyi sub-counties and Bududa Town Council. The scheme was designed to be implemented in two phases; Phase I estimated at Ug shs 15 billion while Phase II estimated at Ug shs 3.5billion.

The GFS was initially planned and designed by Mbale District Local Government (DLG) in 2005, primarily targeting to provide water service to Bukigayi and Nabweya sub-counties that had the lowest safe water coverage. The estimated cost then was Ug shs 4.896billion which was too costly for the district. In addition the district lacked the technical capacity to implement the scheme. Hence the scheme was handed over to the MWE for implementation. In 2011, the MWE undertook a design review and the scheme expanded to cover 116,919 persons in six parishes over a design period of 20 years.

A contract was awarded to M/s CMIC and M/s KOL services as a Joint Venture for the construction of the scheme at a cost of Ug shs 13,791,151,517. The contract sum was revised to Ug shs 15,844,422,552 due to additional works to supply Nabweya hill that was initially not catered for in the original design. The initial construction period was between 8th July 2013 and

8th July 2015. This was extended to 8th July 2016 in order to compensate for time lost when the contractor halted works from November 2013 to 22nd January 2014. This was because the community became aggressive as they demanded for supply of water to unserved areas.

The scope of works involved: Construction of water office blocks, transmission and distribution pipelines, intake structure, treatment plant, reservoir tanks, fittings and consumer connections.

Financial performance

By 31st December 2015, the contractor had received Ug shs 8,813,089,299 (55.62%) of the contract sum. The payment schedule is shown in table 11.5.

Table 11.5: Financial performance of Bududa-Nabweya Gravity Flow Scheme (in Ug shs)

Payment Type	*Amounts Certified*	*Date of Payment*
Advance Payment (recovered under certificates)	2,758,230,303	6th November 2013
Certificate 1	633,390,476	20th March 2014
Certificate 2	863,601,185	28the May 2014
Certificate 3	824,394,188	23rd July 2014
Certificate 4	896,430,564	29th December 2014
Certificate 5	1,646,550,100	30th December 2014
Certificate 6	1,190,492,483	03rd August 2015
Certificate 7	870,518,592	Not yet paid
Total amount paid to date:	**8,813,089,299 (55.62%)**	

Source: Bududa-Nabweya progress report

Physical Performance

The cumulative physical progress of Bududa-Nabweya GFS by 31st December 2015 was 72%. The physical progress of the outputs is presented in table 11.6.

Table 11.6: Physical progress of Bududa-Nabweya GFS

Planned output	**Field findings and Remarks**
Six water office blocks constructed	All the six water office blocks were constructed as planned. The superstructure, roofing, plastering and painting were done. Pending works included floors, and fittings in the washrooms. The quality of work was not very good as some parts of the verandah and walls were already cracking. The office buildings were among the first structures built which were already depreciating due to lack of maintenance.
11,700m of transmission pipes laid 2,000m additional transmission pipes laid for extra works	10,228m had been laid. Installation of fittings and river crossing sections were in progress. 1,400m additional transmission pipes were laid to cater for people on Nabweya hill as part of the variations and the works were still ongoing.
42,755m of distribution pipes laid.	27,716m of the distribution pipes were laid. Trenching and laying were ongoing.

Construction of intake structures	The intake structure was substantially complete and the source is R. Wanangonyi, a tributary of R. Manafwa.
A Treatment Plant constructed	Site grading and fencing were done but civil works had not commenced. There was delay to access the site which is possessed by Uganda Wildlife Authority (UWA).
Seven reservoir tanks constructed	The stud columns for all the reservoir tanks were done.
800 yard taps and 200 PSPs constructed and 18,275m service lines laid	The construction works had not commenced awaiting mapping of consumers. Over 2000 applications for connections had been assessed and two sub-counties were mapped. Installation of service pipes were waiting mapping of consumers which was on-going.

Source: Field findings

L-R: Cracked verandah of water office; Stud columns for reservoir tanks; Trenching for distribution pipes, Bududa district

Implementation challenges

- Delayed payments to the contractor and the consultant which affected their cash flows.
- Implementation of software activities was affected by insufficient funds coupled with lengthy processing of the funds.
- Implementation of works was halted from November 2013 to 22nd January 2014 due to aggression by the communities demanding for additional supply areas not originally designed for.

Recommendations

- MWE project implementers should prioritize funding to key outputs in the project.
- MWE should undertake a bottom-up approach which involves consultation with all stakeholders during project design; massive sensitization efforts should also be undertaken.

b) Construction of Lirima Gravity Flow Scheme

Lirima GFS was designed in 2010 by MWE to cover five sub-counties in Manafwa district (Sibanga, Bugobero, Bwagogo, Butiru and Bubutu), two sub-counties in Mbale district (Busiu and Bukiende), and two sub-counties in Tororo district (Molo and Merikit). It was projected that the scheme shall serve 90,370 persons at completion and 173,360 persons by 2033. Due to its extensive nature, implementation is multiphase. The works are in Phase I of implementation in Bubutu and Butiru sub-counties in Manafwa district.

The contract for civil works was awarded to M/s Vambeco Enterprises Ltd at a cost of Ug shs 12,966,047,325. However, the contract price was revised to Ug shs 14,993,801,789 as a result of additional scope of work to cover upstream communities of Bumbo, Bukhoho and those at Baraki hill that required pumping. The design and construction supervision consultants are M/s Alliance Consultants Ltd in association with Infra-Consult Ltd at a sum of Ug shs 726,260,000. The scope of works involved: Development of the intake/source, construction of the raw water main, the water treatment plant, the transmission and distribution mains, laying of consumer connections, the water office blocks, and water storage reservoir tanks.

Financial Performance

The financial performance of Lirima GFS is presented in Table 11.7. The GoU contributes 29.25% and the ADB contributes 70.75%. By 31st December 2015, the contractor had received Ug shs 10,894,203,185 (72.66% of the contract sum).

Table 11.7: Financial performance of Lirima GFS in Ug shs

Contract sum: 14,993,801,789		
Payment Type	**Amounts certified**	**Date of payment**
Advance Payment (recovered under certificates)	2,534,862,252	27th August, 2013
IPC # 1	1,517,136,470	27th November 2013
IPC # 2	605,470,092	12th December, 2013
IPC # 3	511,207,280	20th March, 2014
IPC # 4	1,039,366,986	13th May, 2014
IPC # 5	408,566,515	30th June, 2014
IPC # 6	1,502,769,295	15th September , 2014
IPC # 7	562,607,112	17th November, 2014
IPC # 8	687,108,238	2nd February 2015
IPC # 9	916,816,273	25th August 2015
IPC # 10	648,293,082	AfDB 31st August 2015, GoU portion outstanding
IPC # 11	1,403,184,678	AfDB 11th November 2015, GoU part-paid 1st December 2015

IPC # 12	760,192,020	Not yet paid
Total Amount Paid to date: 10,894,203,185 (72.66% of the contract sum)		

Source: Lirima GFS monthly progress report December2015

Physical Performance

The cumulative physical progress of Lirima GFS by 31st December 2015 was 95%. The major civil works were completed and testing of the structures were ongoing. The status is presented in table 11.8.

Table 11.8: Detailed physical performance of Lirima GFS

Planned output	Status / Remarks
Intake structures constructed Source protected, retention weir, intake chamber, Fencing, Landscaping, the access road to the intake, and Installation of gabion protection done.	The works were 100% finished and the quality of work done at the intake was very good.
Raw water main Supply, lay and backfill 1.9km of OD 200 uPVC pipeline and OD200 steel pipes for sections running above ground.	100% achieved 2.1km, OD200uPVC laid.
Treatment plant constructed A 6,300m^3/d water treatment plant in Bukokho sub-county with the following components: Inlet chamber, the coagulation and flocculation chambers, the sedimentation tank, two rapid sand filters, the treated water tank, attendants house, superintendent's house, chemical house including office and laboratory, a backwash tank, and a backwash pump house.	All the civil structures were completed. Internal finishes, electromechanical installations were ongoing in the laboratories. The cement floor screed in the attendant's house, superintendent's house and chemical house had developed cracks. The walls of the chemical house were also cracking. Dampness was observed on the walls of the filter structures indicating water seepage.
Transmission mains laid: Supply, laying and backfilling 19.6km of OD250-OD90 uPVC treated water mains	100% completed. 19.6km,OD200 – OD250 uPVC laid.
Distribution mains laid Primary distribution: 4.2km OD110 uPVC, 49km, OD50 – OD90 HDPE Secondary distribution: 30km, OD32 – OD63 HDPE	91.7% achieved The pending length is part of the additional works
Reservoir tanks Construction of reinforced concrete ground level tanks of 55m^3 in Mufutu and 230m^3 in Butiru. Fencing and landscaping the tank areas.	The two tanks were 100% completed.

Five BPTs of $10m^3$ capacity constructed	All the BPTs were constructed as planned.
Water office Construction of water office block, an ecosan toilet block, guard house, and supply of office furniture. Fencing and landscaping.	100% completed. The cracks on the floor that were previously noted were corrected by tiling

Source: Field findings; Lirima GFS monthly progress report December 2015

L-R: Part of the protected water source; Chemical house with office and laboratory; $10m^3$ BPT in Manafwa district

L-R: Beneficiary yard tap; Dampness on the rapid gravity filter; Cracks on the wall of the laboratory at the treatment plant in Manafwa district

Implementation challenges

- Land for the implementation of project structures was not readily available.

- The demand driven precondition approach for water connection which requires promotion to the public, technical assessment of secondary/ intensification pipework and payment by beneficiaries delayed implementation.

Recommendations

- The MWE should acquire land for project structures prior to commencement of works contracts.
- The MWE should ensure mapping of potential beneficiaries is done during the design phase

Analysis

Link between financial and physical performance

By half year, 31.23% was released of which 88.44% was spent to achieve 72.82% physical progress. Hence there was a good link between financial and physical performance.

Achievement of set targets

The project planned to achieved 100% completion of Bududa and Lirima water schemes but these were not achieved as Bududa was at 70% physical progress and Lirima 95%.

Conclusion

The project physical performance by half year was very good although less funds were released than expected.

Water and Sanitation Development Facilities (WSDFs)

The WSDFs are branches of the MWE that were formed as a funding mechanism for water and sanitation investments in the Rural Growth Centers (RGCs) and Small Towns (STs).

The initial approach to the WSDFs was piloted with the WSDF-South West in 2006, with the responsibility of supporting RGCs and STs get access to safe piped water and improved sanitation. The experiences gained in the WSDF-SW were replicated to set up similar WSDFs in the North, East and Central regions of the country. The half year performance of the WSDF-E, WSDF-N and WSDF-SW projects was monitored.

11.2.2 Water and Sanitation Development Facility – East (Project 1075)

Background

The WSDF-E project commenced in July 2009 as a service delivery and funding mechanism to focus on provision of water supply and sanitation to STs and RGCs in the North East and Eastern regions covering 39 districts: Amuria, Kotido, Kaabong, Abim, Moroto, Katakwi, Soroti, Kaberamaido, Kumi, Bukedea, Bukwo, Kapchorwa, Nakapiripirit, Sironko, Manafwa, Bududa, Mbale, Tororo, Busia, Butaleja, Pallisa, Budaka, Namutumba, Bugiri, Kaliro, Iganga, Mayuge, Kamuli, Jinja, Buyende, Namayingo, Amudat, Serere, Kiyunga, Bulambulu, Napak, Ngora, Kibuku and Kween. The expected end date is June 2017. The project is funded by German financial cooperation with Uganda, EU MDG initiative, and the GoU.

The project objectives are

1. To improve the socio-economic situation and the opportunities for people living in Small Towns/Rural Growth Centers targeted.
2. To improve general health conditions through the reduction of water borne diseases, in the targeted ST/RGCs.
3. Empower communities in targeted ST/RGCs and enable them to participate in national development.
4. To contribute to environmental protection through resources protection and the use of appropriate technologies in water and sanitation interventions.
5. To ensure that the gender issue is addressed in such a way that women are empowered and both sexes are involved as decision makers.

The long term outputs of the project are[45]

- Infrastructure for safe piped water supply provided for 371,000 people living in ST/RGCs in line with national standards in terms of service quality, quantity and distance as well as water quality and source protection.
- Sanitation: 100% latrine coverage attained in the targeted STs and RGCs, with at least 80% of the latrines complying with the MDG criteria for improved sanitation in 10 selected locations; An enabling environment for implementing the Integrated Sanitation and Hygiene (ISH) strategy created; Constructed at least one public toilet per ST/RGC.
- Sustainability and efficient functionality of water & sanitation infrastructure ensured through appropriate arrangements for O&M.

Planned outputs by end of Q2 FY 2015/16

1. Completion of eight public toilet facilities in eight towns of Buwuni, Suam, Kagoma, Nakapiripirit, Ocapa, Kyere, Luuka and Bukwo where construction is currently ongoing 100% attained.
2. Completion of 12 public toilet facilities in 12 towns of Buyende, Namagera, Bulegeni, Kapelebyong, Iziru, Mbulamuti, Irundu, Ochero, Kaabong, Bukedea, Namwiwa, Amudat where construction is ongoing 50% achieved.
3. Construction of WSDF-E regional office block in Mbale supervised.
4. Electromechanical equipment in pumping stations in four towns of Luuka, Kyere, Nakapiripirit and Kagoma installed.
5. Water disinfection equipment in seven towns of Luuka, Nakapiripirit, Bukwo, Kagoma, Kyere, Iziru and Kapelebyong installed.
6. Grid power extensions to production boreholes installed in the towns of Luuka, Nakapiripirit, Kagoma and Kyere.
7. Construction works of piped water systems in Nakapiripirit, Luuka and Kagoma progressed to 100% completion while Kyere and Bukwo progressed to 70%.

[45] MFPED PIP FY 2015/16 – 2017/18

8. Renewal of Kasambira, Namwenda and Bulambuli commenced.
9. Feasibility study, detailed design and documentation of water supplies for the towns of Amudat (Amudat), Kidetok (Serere), Kaliro (Kaliro), Namayingo (Namayingo), and Binyiny (Kween) towns shall progressed to 80% completion.
10. Five production boreholes to supply water in selected urban centers constructed.
11. Rehabilitation of Bubwaya water system to commenced.
12. Support to Urban Authorities in monitoring and supervision of feasibility study, detailed design and documentation of 16 urban piped water systems in the towns of Ikumbya, Acowa, Kibaale, Tubur, Bugobi, Namungalwe, Moroto, Kotido, Kacheri-Lokona, Bugadde, Amudat, Kidetok, Kaliro, Namayingo, Mutufu and Binyiny. All the 16 towns completed.
13. Monitoring and support supervision of Urban Water Authorities and Private Operators in fulfillment of their mandate in the seven towns of Irundu, Kaliro, Suam, Matany, Mbulamuti, Namutumba and Buwuni achieved.
14. On job training of Water Supply Boards and Private Operators conducted on scheme specific operations and maintenance activities in the seven towns of Irundu, Kaliro, Suam, Matany, Mbulamuti, Namutumba and Buwuni where construction works shall be completed.
15. Asset registers, as built drawings and O&M manuals; and delivered related trainings to Urban Authorities and Private Operators in support of sustainable management of completed water systems of Irundu, Kaliro, Suam, Matany, Mbulamuti, Namutumba and Buwuni developed.
16. Environmental catchment protection, sanitation and hygiene policies disseminated and implemented in Northeastern region in five towns of Kagoma and Kyere Buyende, Namwiwa and Namagera.
17. Cross cutting issues of gender and HIV/AIDS incorporated in all activities related to development of piped water supply system.
18. 37 staff remunerated and performance appraised, office establishment, running and coordination.
19. One staff training conducted.
20. Improved hygiene and sanitation practices in eight urban towns of Kagoma, Kyere, Bukwo, Luuka and Nakapiripirit Buyende, Namagera and Namwiwa 80% achieved within the supply areas.
21. Sanitation and social economic baseline surveys completed and disseminated in at least seven towns of Acowa, Tubur, Namungalwe, Buyaga, Kibaale, Ikumbya and Bugobi.
22. Hygiene promotions carried out in 12 towns of Kagoma, Iziru, Kapelebyong, Namagera, Buyende, Namwiwa, Kyere, Luuka, Nakapiripirit, Bukwo, Iki-Iki and Bulegeni where construction is ongoing.
23. Structures essential to sustainable O&M of piped water supply systems in five towns in north eastern region particularly in Kagoma, Kyere Namwiwa, Buyende and Namagera establised.
24. Defects liability period for eight completed towns of Ochero, Mbulamuti, Buwuni, Matany, Namutumba, Irundu, Namalu and Kaliro monitored.
25. Private operators for seven newly completed towns of Kagoma, Iziru, Irundu, Luuka, Nakapiripirit and Bukwo and Kapelebyong procured.

Findings

Financial performance

The financial performance of WSDF-E by 31st December 2015 is presented in table 11.9.

Table 11.9: Financial performance of WSDF-E in Ug shs (excluding arrears and taxes)

	Approved Budget	Cumulative release	Cumulative expenditure	Remarks
GoU	1,778,000,000	1,817,354,849	1,659,657,590	Additional funds worth 900million were released for VAT payment
Donor	15,782,000,000	8,604,000,000	7,933,440,555	The second batch of donor funds were released late (22nd December 2015) hence some payments were not made as planned
Totals	17,506,000,000	10,421,354,849 (59.53%)	9,593,098,145 (92.05%)	

Source: WSDF-E Q2 Performance report

The WSDF-E expenditure on various output components was as follows: Government Buildings and Administrative Infrastructure (1.41%); Purchase of Specialized Machinery & Equipment (0.55%); Purchase of Office and Residential Furniture and Fittings (0.09%); Construction of Piped Water Supply Systems Urban (77.46%); Construction of Sanitation Facilities Urban (6.45%); Administration and Management Support (5.71%); Policies, Plans, standards and regulations developed (2.05%); Backup support for Operation and Maintenance (1.73%); Improved sanitation services and hygiene (2.43%); Monitoring, Supervision, Capacity building for Urban Authorities and Private Operators (2.14%).

Physical performance

The overall physical performance of WSDF-E by 31st December 2015 was good (64.21%). The status of the outputs is presented in table 11.10.

Table 11.10: Overview of physical performance of WSDF-E

Planned outputs by end of Q2	Status	% Achieved
Completion to 100% progress of eight public toilet facilities in eight towns of Buwuni, Suam, Kagoma, Nakapiripirit, Ocapa, Kyere, Luuka and Bukwo where construction is currently ongoing attained.	Progress was as follows: Buwuni, Suam and Kagoma 100% completed. Nakapiripirit (96%), Ocapa (20%), Kyere (30%), Luuka (97%) and Bukwo (90%).	79.13
Completion to 50% progress of 12 public toilet facilities in 12 towns of Buyende, Namagera, Bulegeni, Kapelebyong, Iziru, Mbulamuti, Irundu, Ochero, Kaabong, Bukedea, Namwiwa, Amudat where construction is ongoing achieved.	Progress was as follows: Namagera, Irundu Ochero and Kaabong 100% completed. Iziru (85%), Buyende (95%). The towns of Bulegeni, Kapelebyong, Namwiwa and Amudat did not commence as their contracts were not awarded.	54.54

Construction of WSDF-E regional office block in Mbale supervised.	The WSDF-E office block construction was monitored by staff of WSDF-E. Construction had progressed to 35%	100
Office furniture in support to operations and maintenance of water supply systems procured for five towns of Luuka, Nakapiripirit, Bukwo, Kagoma, and Iziru	Office furniture not yet supplied. The supply of the furniture is under the the water supplies contracts and construction is still ongoing.	0
Electromechanical equipment in pumping stations in four towns of Luuka, Kyere, Nakapiripirit and Kagoma installed.	Electromechanical equipment installed in Luuka. In Nakapiripirit, Kyere and Kagoma construction still ongoing.	25
Water disinfection equipment in seven towns of Luuka, Nakapiripirit, Bukwo, Kagoma, Kyere, Iziru and Kapelebyong installed.	Equipment not yet supplied by the contractors who are undertaking the water system works	0
Grid power extended to production boreholes installed in the towns of Luuka, Nakapiripirit, Kagoma and Kyere.	Grid power extended in Luuka, Nakapiripirit and Kagoma.	75
Construction works of piped water systems in Nakapiripirit, Luuka and Kagoma progressed to 100% completion while Kyere and Bukwo progressed to 70%	Progress was as follows: Nakapiripirit (80%), Luuka (90%), Kagoma (78%), Kyere (40%) and Bukwo (75%)	81.02
Renewal of Kasambira, Namwenda and Bulambuli commenced.	Output not achieved	0
Feasibility study, detailed design and documentation of water supplies for the towns of Amudat (Amudat), Kidetok (Serere), Kaliro (Kaliro), Namayingo (Namayingo), and Binyiny (Kween) towns 80% progress achieved.	Achievement was as follows: Amudat (100%), Kidetok (70), Kaliro(100), Namayingo(75%), and Binyiny (80%)	96.25
Five production boreholes to supply water in selected urban centers constructed.	Drilled five production boreholes in Amudat(03) and Kaliro(02)	100
Rehabilitation of Bubwaya water system to commenced.	The work did not commence due to work load	0
Support to Urban Authorities in monitoring and supervision of feasibility study, detailed design and documentation of 16 urban piped water systems in the towns of Ikumbya, Acowa, Kibaale, Tubur, Bugobi, Namungalwe, Moroto, Kotido, Kacheri-Lokona, Bugadde, Amudat, Kidetok, Kaliro, Namayingo, Mutufu and Binyiny. All the 16 towns completed.	This output was achieved as planned	100
Monitoring and support supervision of Urban Water Authorities and Private Operators in fulfillment of their mandate in the seven towns	Monitoring and support supervision provided to the towns of Irundu, Matany, Namutumba and Buwuni.	100

of Irundu, Kaliro, Suam, Matany, Mbulamuti, Namutumba and Buwuni provided.	Kaliro, Suam, Mbulamuti, and Namutumba were handed over to NWSC	
On job training of Water Supply Boards and Private Operators conducted on scheme specific operations and maintenance activities in the seven towns of Irundu, Kaliro, Suam, Matany, Mbulamuti, Namutumba and Buwuni where construction works shall be completed.	Output achieved in Irundu, Suam, and Namutumba The towns of Kaliro, Matany, Mbulamuti, and Buwuni are under NWSC.	100
Asset registers, as built drawings and O&M manuals; and delivered related trainings to Urban Authorities and Private Operators in support of sustainable management of completed water systems of Irundu, Kaliro, Suam, Matany, Mbulamuti, Namutumba and Buwuni developed.	Asset registers, As-built drawings and O&M manuals developed and distributed in the 06 towns of Irundu, Suam, Matany, Mbulamuti, Namutumba and Buwuni.	85.71
Environmental catchment protection, sanitation and hygiene policies disseminated and implemented in Northeastern region in five towns of Kagoma and Kyere Buyende, Namwiwa and Namagera.	Output achieved in Kagoma and Kyere.	40
Cross cutting issues of gender and HIV/AIDS incorporated in all activities related to development of piped water supply system.	Output achieved during set up of management structures for completed towns	100
37 staff remunerated and performance appraised, office established, run and coordinated.	Carried out as planned	100
One staff training conducted.	Training on the WSDF-E operational manual conducted in house	100
Improved hygiene and sanitation practices in eight urban towns of Kagoma, Kyere, Bukwo, Luuka and Nakapiripirit Buyende, Namagera and Namwiwa 80% achieved within the supply areas.	Trainings conducted in the towns of Kagoma, Kyere, Bukwo, Luuka and Nakapiripirit	62.5
Sanitation and social economic baseline surveys completed and disseminated in at least seven towns of Acowa, Tubur, Namungalwe, Buyaga, Kibaale, Ikumbya and Bugobi	Baselines were completed	100
Hygiene promotions carried out in 12 towns of Kagoma, Iziru, Kapelebyong, Namagera, Buyende, Namwiwa, Kyere, Luuka, Nakapiripirit, Bukwo, Iki-Iki and Bulegeni where construction is ongoing.	Output was attained in the towns of Kagoma, Kyere, Luuka, Nakapiripirit and Bukwo. The other towns to be done by June 2016	41.67
Structures essential to sustainable O&M of piped water supply systems in five towns in	Not achieved.	0

north eastern region particularly in Kagoma, Kyere Namwiwa, Buyende and Namagera established.		
Defects liability period for eight completed towns of Ochero, Mbulamuti, Buwuni, Matany, Namutumba, Irundu, Namalu and Kaliro monitored.	Defects monitoring followed up as planned	100
Private operators for seven newly completed towns of Kagoma, Iziru, Irundu, Luuka, Nakapiripirit and Bukwo and Kapelebyong procured.	Irundu had a private operator, Kagoma to be handed over to NWSC, and Nakapiripirit under procurement.	28.57
Average physical performance		64.21

Source: WSDF-E Q2 performance report, field findings

The midyear monitoring focused on three water supply schemes of Kagoma, Kaliro and Luuka and the findings were as follows.

Field findings

a) Construction of Kagoma Town Water Supply

Kagoma Town Water Supply is located in Buwenge sub-county, Jinja district. M/s Elmah Technologies Ltd was awarded the contract for civil works at a sum of Ug shs 2,493,495,441 being supervised by the WSDF-E staff. The construction of the system commenced on 21st May 2015 and was scheduled to end on 21st May 2016.

The scope of works involved: Pump station works, raw water pumping mains, chlorine dosing house and their components, water storage reservoirs, distribution mains, consumer connections, water office, guard houses, ecosan toilets and electromechanical works.

Financial performance
By 31st December 2015, the contractor had received payment worth Ug shs 1,113,569,375 (44.66%) of the contract sum.

Physical performance
The physical progress of Kagoma Town Water Supply by 31st December 2015 was 78%. The status of the scheme components is presented in table 11.11.

Table 11.11: Physical progress of Kagoma Town Water Supply

Planned Output	Status and Remarks
Two borehole pump stations constructed with the following structures: Pump house, generator room, guard house, ecosan toilet,	Pump station 1: The pump house with generator room, the guard house, the ecosan toilet, grid power extension and fencing were completed. The quality of work on the structures was very good. Pending works included installation of the generator and pumps.

production borehole, and chain link fencing.	Pump station 2: The pump house, guard house and ecosan toilet, and fencing were completed. Pending works included installation of the pumps.
Water office constructed	Construction of the water office was completed and the quality of work was good. Supply of the office furniture was pending.
Transmission mains laid	83% of the transmission mains were laid
Distribution mains laid	75% of the distribution mains were laid
Two chlorine dosing house constructed and chlorine dosing equipment supplied and installed.	The two chlorine houses were constructed but the chlorine dosing equipment were not yet supplied.
Two water storage reservoirs installed.	The stud walls for the $36m^3$ reservoir tank were completed. Assembling of the $126m^3$ reservoir tank was ongoing
250 yard taps installed.	No consumer connection had been made. Payment for connections by the verified beneficiaries was ongoing.

Source: Field findings

L-R: Assembling the $126m^3$ reservoir tank; Pump house and generator room at pump station 1: Stud columns for $36m^3$ reservoir tank in Jinja district

L-R: Grid power and pump house for pump station 2; Chlorine house; Ecosan toilet and guard house at pump station 1 in Jinja district

Implementation challenges

- Late release of funds especially the donor component led to delay in paying the contractors certificates which affected the contractors' cash flow.
- The contractor delayed to commence works due to difficulties in securing a performance security.
- Delayed payment of VAT to the contractor affected his cash flow.

Recommendation

- The donors and GoU should release funds timely.

b) Rehabilitation of Kaliro Town Water Supply System

Kaliro Town Water Supply is located in Kaliro Town Council, Kaliro district. The contract for the rehabilitation works was awarded to M/S Gets Technical Services Limited at a sum of Ug shs 1,840,857,348. The design and construction supervisors were WSDF-E staff. The rehabilitation works commenced on 2nd October 2014 and ended on 2nd October 2015.

The scope of works involved: Pump station works, reservoir tanks works, electromechaniccal works, construction of chlorine house and supply of disinfection equipment.

Financial Performance

By 31st December 2015, the contractor had been paid Ug shs 1,393,966,485 (75.72% of the contract sum).

Physical performance

The physical progress of Kaliro Water Supply System was 100% by 31st December 2015. All the works were completed. Table 11.12 provides the detailed status.

Table 11.12: Physical performance of Kaliro Town Water Supply

Planned outputs	Status and Remarks
Pump stations renovated/constructed	Pump station at Buyunga Village, Kaliro Town Council: The pump was replaced and the pump house painted. Pump station at Buwalujo village: A new pump station was constructed having a pump house with a generator room, a guard house and an ecosan toilet. The pump and 80kVA generator were functional. Grid power was extended over 2km from the town council to the pump station.
1.96km of transmission mains laid	2.4km of the transmission mains was laid.
2.32km of distribution mains laid	3.5km of distribution mains was laid.
Reservoir tanks installed	A new 100m^3 steel reservoir tank was installed and an existing 100m^3 steel reservoir tank was renovated to repair leakages and painted.
Chlorine house constructed including supply of disinfection equipment.	The chlorine house was constructed and an EDM machine installed with all associated fillings for water treatment. The equipment was functional.

Source: Field findings



L-R: The chlorine disinfection equipment; New and old 100m^3 reservoir tanks; The 80kVA generator all in Kaliro TC, Kaliro district

Implementation challenges

- There were land acquisition challenges especially for the new pump station.
- Late release of funds led to delays in paying VAT and contractors' certificates.

Recommendations

- The sub-county authorities should avail land for system components prior to commencement of works.
- Donors should promptly release funds for project activities.

c) **Construction of Luuka Town Water Supply and Sanitation System**

The water supply and sanitation system is located in Luuka Town Council, Luuka district. M/s GAT Consult Ltd was awarded the contract for civil works at a cost of Ug shs 3,527,202,266. The design and supervision was done by WSDF-E. The construction works commenced on 9th April 2015 and the completion date is 9th April 2016.

The scope of works involved: construction of pump stations, water office, reservoir tank, transmission and distribution mains, public water borne toilet, consumer connections and electro mechanical works.

Financial performance

By 31st December 2015, the contractor had been paid two certificates amounting to Ug shs 1,818,650,655 (51.56% of the contract sum). This payment was very low considering the quantity of works implemented.

Physical performance

The physical progress attained by 31st December 2015 was 84% as presented below:

Pump Stations: Two pump stations were planned and both constructed. Pump station 1, located in Lwanda village, Luuka TC was operational. A 45kVA generator was supplied and installed and grid power extended to the station pending UMEME meter installation. Structures constructed were a pump house with a generator room, and an ecosan toilet.

Pump house at pump station 1 in Lwanda village, Luuka distrcit

Pump station 2, located in Bugonyoka village, Bulongo sub-county was not functional as the power connection was yet to be finalized. Grid power was extended to the site; a pump house, and an ecosan toilet were constructed.

Reservoir tank: A 162m^3 steel reservoir tank was installed.
Water Office: The water office was 100% complete and the furniture was supplied.
Chlorine house: Construction was completed and the chlorine dosing equipment supplied.
Transmission and distribution mains: These were laid as planned. Pressure testing was pending.
Public water borne toilet: A 10 stance water borne toilet was constructed in Luuka town and a 10,000litre rainwater harvesting tank installed. The quality of work was good.
Consumer connections: 293 connections had been made out of the 300 planned.

L-R: Office furniture supplied; Chlorine disinfection equipment; Functional PSP in Luuka Town – Luuka district

Implementation challenges

- Delayed VAT payments to the contractors' certificates due to late release of funds to WSDF-E.
- Excessive demand from the community for extensions that were not planned. The community sometimes became aggressive which interfered with smooth progress of works.

Recommendations

- The donor should promptly release funds for the WSDF-E for project implementation.
- MWE should sensitize the communities on project works.

Analysis

Link between financial and physical performance

There was a weak link between the financial and physical performance as 59.53% of the funds were released by 31st December 2015, of which 92.05% was spent to achieve 64.21% overall physical performance.

Achievement of set targets

The rehabilitation of Kaliro scheme was achieved, however, Kagoma and Luuka water systems were not completed as planned.

Conclusion

The release to the WSDF-E by 31st December, 2015 was 59.53%, which was excellent. However, the donor funds for Q2 were received in the last month of the quarter. This affected payment of contractors' certificates and achievement of set targets.

Recommendation

- Donor funds should be promptly released.

11.2.3 Water and Sanitation Development Facility-North (Project 1074)

Background

The Water and Sanitation Development Facility-North (WSDF-N) is responsible for the provision of safe water supply and improved sanitation in 23 districts[46] in Lango, Acholi and West Nile sub-regions of northern Uganda. The project start date was 1st July 2008 and the expected end date is 30th June 2016. The WSDF-N is currently funded by the Germany Development Bank (KfW) and recieves counterpart funding from GoU.

The project objectives are:

- Mobilize communities in the 52 STs/RGCs and 73 former Internally Displaced Persons (IDP) camps to actively participate in water and sanitation interventions by 2018.
- Promote hygiene and environmental sanitation in 53,979 households in the 52 STs/RGCs and 73 former IDP camps by 2018.
- Develop fully functional piped water supply systems and sanitation facilities in 52 STs/RGCs to a population of 225,000 by 2018.
- Resize/convert piped water schemes and sanitation facilities in 73 former IDP camps serving a population of 206,833 by 2018.
- Build capacities of local governments/community/organizations to sustainably operate and maintain the water and sanitation facilities in the 52 STs/RGCs and 73 former IDP camps by 2018.

The long term expected outputs are:

- Implementation of Memoranda of Understanding (MoUs) signed with the 23 districts.
- Construction works in 52 STs/RGCs in the 23 districts completed.

Planned outputs by end of Q2 FY 2015/16

1. Office computers, accessories and ICT equipment including software supplied.
2. Community sensitizations and land agreements signed and paid for.
3. A station wagon procured.
4. Office furniture and fittings supplied.
5. Four towns connected to National Grid.
6. Two solar energy packages rehabilitated in two STs/RGCs.
7. Defects liability period for WSDF-N Office fencing works followed up.
8. Retention for wall-fencing and land-scape at WSDF-N office paid.
9. Sanitation Facilities Constructed:
    - Dokolo (Five household ecosan toilets, one public toilet and two primary school toilets completed).

[46] Apac, Lira, Otuke, Alebtong, Kole, Dokolo, Amolatar, Oyam, Amuru, Gulu, Pader, Nwoya, Agago, Lamwo, Kitgum, Adjumani, Moyo, Yumbe, Koboko, Zombo, Maracha, Arua and Nebbi

- Amach and Pacego (Ten household ecosan toilets, two public toilets and four primary school toilets completed).
- Namukora, Paloga, Palabek-ogir, Lagoro, Muchwini and Palabong (12 household ecosan toilets completed).
- Kalongo, Midigo, Pajule, Okollo, Amach and Pacego (42 household ecosan toilets, six public toilets and 12 primary school toilets completed).

10. Contractors procured for Pabbo, Loro, Bibia/Elegu, Odramacaku, Padibe water systems and extension of Wandi water supply system.
11. Construction of eight piped water systems completed in Kalongo, Midigo, Pajule, Okollo Amolatar, Dokolo, Amach and Pacego.
12. Extension of Wandi water supply system completed.
13. Construction of piped water systems using solar energy in six former IDP camps (Paloga, Namukora, Palabek-Ogil, Lagoro, Muchwini, and Parabongo) completed.
14. On-going construction of Moyo town water supply continued.
15. Construction of five towns (Pabbo, Loro, Bibia/Elegu, Odramacaku and Padibe) water systems commenced.
16. 37 Facility staff remunerated, motivated, facilitated and their performance appraised.
17. Four staff trainings conducted, and meetings held.
18. One stakeholders consultation meeting and review workshop in the towns of Moyo, Loro, Bibia/Elegu, Pabbo, Odramacaku, Padibe and in eight former IDP camps of Paloga, Namukora, Palabeck Ogil, Lagoro, Mucwini and Parabongo, Alero and Palenga conducted.
19. Three HIV/AIDS trainings conducted in Lango, Acholi and Westnile sub regions
20. Seven final works inspections conducted
21. Four monitoring and supervisions conducted, one in each town of Kalongo, Midigo Pajule and Okollo.
22. Six hand washing campaigns held, one in each town of Pajule, Okollo, Kalongo, Midigo, Pacego, and Amach.
23. 30 Drama Performances in the towns of Pajule, Kalongo and Amach performed.
24. Three radio talk shows held one in each town of Kalongo, Pajule and Amach.
25. Eight O & M level II trainings conducted
26. Eight baseline surveys conducted in the towns of Pabbo, Loro, Bibia/Elegu, Odramacaku, Padibe, Amach, Pacego, Moyo and former IDP camps of Palenga, Alero and Palebek-Ogil.
27. Eight hygiene & sanitation trainings, one in each town of Pabbo, Loro, Bibia/Elegu, Odramacaku, Padibe, Amach, Pacego, Moyo and former IDP camps of Palenga, Alero and Palebek-Ogil conducted.
28. Eleven O&M meetings one in each town of Amach, Dokolo, Kalongo, Midigo, Pajule, Okollo, Pacego, Moyo, Mucwini, Paloga and Namukora conducted.

Findings

Financial performance

The approved budget of WSDF-N in FY 2015/16 was Ug shs 22.797 billion. By 31st December 2015, Ug shs 11.843 billion (51.95%) was released of which Ug shs 9.913 billion (83.70%) was spent. The Q2 donor funds had not been released by end of the quarter. The expenditure was in accordance to the following output components (Table 11.13).

Table 11.13: Expenditure performance of WSDF-N in Ug shs

Output Components	Expenditure	% Expenditure
Acquisition of land by government	22,500,000	1.14
Government buildings and administrative infrastructure	5,000,000	0.25
Purchase of Office and ICT Equipment, including Software	1,000,000	0.05
Purchase of Office and Residential Furniture and Fittings	7,500,000	0.13
Construction of Piped Water Supply Systems (Urban)	1,594,550,000	80.87
Energy installation for pumped water supply schemes	25,000,000	1.27
Construction of Sanitation Facilities (Urban)	111,750,000	5.67
Administration and Management Support	139,825,000	7.09
Backup support for Operation and Maintenance	21,250,000	1.08
Improved sanitation services and hygiene	20,125,000	1.02
Monitoring, Supervision, Capacity building for Urban Authorities and Private Operators	23,125,000	1.17
Total	**1,971,625,000**	**100**

Source: IFMS

Physical performance

The overall physical performance of WSDF-N was rated good at 64.66% by end of Q2. Table 11.14 shows the level of achievement for the planned outputs.

Table 11.14: Physical performance of WSDF-N by December 2016

Planned outputs	Status	% Achievement
Computers, accessories and ICT equipment including software Supplied	Eleven desktop computers were procured and supplied to WSDF-N regional office. Procurement of eleven Uninterrupted Power Supply (UPS) was ongoing.	90
Community sensitizations done; and land agreements signed and paid for.	Land was acquired as follows: Kalongo: 900m^2 piece at 20 million for the 3rd water source. Dokolo: Land for the water kiosk was provided free of	100

	charge by the community. Pajule: 900m^2 piece at 5 million for the reservoir tank. 1,800m^2 at 5million for the water sources.	
One station wagon procured.	M/s Toyota Uganda Limited was awarded the contract to supply one station wagon at US $ 78,954. Delivery of the vehicle was expected in Q3.	50
Office furniture and fittings supplied.	The service was retendered because the bid attracted only one supplier whose quotation was too high.	0
Four towns connected to National Grid.	The towns of Kamdini, Pajule, Okollo, Amolatar, Adjumani were connected to the National grid	100
Two solar energy packages rehabilitated in two STs/RGCs.	Opit RGC solar package was rehabilitated	50
Defects Liability Period (DLP) for WSDF-N Office fencing works followed up.	The DLP was followed and successfully finalized. Preparation of the final report was ongoing.	90
Sanitation Facilities Constructed: Dokolo (Five household ecosan toilets, one public toilet and two primary school toilets completed). Amach and Pacego (Ten household Ecosan toilets, two public toilets and four primary school toilets completed). Namukora, Paloga, Palabek-ogir, Lagoro, Muchwini and Palabong (12 household ecosan toilets completed). Kalongo, Midigo, Pajule, Okollo, Amach and Pacego (42 household ecosan toilets, six public toilets and 12 primary school toilets completed).	Dokolo: Major works were complete for construction of the demonstration household Ecosan toilets pending plastering and finishes. The public toilet was plastered pending plumbing works and painting. School facilities: The girls block was at roofing level and the boys block sub structure complete. Amach: The WSS commenced in early December 2015. Identification of Ecosan beneficiaries, and the site for public toilet was ongoing. Pacego: The final design was completed and pending advertisement for construction. The works stalled due to delays in the design and design review processes and late release of Q2 donor funding. The works in Namukora, Paloga, Palabek-ogir, Lagoro, Muchwini and Palabong were undergoing design thus construction had not yet commenced. 19 household Ecosan constructed: 6 in Midigo, 7 in Okollo and 6 in Pajule. 02 public toilets constructed in Midigo and Okollo 06 primary school toilets completed in the towns of Okollo, Midigo and Pajule	50
Contractors procured for Pabbo,	All the towns were being designed which delayed	0

Loro, Bibia/Elegu, Odramacaku, Padibe water systems and extension of Wandi water supply system.	because of late drilling of production boreholes.	
Construction of eight piped water systems completed in Kalongo, Midigo, Pajule, Okollo Amolatar, Dokolo, Amach and Pacego.	Construction of seven schemes had reached varying levels as follows: Kalongo (87%), Midigo (100%), Pajule (100%), Okollo (92%), Amolatar (75%), Dokolo (80%), and Amach (5%). Pacego system had not yet commenced due to late release of Q2 donor funding.	67
Construction of piped water systems using solar energy in six former IDP camps (Paloga, Namukora, Palabek-Ogil, Lagoro, Muchwini, and Parabongo) completed.	The water systems in the towns were under designing.	0
Construction of Moyo town water supply on-going.	Moyo TC was under design review	0
37 WSDF-N facility staff remunerated, motivated, facilitated and their performance appraised.	This output was achieved as planned.	100
Four staff trainings conducted, and meetings held.	Two staff members attended trainings abroad. Planning and management meetings were held. One steering committee meeting was held too.	75
One stakeholders consultation meeting and review workshop in the towns of Moyo, Loro, Bibia/Elegu, Pabbo, Odramacaku, Padibe and in eight former IDP camps of Paloga, Namukora, Palabeck Ogil, Lagoro, Mucwini and Parabongo, Alero and Palenga conducted.	One stakeholder meeting was held to review the designs of Moyo TC.	7.14
Three HIV/AIDS trainings conducted in Lango, Acholi and West Nile sub regions	HIV/AIDS trainin was held in all sub-regions. Seven HIV/AIDS trainings were conducted in the towns of Opit, Pajule, Kalogo, Dokolo, Midigo, Patongo and Okollo	100
Seven Final inspections conducted	Final inspection conducted in Pajule, Opit, Patongo, Midigo, Dokolo water supply and sanitation systems in the respective towns.	100
Four monitoring and supervision in the town of Kalongo, Midigo Pajule and Okollo conducted.	Two quarterly monitoring and supervisions conducted, in each one of towns of Kalongo, Midigo Pajule and Okollo.	50
Six hand washing campaigns held, one in each of the towns of Pajule, Okollo, Kalongo, Midigo, Pacego, and Amach.	Four hand washing campaigns held in Pajule, Okollo, Kalongo and Midigo Organized and participated in the Global hand washing campaign in Kalongo town	75
30 drama performances in the towns	38 drama performances conducted; 15 in Kalongo and	100

of Pajule, Kalongo and Amach performed.	23 in the town of Pajule. Amach was expected to start late February.	
Three radio talk shows held in each town of Kalongo, Pajule and Amach.	Four radio talk shows and radio announcements achieved in the towns of Okollo, Midigo, Amolatar, Dokolo and four radio talks for Acholi sub-region under the Wottazela Water Project.	100
Eight O&M level II training conducted	Two level II trainings were carried out in Midigo and Midigo to the beneficiaries of the various sanitation facilities constructed. The towns of Dokolo, Pajule Amach will be handed over to NWSC therefore did not require training on O&M	62.5
Eight baseline surveys conducted in the towns of Pabbo, Loro, Bibia/Elegu, Odramacaku, Padibe, Amach, Pacego, Moyo and former IDP camps of Palenga, Alero and Palebek-Ogil.	One sanitation baseline study conducted in the town of Amach and 11 baselines conducted in the 11 former IDPs of Parabong, Apala, Abia, Olilim-Bar-Jobi, Namokora, Lagoro, Mucwini, Paloga, Palabek-Ogili and Palenga.	100
Eight hygiene & sanitation trainings, one in each of the towns of Pabbo, Loro, Bibia/Elegu, Odramacaku, Padibe, Amach, Pacego, Moyo and former IDP camps of Palenga, Alero and Palebek-Ogil conducted.	Six of sanitation trainings were conducted in Okollo, Pajule, Opit, Midigo, Kalongo and Patongo Organized the World Toilet day celebrations in Kalongo	75
Eleven O&M meetings held one in each town of Amach, Dokolo, Kalongo, Midigo, Pajule, Okollo, Pacego, Moyo, Mucwini, Paloga and Namukora	Six O&M meetings were held in Kalongo, Midigo and Okollo in the areas of formation of water Boards (2), Board training (2), Selection of the private operator (2) The towns of Dokolo, Pajule Amach will be handed over to NWSC therefore did not require training on O&M.	75

Source: WSDF-N Q2 Performance report; field findings

a) Construction of Okollo RGC Water Supply System

Okollo RGC is located in Okollo sub-county, Arua district. The system was designed to provide safe, adequate water supply and improved sanitation services to 3,886 persons at the start of operation. The design population is 7,731 persons and the design period is 20 years.

The contract for construction works was awarded to M/s ZIMU Construction Company Ltd at a sum of Ug shs 1,861,761,898. Construction started on 2nd February 2015 and the 1st end date was 2nd October 2015, however, due to delays, a three months extension was granted, hence the 2nd end date was 30th January 2016. The construction supervision consultant was M/s Bright Technical Services Ltd at a sum of Ug shs 457,975,700.

The scope of works involved: Construction of institutional, household and public toilets, pumping stations, water storage reservoirs, transmission and distribution pipe lines, office block, and chlorine house. Electromechanical works including supply and installation of submersible pumps and diesel generators.

Financial performance

By 30th December 2015, 71.63% of the contract sum including advance payment and three IPCs had been paid to the contractor. The details of payment are presented in Table 11.15.

Table 11.15: Payment schedule of Okollo RGC Water Supply System in Ug shs

Payment type	Amount Certified and paid	Date of Payment
Advance payment (Recovered under IPCs)	372,352,380	14th January 2015
Certificate 1	310,683,840	30th March 2015
Certificate 2	440,865,277	23rd June 2015
Certificate 3	209,816,489	10th September 2015
Total amount paid to the contractor	**1,333,717,986**	

Source: WSDF-N

Physical Performance

The overall physical progress achieved by end of Q2 was 92% and the contractor was on ground at the time of monitoring. Table 11.16 details the field findings.

Table 11.16: Physical performance of Okollo RGC Water Supply System

Planned Output	Field findings and remarks
Two pumping stations constructed to include pump/generator house, ecosan toilet, guard house fencing and landscaping works	The works at the two pump stations were as follows: **Vuu Pump Station**: The major works at the pump station were complete. These were: Guard house, pump house/generator room, ecosan toilet, and fencing. A generator of capacity 30kVA was supplied and installed. A pump of 10m^3/hr was also installed. Both the pump and generator were functional. **Panjoro Pump Station**: The pump house, guard house, ecosan toilet and fencing works were complete. The contractor had not yet supplied the pump for installation. *NB: A case of resource mismanagement was sited at panjoro pump station. The production borehole that was initially drilled was later found to be unsuitable for motorization because the borehole specifications such as yield, depth and casings were not as was reported by the drillers. Hence the pump that was procured by the contractor could not be installed and a new borehole had to be drilled.*
A water office block constructed, and office furniture supplied.	Works on the office block were complete. The office furniture had not yet been supplied.
A 200m^3 steel reservoir tank	The tank was supplied and installed. However, the tank had some leakage.

supplied and installed	
A chlorine dosing house constructed and a chlorine dosing equipment supplied	The chlorine dosing house was constructed and the major pending work was fixing of doors. The chlorine dosing equipment was yet to be supplied.
Laying of 7,200m of transmission pipeline in HDPE and uPVC pipes of assorted pipe sizes.	Laying of 5,700m of the transmission pipes was complete
Laying 9,550m of distribution pipes in HDPE of varying pipe sizes	Laying of 8,000m of the distribution pipe was complete.
A set of O&M tools supplied	The O&M tools were not yet supplied.
Two institutional ecosan toilets constructed	Two blocks of ecosan toilets were constructed at Okollo primary school, one for boys and another for girls. The PWD were specially considered in the toilet design as ramps, guard rails and sitting pans were provided. Minor finishes were ongoing. It was noted that the toilet floors were cracking.
One public water borne toilet constructed	A six stance water borne public toilet was constructed at Okollo market. The toilet had both male and female stances separately. It included stances for PWD. Pending works included installation of the sitting pan for disabled and screeding of the verandah.
Seven household ecosan toilets constructed.	Two household ecosans had been completed.
Two water kiosks constructed	Constructtion of the two water kiosks located in Okollo trading center and Vuu village were complete though taps had not yet been fitted.
200 yard taps installed.	182 service connections had been laid.

Source: WSDF-N; Field findings

L-R: Institutional Ecosan Toilet at Okollo P/S; Water Office; 200m^3 reservoir tank in Okollo town

Implementation challenges

- Unanticipated rocky terrain encountered during pipe route excavation interfered with the work timelines.

- Failure of the initial production well at Panjoro Pump Station yet the contractor had already procured the pump.
- Delayed implementation awaiting the drilling of a new borehole at Panjoro pump station.
- UNRA delayed to approve road crossing request for almost two months which interrupted the smooth progress of work.

Recommendations

- The MWE should conduct pipe route investigations prior to construction commencement and where rocks are discovered, mechanical equipment employed for excavation.
- Drilling contractors should be closely supervised and more borehole investigations should be conducted prior to construction.
- UNRA should provide road crossing ducts for utilities during implementation.

b) Construction of Pajule Town Water Supply and Sanitation Facilities

The water supply system and sanitation facilities were constructed in Pajule town, Pader district. M/s Sarick Construction Ltd was awarded the construction contract at a sum of Ug shs 3,544,952,743. The supervising consultant was Iliso Consulting (PTY) Ltd and the supervision sum was Ug shs 584,985,000. The construction commenced on 22nd January 2015 for a period of 10 months up to 22nd November 2015.

Scope of works involved: Construction of institutional, household and public toilets, pumping stations, water storage reservoirs, transmission and distribution pipe lines, office block, and chlorine house. Electromechanical works including supply and installation of submersible pumps and diesel generators.

Financial performance
By end of Q2, the contractor had been paid Ug shs 2,511,598,757 (70.85% of the contract sum).

Physical performance
The overall physical performance by 5th January 2016 was 90% and the system was functional. Table11.17 gives the detailed physical progress of the project.

Table 11.17: Overview of physical performance of WSDF-N

Planned Output	Field finding and remarks
A pump station with the following structures constructed. Two pump houses, a generator house, guard house with ecosan toilet attached	The pump station works were complete. All the structures were constructed. The pumps were installed and were functioning well powered by a new 60kVA generator and national grid. The station was fenced and land scaping was complete. The quality of works was commendable.
A reservoir tank installed	A 200m^3 reservoir tank was installed on a 12m high steel tower
Laying of transmission and distribution pipe	Laying of both the transmission and distribution pipe networks was

lines of assorted pipe types and sizes.	completed as planned.
Seven household ecosan demonstration toilets constructed	All the ecosan toilets were constructed.
A two stance water borne toilet constructed at the water office.	The water borne toilet was completed
A water office constructed	The works were completed. The quality of work was good.
Two institutional toilets constructed	Two toilets (one block for boys and the other for girls) were constructed at Pajule P/S. They were 5stances each with provisions for Persons With Disability (PWDs).
3-phase power extension to the pumping station	The 3-phase power supply was extended to the pump station
A water borne public toilet constructed	The toilet was not constructed because a suitable piece of land had not been acquired by the sub-county authority. Information for land acquisition was given late to the sub-county by WSDF-N.
A chlorine house constructed including supply and installation of the dosatrone equipment	The chlorine house was complete and the dosatrone equipment was installed. The equipment was functional
Four public water kiosks constructed	The water kiosks were constructed and functional.
Construction of 600 service connections	521 connections were made. Connections were continuing. The sub county chief who was the chairperson of the Water and Sanitation Coordination Committee reported the beneficiaries' satisfaction with the water considering reduced queues at boreholes.

Source: WSDF-N; Field findings

L-R: 60kVA generator in generator house and 50kVA transformer; 200m^3 steel reservoir tank; Chlorine dosing equipment in Pajule Town Board

L-R: Functional water kiosk; Water Office; PWD stance at Pajule P/S all in Pajule Town Board

Implementation challenges

- The land/site for construction of the water borne public toilet had not been acquired.
- Delays caused by the consultant who took too long to issue instructions to the contractor and approve variations.
- Low community involvement during community meetings for the project.

Recommendations

- All stakeholders should be involved in the process of land acquisition right from design stage and the WSDF-N should make early communication.
- The MWE should adopt the WSDF-N staff on the supervision of projects to avoid consultant delays.
- The sub-county and WSDF-N should continuously mobilise communities to participate in community project meetings.

Analysis

Link between financial and physical performance

There was a fair link between the financial and physical performance. By end of Q2, 51.95% of the approved budget was released of which 83.71% was spent, to realize 64.66% of planned outputs.

Achievement of set targets

The WSDF-N achieved 64.66% of planned outputs by 31st December 2015. A few targets were 100% achieved while others had substantially progressed. Okollo and Pajule schemes had attained 92% and 90% completion levels respectively against 100% planned target.

Conclusion

The half year performance of the WSDF-N was fair though the Q2 donor funds had not been released. By the end of Q2, the facility had received 51.95% of the approved budget. Land acquisition affected the smooth progress of works for Pajule scheme.

Recommendations

- The donors should promptly release funds to WSDF-N.

- The MWE should acquire land for project activities prior to beginning construction.

11.2.4 Water and Sanitation Development Facility-South Western (Project 1283)

Background

The WSDF-SW was established in December 2012 as a funding mechanism of the MWE, for water and sanitation investments in the RGCs and STs of 24 districts in south western part of Uganda. The expected completion date is December 2018.

The project was designed to achieve a significant contribution to the Millennium Development Goal target of halving the proportion of the population without sustainable access to safe drinking water and basic sanitation. The project objective is: "*to support the achievement of improved health and socio economic living conditions of the target population*"[47].

The long term expected outputs are:

- Infrastructure for safe piped water supply provided for 350,000 people (design population: 630,000), in line with national standards.
- Latrine coverage of 100% achieved in the targeted small towns and RGCs, with at least 80% of the latrines complying with the criteria for improved sanitation in at least 10 selected locations.
- An enabling environment for implementing the Integrated Sanitation and Hygiene (ISH) strategy created.
- At least one public toilet constructed in each town/RGC.
- 5 pilot sludge treatment /disposal facilities constructed.
- Sustainable and efficient functionality of water and sanitation infrastructure ensured by appropriate arrangements for operation and maintenance and cost recovery for O&M.

Planned outputs by end of Q2 are:

- Staff salaries paid; office coordination and running enhanced; two staff trainings conducted; Two M&E progress reports compiled; and one steering committee meeting held.
- Back up support on O&M provided to Kasensero and Kinoni-Kiruhura towns.
- Private operators procured for completed schemes of Kasensero, Kinoni-Kir, Gasiiza, Muhanga, Nyarubungo, Nyeihanga, Bugongi and Rwenkobwa.
- Transfer of Muhanga, Gasiiza, Nyeihanga, Nyarubungo and Bugongi schemes to NWSC completed.

[47] MFPED, PIP FY 2015/16 – 2017/18

- Test running of completed schemes in Kasensero, Kinoni-Kir, Gasiiza, Muhanga, Nyarubungo, Nyeihanga, Bugongi and Rwenkobwa undertaken.
- At least six applications for smart incentives from RGCs/STs of Butare-Mashonga, and Nyahuka received.
- At least 25 masons trained in various technology options for improved toilets in Nyahuka, Kashaka-Bubare, Kiko and Nsiika.
- Six community level trainings on sanitation issues undertaken through drama shows, workshops, sanitation surveys and house to house visits in Sanga, Buyamba, Kainja, Butare-Mashonga, Nsika, Kashaka-Bubare and Kiko.
- 100% basic sanitation coverage in Sanga and Nyeihanga towns ensured through follow ups.
- The processes of acquiring land started.
- Construction of WSDF-SW Regional Office block in Mbarara to run office activities continued.
- Four motor cycles for O&M procured for completed schemes for Sanga, Buyamba, Kainja, and Butare-Mashonga.
- Office ICT equipment for WSDF-SW offices procured.
- Information Communication and Technology (ICT) equipment for water supply authorities and private operators procured for 4 RGCs/STs of Sanga, Buyamba, Kainja, Butare-Mashonga
- The procurement process for Cesspool Emptier and the contractor for faecal sludge management commenced.
- The procurement process for purchase of office furniture and fittings for WSDF-SW regional Office started.
- Furniture purchased 4 RGCs/STs of Sanga, Buyamba, Kainja, Butare-Mashonga
- Design review of 2 RGCs Lwemiyaga and Kyabi completed
- 08 designs approved by DRC: Kambuga, Kibugu, Kihihi, Nsiika, Kashaka-Bubare, Katooke, Kyenjojo, and Butunduzi.
- Communities in 6 RGCs of Butunduzi, Katooke, Kanara, Kibuuku, Kijura, Kyenjojo TC mobilised to fulfill their obligations and apply for construction
- Construction works started in one RGCs of Nsika TC
- Construction works in 05 STs/RGCs of Sanga, Nyahuka, Kaliro, Kasagama and Kinuka continued.
- Construction completed in 04 RGCs of Sanga, Buyamba, Kainja, Butare-Mashonga, Nyeihanga
- Procurement processes to secure contractors for 06 STs/RGCs of Kainja, Kashaka-Bubare, Nsiika, Buyamba, Kiiko and Kambuga commenced.
- National Grid for Buyamba, Butare-Mashonga installed.
- Extension of national grid power to Rugagga and Nyeihanga completed.
- 04 Public Sanitation facilities constructed in Sanga, Buyamba, Kainja, Butare-Mashonga
- 15 HH demonstration toilets commenced; 05 in each of the towns of Kaliro, Kasagama and Kinuka.
- 05 Demonstration toilets constructed in Butare-Mashonga
- 08 public water borne toilets completed: Nyeihanga TB, Kabuga, Kahunge TC, Lyantonde, Bugongi TC, Sanga TC, Nyahuka and Gasiiza.

Findings

Financial Performance

The financial performance of WSDF-SW by half year is illustrated in Table 11.18.

Table 11.18: Financial Performance of WSDF-SW in billion Ug shs

	Approved budget	Cumulative release	Cumulative expenditure
GoU	3.65	2.72	2.72
Donor	18.56	11.29	10.41
Total	**22.21**	**14.01 (63.08%)**	**13.13 (93.72%)**

Source: IFMS; Q2 WSDF-SW performance report

Physical Performance

The overall physical performance of WSDF-SW by end of Q2 was 52.65% which is rated as fair. Several planned outputs were not achieved as planned. Table 11.19 provides the detailed achievements per output.

Table 11.19: Physical performance of WSDF-SW by 31st December 2015

Planned outputs	Status/Remark	% Achieved
Staff salaries paid; office coordination and running enhanced; two staff trainings conducted; Two M&E progress reports compiled; and one steering committee meeting held.	All staff salaries were fully paid up to the end of December 2015; Three monthly staff coordination meetings were held; staff trainings were conducted on QGIS and RBM; Two M&E quarterly reports were compiled and the steering committee meeting was not held due to late release of funds.	80
Back up support on O&M provided to Kasensero and Kinoni-Kiruhura towns.	O&M support supervision were carried-out in four STs/RGCs: Ntuusi, Rwenkobwa, Kasensero and Kinoni (Kiruhura). The WSSBs and water operators were guided on O&M of the facilities. A drama show was staged in each town of Kasensero, and Kinoni (Kiruhura) by Kigezi-Kinimba group on O&M of water and sanitation facilities.	100
Private operators procured for completed schemes of Kasensero, Kinoni-Kir, Gasiiza, Muhanga, Nyarubungo, Nyeihanga, Bugongi and Rwenkobwa.	Five towns transferred to NWSC for management: Muhanga, Nyarubungo, Bugongi, Nyeihanga & Gasiiza.	62.5
Test running of completed schemes in Kasensero, Kinoni-Kir, Gasiiza, Muhanga, Nyarubungo, Nyeihanga, Bugongi and Rwenkobwa undertaken.	Test-running successfully completed for 02 towns: Kasensero & Kinoni (Kiruhura). Test running still ongoing in the Gasiiza, Nyarubungo, Bugongi and Nyeihanga	25

At least six applications for smart incentives from RGCs/STs of Butare-Mashonga, and Nyahuka received.	Follow up was made in all towns however delays by the communities to fulfill their obligations affected timely application for sanitation related smart incentives.	0
At least 25 masons trained in various technology options for improved toilets in Nyahuka, Kashaka-Bubare, Kiko and Nsiika.	12 masons were being trained.	48
Six community level trainings on sanitation issues undertaken through drama shows, workshops, sanitation surveys and house to house visits in Sanga, Buyamba, Kainja, Butare-Mashonga, Nsika, Kashaka-Bubare and Kiko.	Two drama shows, one for each town, were staged in Kasensero, and Kinoni (Kiruhura) by Kigezi-Kinimba group on O&M of water and sanitation facilities.	33
The processes of acquiring land for pilot sludge treatment and disposal facilities in Ibanda and Rakai started.	Land was acquired for the two faecal sludge treatment plants in Ishongororo (Ibanda) and Kasaali (Kyotera). However, Funds had not been secured to effect the payment.	100
Construction of WSDF-SW Regional Office block in Mbarara continued.	The first phase had reached 75% completion level. Also, a contract was awarded for the 2nd phase.	75
Four motor cycles for O&M procured for completed schemes for Kahunge, Kabuga, Rugagga and Mateete.	The contract was awarded to supply four motorcycles for Kahunge, Kabuga, Rugagga & Mateete. However, there was delay on the side of the supplier to deliver the motorcycles to the towns.	50
The procurement process to secure service provider for WSDF-SW office block ICT equipment commenced.	The WSDF-SW office internet had been reconnected but was unstable.	0
ICT equipment for water supply authorities and private operators procured for four RGCs/STs of Sanga, Buyamba, Kainja, Butare-Mashonga	The ICT equipment for the towns was not procured.	0
The procurement process for purchase of two cesspool emptiers, and procurement of a contractor for faecal sludge management commenced.	The procurement processes was completed. This item was embedded in the main contracts that have been awarded for construction of two faecal sludge treatment plants: Kasaali (in Rakai district) and Inshongororo (in Ibanda district).	100
The procurement process for purchase of office furniture and fittings for WSDF-SW regional Office started.	Furniture was purchased and delivered for WSDF-SW.	100
Furniture purchased four RGCs/STs of Sanga, Buyamba, Kainja, Butare-Mashonga	Furniture was not procured as the schemes were still under construction	0
Design review of two RGCs Lwemiyaga and Kyabi completed	The design review of Lwemiyaga and Kyabi was not completed.	0

Eight designs approved by DRC: Kambuga, Kibugu, Kihihi, Nsiika, Kashaka-Bubare, Katooke, Kyenjojo, and Butunduzi.	Three designs were approved by the DRC: Kambuga, Nsiika and Kashaka-Bubaare. Five design reviews were ongoing: Kibugu, Kihihi, Katooke, Kyenjojo and Butunduzi.	37
Communities in six RGCs of Butunduzi, Katooke, Kanara, Kibuuku, Kijura, Kyenjojo TC mobilised to fulfill their obligations and apply for construction	Three applications for construction were received: Nsiika, Karago & Kashaka-Bubaare.	50
Construction works in five STs/RGCs of Sanga, Nyahuka, Kaliro, Kasagama and Kinuka continued.	Construction works reached difference levels: Sanga (56.2%), Nyahuka (32%), Kasagama (20%), Kinuka (30%), and Kaliiro (15%).	100
Construction of water systems completed in four RGCs of Buyamba, Kainja, Butare-Mashonga, Nyeihanga	Construction was completed in Nyeihanga town board. Kainja contract was awarded in December 2015 while Butare-Mashonga had not commenced	25
Procurement processes to secure contractors for six STs/RGCs of Kainja, Kashaka-Bubare, Nsiika, Buyamba, Kiiko and Kambuga commenced.	Contracts have been awarded for the following towns: Buyamba, Nsiika, Kiiko, Kainja, Kambuga and Kashaka-Bubaare.	100
Complete extension of national grid power to Rugagga and Nyeihanga.	Power extensions completed in Ntuusi and Nyeihanga. Extensions in Rugagga was at 95%	100
15 household demonstration toilets commenced: Five in each of the towns of Kaliro, Kasagama and Kinuka.	Construction of HH Ecosan toilets for demonstration purpose had reached slab level for Nsiika, Kiko and Kashaka-Bubaare. *There was variance in planned towns and reported towns*	0
Eight public water borne toilets completed: Nyeihanga town board, Kabuga, Kahunge town council, Lyantonde, Bugongi town council, Sanga town council, Nyahuka and Gasiiza.	Eight public water-borne toilets were completed in Kinoni (Mbarara), Kinoni (Kiruhura), Kyempene, Muhanga, Ntuusi, Rutookye, Nyeihanga and Kikagate. Seven public water borne toilets were at different completion levels in the following towns: Kabuga (70%), Kahunge TC (70%), Lyantonde (70%), Bugongi TC (85%), Sanga TC (70%), Nyahuka (80%), Gasiiza (80%)	78.12

Source: WSDF-SW Q2 Performance Report

Field findings

Nyeihanga Town Water Supply and Sanitation Scheme, and construction of Sanga Town Council Piped Water Supply and Sanitation Scheme were monitored.

a) Construction of Nyeihanga Town Water Supply and Sanitation Scheme

Nyeihanga Water Supply and Sanitation Scheme is located in Nyeihanga RGC, Ndeiga sub-county, Mbarara district. The source of water is Nyakaikara protected spring of 5.2l/s, which was initially protected by the DLG but was further developed by WSDF-SW under this new contract.

M/s Sarick Construction Ltd was awarded the contract for civil works at a sum of Ug shs 2,351,479,124 (VAT inclusive). The contract sum was revised to Ug shs 2,871,955,290 (VAT inclusive) owing to additional works which included construction of a guard house with an ecosan toilet, a sedimentation tank, extra distribution and service pipelines, and a 3-phase power extension to Kanekye booster station.

The initial contract started on 5th September 2014 with an end date of 5th March 2015 but this was extended to 24th November 2015 due to the variations made.

The scope of works involved: Source protection and construction of associated structures; supply, laying and backfilling of transmission and distribution mains; installation of the water storage reservoir; water kiosks; consumer service connections; electromechanical works; and a water borne public toilet.

Financial performance

The payments to the contractor were as shown in table 11.20. The contractor had received 82.64% of the contract sum by 31st December, 2015.

Table 11.20: Financial Performance of Nyeihanga Town Water Supply and Sanitation Scheme (Ug shs)

Payment Type	Amounts Certified	Date of Payment
Advance Payment (recovered under certificates)	597,833,676	22nd September 2014
Certificate 1	713,511,803	23rd December 2014
Certificate 2	595,794,331	12 March 2015
Certificate 3	651,545,438	5th August 2015
Certificate 4	154,522,171	20th August 2015
Certificate 5	318,485,317	24th December 2015
Total amount paid to date	**2,373,636,469 VAT inclusive**	

Source: WSDF-SW

Physical performance

The Nyeihanga Water Supply and Sanitation Scheme was 100% complete by 21st January 2016, and at the time of monitoring had been handed over to NWSC for operation and maintenance. The status of the different project components were as follows:

Source works: The works at the source (Nyakikara protected spring of 5.2l/s) were complete. Other structures complete were a sedimentation tank, $60m^3$ collection tank, a pump house with a generator room, guard house with ecosan toilet and fencing.

Pumping was by a 38kVA generator as the national grid power was not yet extended to the source. The power extension was to be done under a separate contract. However, on 21st January 2016, the generator was not working because the battery was said to be nonfunctional.

Booster pumping station: The works at the station in Nshungyezi village, Kashozi sub-county, Sheema district were complete. The station is to pump water to the tank on kashozi hill which is on a higher elevation than the main reservoir tank. Thus two multistage surface mounted pumps were installed. The works were of good quality.

Transmission mains: 7,000m was laid as planned.

Distribution mains: 55km was laid against the 44.38km planned length.

Reservoir tanks: Two reservoir tanks were installed. i) A $120m^3$ steel tank on steel towers at Rwampara Farm Institute, and ii) A $24m^3$ plastic tank on Kashozi hill. It was noted that the plastic tank was leaking at the washout joint and the concrete base on which the tank was seated was cracked.

Kiosks: 15 pubic kiosks were planned and all were constructed. The kiosks were functional.

Consumer service connections: 200 connections were planned and all were made. There was an overwhelming demand for connections hence an additional 200 had been planned on a separate contract yet to be awarded.

Public toilet: A seven stance public toilet with 3-stances for female, 3-stances for males, a urinal, and a storage room was constructed in Nyeihanga town. The toilet was not yet in use pending recruitment of an operator by the sub-county authority. However the meter for power had been vandalized.



L-R: A pump house with a generator room at the source; Multistage surface pumps; $200m^3$ steel reservoir tank in Kashozi sub-county

L-R: Functional public kiosk in Nyeihanga town; Cracked concrete tank base in Kashozi sub-county; leaking joint on the Kashozi tank

Implementation challenges

- Land disputes at the source stalled works and contributed to general delays in implementation.
- Delayed payment of contractors' certificate due to late release of funds to WSDF-SW.
- Non-reimbursement of VAT advance by the contractor, affected his cash flow hence slow progress in works.

Recommendations

- The MoFPED/donors should release project funds in time to ease progress of works.
- The MWE should acquire all required land for the project prior to implementation.

b) Construction of Sanga Town Council Piped Water Supply and Sanitation Scheme

The water supply scheme is located in Sanga Town Council, Kiruhura district along Mbarara-Masaka highway. The construction contract was awarded to M/s Hydrocon (U) Ltd at a sum of Ug shs 2,335,255,163 (VAT inclusive). The initial contract started on 20th March 2015 with an end date of 20th September 2015. This was first extended to 20th December 2015 and later to 20th March 2016. The extensions were due to delayed payment of VAT and the contractor's certificates; and the contractor abandoning works. The supervisor was an individual consultant (Mr. Tugume Moses) contracted at a sum of Ug shs 36,180,000.

The scope of works involved: construction of pump/generator house, transmission and distribution mains, reservoir tank, office block, guard house/ecosan toilet, water kiosks and electromechanical works.

Financial performance

By 31st December 2015, two certificates were paid amounting to Ug shs 573,556965 (24.56% of the contract sum).

Physical performance

The physical progress of Sanga Water Supply was 62.6% by the end of Q2. By 21st January, the level of achievement of the scheme components was as follows:

Pumping station: One pump station was constructed in Sanga Town Council with a generator room, guard house/ecosan toilet. Pending works were finishes on the structures, supply and installation of submersible pumps, a generator, and the 3-phase power extension.
Laying 7,520m of transmission mains: 7,370m (98%) of the planned length was laid. Pending works included construction of valve chambers and pressure testing.
Laying 10,525m of distribution mains: 6,315 (60%) of the planned length was laid.
Construction of 120m^3 concrete and 30m^3 steel tanks: The tank construction had not commenced.
Water office block: The office block was at wallplate level. The contractor had temporarily stopped works demanding VAT reimbursement.
Public water Kiosks: The water kiosks were at 70% level of completion.

Abandoned water office in Sanga Town Council

Implementation challenges

- The contractor abandoned works due to nonpayment of VAT.
- There were delays in release of funds which affected payment of the contractors' certificates.

Recommendation

- Both GoU and donor funds for project implementation should be released timely.

Analysis

Link between financial and physical performance
There was a weak link between financial and physical performance. By Q2, 63.08% of the annual budget was released of which 93.72% was spent, yet 52.65% of the planned outputs were achieved.

Achievement of set targets
The achievement of set targets by the WSDF-SW was varied. Out of the 24 planned half year outputs, seven were fully achieved while six were not achieved at all. The other outputs were ranging below average. The planned completion of Nyeihanga was attained whereas Sanga was 62.6% achieved against its completion target.

Conclusion
The half year performance of WSDF-SW was fair at 52.65%. Seven planned outputs were 100% achieved and six outputs were totally not achieved. Non achievement of these targets was partly due to unavailability of funds for the specific outputs. The lagging outputs were affected by challenges in land acquisition and late payment of VAT to the contractor.

Recommendations

- The MWE should acquire land for project implementation prior to construction.
- The MFPED should release VAT funds for projects on a timely basis.

11.2.5 Protection of Lake Victoria-Kampala Sanitation Program (Project 1188)

Background

The protection of Lake Victoria is part of a broader Kampala Sanitation Program which is being implemented by National Water and Sewerage Corporation (NWSC) in a phased approach. The current Phase I entails construction of three decentralized satellite sewage treatment plants with associated sewer networks located as follows:

1. Nakivubo wetland to serve the central business district of Kampala.
2. Kinawataka wetland to serve the eastern parts of Kampala particularly Nakawa industrial area, Naguru, Kyambogo and neighboring areas.
3. Lubigi wetland to serve the north and north western parts of the greater Kampala namely Mulago, Katanga, parts of Makerere and Kawempe, Nansana, Namungona Bwaise among others.

The project start date was 31st March 2010 and end date is 30th June, 2018.

The project objectives are:

- To provide improved urban hygiene, sanitation as well as protection of Kampala's natural environment through expansion of sewer network coverage within the metropolitan Kampala.
- To provide improved management of sludge from onsite sanitation facilities.
- To provide hygiene education in informal settlements within Kampala.

Planned outputs by end of Q2 FY 2015/16

- Nakivubo and Kinawataka sewers
    - Pipes laid up to 80% cumulative progress.
- Nakivubo Waste Water Treatment Plant Project.
    - Construction of civil structures i.e. administration building/laboratory, clarifiers, trickling filters and digesters progressed to 80% cumulative progress.
- Kinawataka pre-treatment and pumping system
    - Construction of pre-treatment and pumping station progressed to 50% cumulative progress.

Findings

Financial performance

The total cost of financing the Kampala Sanitation Program is estimated at Euros 99.53million. The project is co-funded by EU grant (Euros 7 million), KfW grant (Euros 16million), AfDB Loan (Euros 38 million), GoU contribution (Euros 36million) and NWSC contribution (Euros 2.53million)

In FY 2015/16, the approved project budget was Ug shs 42.86billion of which Ug shs 31.16billion (72.70%) was released and spent. The expenditure and release performance were excellent. All the funds were spent on the output component of construction of sanitation facilities (urban).

Physical performance

The overall physical performance of the project was 31.79% which was below average. The major drawback was construction of the Kinawataka pre-treatment and pumping system which was not achieved due to late procurement of works (table 11.21).

Table 11.21: Physical performance of Protection of Lake Victoria-Kampala Sanitation Programme

Planned output by end of Q2	Status/ Remarks	% Achieved
80% cumulative progress of Nakivubo and Kinawataka sewer pipes laid	Progress was at 34.31% completion. There were delays caused by lengthy KCCA inspection procedures and land acquisition/compensation challenges.	42.89
80% cumulative progress attained for the construction of administration building/laboratory, heavy structures including clarifiers, trickling filters and digesters.	The overall progress of works was at 42%. There were delays of works caused by relocation of original construction site in FY 2012/2013.	52.50
50% cumulative progress achieved on the construction of Kinawataka pre-treatment plant and pumping station	This output was not achieved as planned. The works were tendered through open public bidding in November/ December 2015. Six offers were received and bid evaluation was ongoing. Delays in procurement of the works was due to a failed attempt to establish an addendum on the WWTP contract owing to a high quotation.	0

Source: OBT Performance Contract FY 2015/16; NWSC

The Nakivubo WWTP and Nakivubo and Kinawataka sewers were monitored.

Field findings

a) The Nakivubo Waste Water Treatment Plant

The Nakivubo Waste Water Treatment Plant is located in Bugolobi, Kampala Central. The project was designed to allow for expansion of the existing sewerage treatment system in Bugolobi which is currently overwhelmed by the sewage load.

A consortium of contractors M/s OTV (France), M/s Roko and M/s Cementers were awarded the contract to undertake the civil works at a sum of Euros 48,552,114.19. The contract sum was revised to Euros 52,626,354.94 resulting from site relocation and construction of pile foundations. The construction works commenced on 1st January 2012 and expected to end on 19th April 2016. However, the contractors had requested 15 months extension up to 19th July 2017. The request was pending approval by NWSC.

The design and construction supervision consultants were M/s GK W Consult (Germany) and M/s PEC Kampala, contracted at a sum of Euros 4,999,956.50 for both Kinawataka sewers and Nakivubo waste water treatment plant.

The scope of works involved: Construction of the Nakivubo Waste Water Treatment Plant consisting of site development works; intake structure and channel; inlet pumping station low level ND800; inlet pumping station; screening building including odour treatment; aerated grit and grease chamber with odour treatment; primary sedimentation; trickling filters; trickling filter pumping station; secondary sedimentation tanks; phosphorous removal unit and chemical building; chlorination station, chlorination channel and effluent measurement chamber; excess sludge priming pumping station (2 units);

Sludge thickening and dewatering with odour treatment; autotrophic odour removal for sludge thickening; sludge digesters (2 units); biogas holding tanks; biogas flare; power house; sludge storage tanks (2units) with odour treatment; administration and canteen; ablusion building; new central laboratrory; workshop and store; process water pumping station; covered sludge storage area; process water system; portable water system; waste water pipelines; sludge pipelines; biogas pipelines; and electromechanical equipment and SCADA works.

Financial Performance

By 31st December 2015, the cumulative payment to the contractors was Euros 25,075,494.65 (47.65%) of the contract sum.

Physical Performance

The physical progress of the Nakivubo Waste Water Treatment Plant was 42% (table 11.22) by 31st December 2015.

Table 11.22: Physical performance of Nakivubo Waste Water Treatment Plant

BoQ Items	Weighted overall percentage
General items	6.18
Site Development Works	1.51
Nakivubo channel intake structure and channel	0.08
Inlet pumping station low level ND800	0.64
Inlet pumping station	0.87

Screening building including odour treatment	1.03
Aerated grit and grease chamber with odour treatment	0.89
Primary sedimentation	0.83
Trickling filters	4.15
Trickling filter pumping station	0.53
Secondary sedimentation tanks	1.76
Phosphorous removal unit and chemical building	0.30
Chlorination station, Chlorination channel and effluent measurement chamber	0.00
Excess sludge priming pumping station (2 units)	0.00
Sludge thickening and dewatering with odour treatment	1.60
Autotrophic odour removal for sludge thickening	0.02
Sludge digesters (2 units)	1.46
Biogas holding tanks	0.65
Biogas flare	0.01
Power house	0.08
Sludge storage tanks (2units) with odour treatment	0.32
Administration and canteen	0.59
Ablution building	0.13
New central laboratory	0.31
Workshop and store	0.13
Process water pumping station	0.08
Covered sludge storage area	0.04
Process water system	0.01
Portable water system	0.02
Waste water pipelines	0.10
Sludge pipelines	0.00
Biogas pipelines	0.00
Electromechanical equipment and SCADA works.	1.36
Vehicles	0.27
Testing	0.00
Day works	0.01
Piling works	7.31
Demolition works at Bugolobi	2.97
Contingencies	0.14
Works at Nakivubo	6.00
Total	42.40

Source: NWSC, field findings

Status of Key Structural Components

- Intake Structures: Excavation of pile foundation works were in progress.
- Pre-treatment structures: Concrete columns for the wall structures were in progress
- Sedimentation tanks (4 no.): The pile foundations were cast.
- Trickling filters (4 no.): Filter 1 - The concrete wall was cast; Filter 2 - casting of the concrete wall was in progress; and Filters 3&4 were at foundation level. Laying of filter media inside Filter 1 had commenced.
- The reinforcement bars for the trickling filter pumping station wall was in progress.
- Mechanical workshop: superstructure was complete.
- Administration building and laboratory: Superstructures were complete.



L-R: Pile foundation excavation for inlet pumping station; Columns for the pretreatment structure/chemical house; and Reinforcement bars for the trickling filter pumping station walls at Bugolobi, Kampala district



L-R: Sedimentation tank base; Trickling filter; Sedimentation tank pile foundations at Bugolobi, Kampala district

Implementation challenges

- Delayed implementation of works by the contractors, for instance piling had taken 12 months instead of the planned six.
- Relocation of unknown utilities such as buried high voltage cables discovered on site took long due to late response by UMEME.
- Delays in customs clearance processes for imported cement, steel and electromechanical equipment.

Recommendations

- The consultant and client should caution the contractor to expedite works.
- Construction implementers should promptly liaise with utility providers to identify utility lines on construction sites. Additionally utility providers should improve documentation of existing utility lines for easy identification.
- The Uganda Revenue Authority (URA) should provide tax clearances on time to avoid delays.

b) Nakivubo and Kinawataka Sewer System

The Nakivubo and Kinawataka sewers pipelines are located within central Kampala. A contract was awarded to M/s JV Sogea-Satom and Dott Services Ltd to undertake rehabilitation and extension of the existing sewerage system within the Nakivubo catchment area, and construction of a new sewerage network in Kinawataka area.

The initial contract sum was Euro 25,197,140.77, which was revised to Euro 31,487,919.50 because of addendum 1 works (Kinawataka Pre-Treatment Plant Sewers). The design and construction supervision consultants were GK W Consult (Germany) and PEC Kampala at a sum of Euros 4,999,956.50 for both Kinawataka sewers and Nakivubo waste water treatment plant.

The works commenced on 22nd January, 2014 and were supposed to be completed by 23rd July, 2015. However, the end date was revised to 23rd, July 2016 because of additional works of Addendum 1 (Laying of Kinawataka Pre-Treatment Plant Sewers).

Financial Performance

By the end of Q2, works payments certified and approved for payment to the contractor were worth Euros 10,450,060.01 (less advance payment). However, the contractor had been paid Euros 5,301,173.39 (50.72% of the certified amount). The outstanding payment was Euros 5,148,886.62 (49.27%) due to delay in processing of payments by MWE.

Physical Performance

The overall physical progress for the Nakivubo and Kinawataka sewers was 34.31% by the end of Q2. The field findings were as follows:

- Kinawataka Sewer System: Total length to be laid was 12,654m of which 5,713m (45.15%) had been laid. Out of 204 manholes to be constructed 107 (52.45%) were comleted.
- Kinawataka pre-treatment plant sewers: Total length to be laid was 5580m of which 592m (10.61%) had been laid. Out of 36 manholes to be constructed 8 (22.22%) were completed.
- Nakivubo sewer system: Total length to be laid was 11,882m of which 4,028m (33.90%) had been laid. Out of 197 manholes to be constructed 72 (36.55%) were completed.

Implementation challenges

- Delayed implementations due to requirements by KCCA to carry out sewer line inspections yet their staff were not readily available.
- There were difficulties in land acquisition for example some parts of the road reserves where pipes would have been laid are claimed by private persons. Additionally land owners were asking for huge sums of compensation money as opposed to the values provided by the Chief Government Valuer (CGV).
- Late approval of compensation amounts by the CGV delayed implementation.

Recommendations

- KCCA should get the technical staff to inspect the pipes.
- The Ministry of Lands, Housing and Urban Development should streamline compensation amounts and communities continuously be sensitized on the use of road reserves.
- The CGV should set timelines upon which land valuations should be done.

Analysis

Link between financial and physical performance
There was a poor link between the financial and physical performance as 72.70% of funds were released and spent by half year yet only 31.79% of physical performance was achieved.

Achievement of set targets
The project didnot achieve set targets. The Nakivubo and Kinawataka sewers were planned for 80% physical progress but only 34.31% was achieved; Nakivubo Waste Water Treatment Plant planned for 80% physical progress butonly achieved 42%.

Conclusion
The project performance was below average in terms of achieving planned outputs. The physical progress was not commensurate to the funds spent. There were however challenges of delayed inspection by KCCA, and land acquisition which largely affected achievement of the targets.

Recommendations

- KCCA should temporarily assign staff to the project for the pipe inspections.
- The Ministry of Lands, Housing and Urban Development should streamline compensation rates and communities continuously be sensitized on the use of road reserves.

11.2.6 Lake Victoria Water and Sanitation (LVWATSAN) Program Phase II (Project 1192)

Background
The LVWATSAN program phase II is being implemented in 15 towns within Uganda, Kenya, Tanzania, Burundi and Rwanda. In Uganda, the Implementing Agency (IA) is the Ministry of Water and Environment (MWE) through the Directorate of Water Development (DWD) and the beneficiary towns are: Mayuge, Buwama, Kayabwe, Bukakata and Ntungamo Municipality.

The program aims at the promotion of regional cooperation, partnership-building, institutional and capacity enhancement, and a sense of joint ownership of the resources of the Lake Victoria basin, through management of the lake basin as a public good in the East African Community (EAC).

The overall program objective is *to contribute to the reduction of pollution flowing into Lake Victoria through an improvement in sustainable water supply and sanitation infrastructure in the 15 secondary towns in the Lake basin.*

The program comprises of the following components: i) Development of sustainable water supply systems; ii) Provision of hygiene and sanitation facilities and equipment including solid waste and faecal sludge management systems and social marketing; iii) Storm water drainage improvements iv) Capacity building of the town local authorities and service providers; and v) Program management. The implementation period is from 1st July 2011 to 30th June 2018.

The project is expected to achieve the following outputs over the long term:

- Five detailed designs for project towns produced.
- Eight boreholes drilled.
- Five water supply schemes built in Ntungamo, Buwama, Kayabwe, Bukakata and Mayuge towns.
- 25 public toilets and five sludge treatment works constructed in all towns.
- Storm water drains constructed on existing highways within the towns.
- Hygiene and sanitation behaviors improved.

Planned outputs by end of Q2 FY 2015/16

- Six site meetings with local government contractors and consultants held.
- Two workshops on the establishment of O&M structures held.
- Two national coordination meetings held.
- One regional coordination meeting held.
- Six sanitation and hygiene community trainings conducted.
- Two capacity building workshops for urban authorities and private operators held.
- Defects liability for Mayuge Town Water Supply monitored.

- Ntungamo Water Supply constructed up to 80%.
- Buwama/Kayabwe Towns Water Supply constructed up to 70%
- Bukakata Town Water Supply constructed up to 30%
- Buwama/Kayabwe sanitation facilities constructed up to 80%
- Bukakata town public and institutional sanitation facilities constructed up to 30%

Findings

Financial Performance
The total program cost in Uganda is Unit of Accounts (UA) 12.91 million (19.09 million US$). Co-financed by the AfDB contributing UA 11.13 million (16.46million US$) – 86.2%; and GoU contributing UA1.78million (2.63 million US$) - 13.8%. By 31st December 2015, overall contributions from AfDB stood at UA9.06 million (81.3%) and GoU stood at UA1.642 million (92.2%) since start of the program.

In FY 2015/16, the project approved budget was Ug shs 27.95 billion. Ug shs 13.45 billion (48.12%) was released and Ug shs 12.72 billion (94.57% of the release) was spent by end of Q2. The release and expenditure performances were excellent. The GoU and donor portions are presented in table 11.28.

Table 11.28: Financial performance of LVWATSAN

	Approved Budget	Cumulative Release	Cumulative Expenditure
GoU	4.35	1.55	0.82
Donor (AfDB)	23.6	11.9	11.9
Total	**27.95**	**13.45**	**12.72**

Source: IFMS; LVWATSAN Quarterly progress report October – December 2015

The GoU expenditure performance was allocated as follows: Construction of Piped Water Supply Systems (87%); Monitoring, Supervision, Capacity building for Urban Authorities and Private Operators (6%); Administration and management Support (4%); Improved Sanitation Services and Hygiene (2%); and Construction of Sanitation Facilities (1%). The expenditure performance was excellent as the biggest portion was spent on infrastructure development of piped systems.

Physical Performance

a) Past performance

In FY 2014/15, the overall project performance was excellent as 90% of planned outputs were achieved while 99.93% of funds received were absorbed. The key project achievements were:

1. The Buwama-Kayabwe Water Supply and Sanitation System had attained 70% physical progress.

2. The Ntungamo Municipality Water Supply and Sanitation System was at 94% physical progress.
3. Works on the Ntungamo feacal sludge treatment plant and solid waste disposal site had just commenced (10% physical progress).
4. The Mayuge Town Water Supply System was at 100% physical progress.
5. Construction of public and institutional toilets in Mayuge and Ntungamo were 100% complete while those in Buwama/Kayabwe and Bukakata were at 8.4% physical progress.

b) Current performance

By end of Q2, LVWATSAN project had registered excellent performance by attaining an overall average of 93% of the planned midyear outputs. The achievements of individual outputs are detailed in Table 11.29.

Table 11.29: Overall physical performance of LVWATSAN

Planned outputs by end of Q2	Status	% Achieved
Six site meetings with local government contractors and consultants held.	Five site meetings were held in the period. The sixth site meeting was deferred and held in January 2016.	83.33
Two workshops on the establishment of O&M structures held.	The two workshops were held in Buwama.	100
Two national coordination meetings held.	One national coordination meeting was held in Buwama. The second coordination meeting was deferred and held in February 2016.	50
One regional coordination meeting held.	One regional coordination meeting was held in Kigali.	100
Six sanitation and hygiene community trainings conducted.	Five Sanitation and hygiene trainings held in Bukakata, Buwama/Kayabwe and in Ntungamo.	83.33
Two capacity building workshops for urban authorities and private operators held.	Two capacity building workshop held in Bukakata and Buwama.	100
Defects liability for Mayuge Town Water Supply monitored.	Defects liability monitoring for Mayuge Town Water Supply finalized.	100
Ntungamo Water Supply constructed up to 80%.	Ntungamo WSS was substantially completed in July 2015.	100
Buwama/Kayabwe Towns Water Supply constructed up to 70%	Buwama/Kayabwe Town Water supply constructed up to 90%	100
Bukakata Town Water Supply constructed up to 30%	Bukakata Town Water supply constructed to 50%	100
Buwama/Kayabwe sanitation facilities constructed up to 70%	Buwama/Kayabwe Town sanitation facilities constructed up to 80%	100

Bukakata town public and institutional sanitation facilities constructed up to 30%	Bukakata Town sanitation facilities constructed to 30%	100

Source: LVWATSAN Quarterly progress report October – December 2015; Q2 MWE Performance report and Field findings

The midyear monitoring focused on Bukakata Water Supply, Buwama/Kayabwe Water Supply and Ntungamo Feacal Sludge and Solid Waste Disposal Facility.

Field Findings

a) Construction of Bukakata Town Water Supply and Sanitation System, and Public/Institutional Toilets

Bukakata town is located at the showers of Lake Victoria in Bukakata sub-county, Masaka district. Fishing is the predominant economic activity in the town. Lack of safe water supply and proper sanitation facilities is one of the major challenges faced by the locals. Hence the intervention by government to construct a piped water system and public/institutional VIP sanitation facilities. The objective is to improve safe water supply and sanitation services and reduction of pollution flowing into Lake Victoria.

A contract was awarded to M/s Vidas Engineering Services Company Ltd to undertake construction of Bukakata Water Supply System, and public/institutional toilets in the towns of Bukakata, Buwama and Kayabwe at a sum of Ug shs 6,394,104,020 (VAT Inclusive). The design and construction supervising consultants were M/s Fichtner Water and Transportation in association with M&E Associates at a sum of Euros 1,187,863 for the five project towns in Uganda.

The construction works commenced on 1st April 2015 and were expected to end on 31st December 2015 but the end date was extended to 30th April 2016.

Scope of works: The works in Bukakata town involved the construction of: Four borehole pump stations; Pumping mains; Reservoir tanks; Distribution mains; Intensification pipework; Public Stand Posts (PSPs); Service connections; Faecal sludge treatment with solid waste disposal facilities; Solid waste disposal skip sites; Water office; and Public/ Institutional VIP toilets.

Financial Performance

By end of Q2, three Interim Payment Certificates (IPCs) worth Ug shs 3,184,893,979 (50% of the contract sum) had been honored. The payment schedule is presented in table 11.30.

Table 11.30: Contractors' payment schedule of Bukakata WSS in Ug shs

Contract sum: 6,394,104,020

Advance Payment (recovered under certificates)	Amount certified and paid to the contractor	Date of payment
Certificate 1	1,278,820,804	23/07/2015
Certificate 2	1,214,537,903	21/12/2015
Certificate 3	691,535,272	
Amount paid to date: 3,184,893,979 (50%)		

Source: MWE, Progress report LVWATSAN

Physical performance

By end of Q2, the physical progress of Bukakata WSS was 50%. The pump stations and pipe works were in progress, the water office, construction of the public and institutional toilets were ongoing whereas construction of the PSPs, Service connections and feacal sludge disposal facility had not commenced (table 11.31).

Table 11.31: Detailed physical performance of Bukakata Water Supply System

Planned Output	Field findings and Remarks
Four borehole pump stations constructed	The four borehole pump stations were each at different levels of completion: Pump station 1&2: Located in Kabasese 'A' cell. The pump houses were roofed, internal walls plastered and doors fitted. Pending works included electromechanical installations, fencing and landscaping. Pump station 3: Located at Lambu landing site. The pump/chlorine house was at ring beam level. Pump station 4: Located at Lambu landing site. The drilled production borehole yield was very low (1.5m^3/hr) thus not viable for motorization.
3.8km of pumping mains in OD40/50/63 HDPE PN 10/16 pipes laid	Pipe laying of 2.6km completed and remaining works in progress.
Two water storage reservoirs of 60m^3 and 30m^3 steel tanks elevated on steel towers	The stud columns for both reservoir sites were cast and undergoing curing.
18Km of OD 50 - 90 HDPE, OD 110 uPVC PN 10 distribution pipework laid.	14.4km of the pumping main and the remaining pipe length works were in progress.
6Km of OD 32 - 50 HDPE, intensification pipework laid	4.2km of the pumping main laid and the remaining pipe length works were in progress.
20 PSPs constructed	Construction of the PSPs awaited completion of distribution and intensification pipework. The contractor was yet to be availed the sites for the PSPs by the sub-

	county authorities.
240 service connections constructed	Works had not yet started. Construction of the service connections was pending completion of the distribution and intensification pipe works. The MWE and the sub-county authorities had not started mobilizing communities to make payment for service connections.
The Faecal Sludge Treatment Plant with Solid Waste Disposal facilities constructed.	Works had not yet started. The delay was due to land acquisition challenges. The land was handed over to the contractor in late December 2015.
13 solid waste disposal skip sites constructed	Works had not yet started. This activity was awaiting acquisition of land for the solid waste disposal site as this would guarantee availability of a dumping ground for the solid wastes collected.
A water office constructed	The water office was at 70% level of completion. Roofing and fixing of window and door frames was complete; Internal walls plastering was ongoing; and pending works included external walls plastering, fitting of window and door panes, electro-mechanicals and finishing works.
A 13 stance water borne public toilet constructed	The level of completion was at 70%. The superstructure, internal walls plastering and roofing were complete. Pending works included external walls plastering, electro-mechanicals, septic tank works, water connection and finishes.
Four raised single vault VIP school latrines constructed	The VIP toilets were constructed at St. Luke P/S and Kaziro P/S. Two units in each school for boys and girls. The works were at 70% level of completion. sub and superstructures, roofing, internal plastering were complete; Construction of verandahs were ongoing. Pending works included external walls plastering, rainwater harvesting installations and finishes works.
Six 10-stance raised single vault VIP public toilet constructed.	The overall level of completion for the toilets was at 70%. The sub and super structures, roofing, internal and external walls plastering were complete. Pending works included rain water harvesting installations and finishes.

Source: Field findings

L-R: Pump House 3 and Chlorine House on Kikoni Hill; VIP toilets at St. Luke Primary school; and Stud columns on Kikoni Hill in Bukakata sub-county, Masaka district



L-R: 13 stance water borne toilet at the sub-county; Pump station 1 at Kabasese; Unmotorized production borehole of pump station 2 in Kabasese A cell Bukakata sub-county, Masaka district

Implementation challenge

- Delays by the sub-county authorities in providing land for installation of project facilities which resulted in delayed implementation by the contractor hence the contract time extension.

Recommendation

- Funds for purchase of land for installation of project facilities should be budgeted for under the project.

b) Construction of Buwama-Kayabwe Water Supply and Sanitation System

Buwama-Kayabwe Water Supply and Sanitation System is a single system meant to supply safe piped water to both Buwama and Kayabwe towns in Mpigi district. When completed, approximately 22,999 persons in the two towns shall receive safe water and improved sanitation services.

M/s Zhongmei Engineering Group Limited was awarded a contract for the construction of Buwama-Kayabwe Water Supply and Sanitation System at a cost of Ug shs 14,996,008,337 (VAT Exclusive). The works supervisors were Fichtner Water and Transportation in association with M&E Associates. The initial construction period was from 1st, May 2014 to 30th April 2015. The end date was later revised to October 2015. The contract had expired and no revision had been made at the time of monitoring.

Scope of works involved construction of: Raw water intake on Lake Victoria; Water treatment plant; Four steel reservoir tanks; 20 PSP; 400 service connections; two water offices; Faecal sludge treatment plant with solid waste disposal facilities; Solid waste disposal skip sites; Storm water drainage; Two water borne public toilets; and Laying raw water pumping main; Clear water pumping main; Clear water transmission mains; and Distribution network.

Financial Performance

By end of Q2, total payments to the contractor were Ug shs 12,305,521,194 (82.1%) of the contract sum (table 11.32).

Table 11.32: Payment schedule of Buwama/Kayabwe Water Supply and Sanitation System in Ug shs

Contract sum: 14,996,008,377 (Taxes Exclusive)		
Payment type	**Amount certified and paid to the contractor**	**Date of payment**
Advance Payment (recovered under certificates)	2,999,201,675	5th June 2014
Certificate 1	1,165,163,159	29th December 2014
Certificate 2	1,411,411,431	16th March 2015
Certificate 3	2,576,495,830	22nd April 2015
Certificate 4	1,907,406,324	11th September 2015
Certificate 5	2,245,842,775	21st December 2015
Amount paid to date: 12,305,521,194 (82.1%)		

Source: MWE, progress report LVWATSAN

Physical Performance

The overall physical progress of Buwama/Kayabwe Water Supply and Sanitation System by end of Q2 was 90%. The works were in progress and the treatment plant structures were undergoing water tightness test (table 11.33).

Table 11.33: Physical performance of Buwama/Kayabwe Water Supply and Sanitation System

Planned Output	Field findings and remarks
A Raw Water Intake off-shore on Lake Victoria at Katebo landing site in Buwama sub-county, Mpigi district constructed	The raw water intake works were complete.
A Water Treatment Plant of Capacity 3,991m^3/day at Katebo landing site constructed. The components were: Backwash tank, Flocculation tank, Sedimentation tank, Rapid gravity filter, clear water tank, pump house, staff house, chemical and workshop building.	Construction of all the civil structures or components of the water treatment plant were completed. The sedimentation tank, rapid gravity filter and clear water tank were undergoing a water tightness test. It was noted that the sedimentation tank had some leaking joints which were being corrected. Pending works included: placing of lamella pack in the sedimentation tank, placing of filter media in the rapid gravity filter, and installation of filter nozzels.
Four steel reservoir tanks installed. A 200m^3 Steel Reservoir on Kawumba hill, Buwama sub-county elevated on a 10m high steel tower	All the four steel reservoir tanks were installed as planned. The tanks were not yet functional pending water

A 200m^3 Steel Reservoir on Tegetwe hill, Buwama sub-county on dwarf walls A 80m^3 Steel Reservoir on Nkozi University hill, Nkozi sub-county on dwarf walls A 120m^3 Steel Reservoir on Nkozi University hill, Nkozi sub-county elevated on a 10m high steel tower	supply.
A 120m of Raw Water Pumping Main in DN250 DI PN 10 pipes laid A 20.6km of Clear Water Transmission Mains in OD225/160/110 uPVC PN 16 /DN 200 DI PN 16 pipes from the Kawumba hill Reservoir to the other reservoirs laid A 19.0km of OD 75 HDPE, OD 110 - 225PVC PN 6/10 distribution pipe work laid A 5.64km of Clear Water Pumping Main in OD225 uPVC PN 16 /DN 200 DI PN 25 pipes from the water treatment plant to the Kawumba Hill Reservoir laid	120m Raw Water Pumping Main was laid. 20.6km clear water transmission mains laid. 19.0km of the distribution pipe work was laid. 5.64km of the clear water pumping main was laid.
Constructed 20 No. Public Stand Posts 400 No. service connections (200 in Buwama and 200 in Kayabwe)	The PSPs were constructed. The service connections had been made. However most of the meters installed had been stolen by the local residents.
Two Water Offices in Buwama and Kayabwe Towns constructed	The office blocks, guard houses, landscaping and fencing were complete. The quality of work was good.
Sanitation facilities constructed: A Faecal Sludge Treatment Plant with Solid Waste Disposal facilities-Buwama and Kayabwe Solid Waste Disposal Skip Sites IN Buwama and Kayabwe. A Storm Water Drain	The inlet, distribution channel, and stabilisation ponds were constructed. Papyrus was planted in the ponds to form constructed wetlands. The works were at 95% completion. The solid waste disposal skip sites were complete. Construction of the storm drainage was on-going.
Two Water Borne Public Toilets constructed	Construction of the toilet in Buwama was completed. Fencing was done with barbed wire. The toilet was not yet in use awaiting water connection on completion of the water supply

	system. Faeces were observed in the compound and there were scratches on the walls. The toilet in Kayabwe was at finishes level.

Source: Field findings

L-R: Sedimentation tank; Sealed leaking joint on the sedimentation tank; Pumps at the treatment plant, Mpigi district

L-R: Sludge drainage channels with control valves installed; Guard house, store, toilet and a section of the compacted solid waste disposal site; Papyrus planted in one of the stabilization ponds, Mpigi district

Implementation challenges

- There were delays in payment of contractor's certificates.
- Delays by the town authorities in providing land for installation of project facilities
- Delayed implementation due to design reviews resulting from site changes.

Recommendations

- The ADB should release funds in annual tranches to the project instead of direct payments in order to reduce the long bureaucratic procedures involved in processing payments.
- The MWE should budget for purchase of pieces of land for installation of project facilities under the project.

c) **Construction of Ntungamo Municipality Feacal sludge Treatment Plant with Solid Waste Disposal Facility**

The Feacal sludge Treatment Plant is located in Ntungamo Municipality. On 1st March 2014, M/s Vidas Engineering Services Company Ltd commenced the construction of Ntungamo Municipality Water Supply and Sanitation System, including the faecal sludge and solid waste disposal facility. The contract sum was Ug shs 7,566,234,568. Unlike the water supply system, the construction of the feacal sludge treatment plant lagged due to land acquisition challenges. The monitoring team visited the faecal sludge treatment plant works on 21st January 2016 to ascertain progress.

Findings

Financial performance

By 31st December 2015, the payments to the contractor amounted to Ug shs 5,974,093,365 (79%) of the contract sum.

Physical performance

The works were at 85% physical progress.

1. At the faecal sludge section: Construction of the eight stabilization ponds, sewage collection chambers, the sludge inlet, sludge drainage channels, the sludge drying beds and guard house/store/water borne toilet were complete. However, the works along the drainage channels were not done well as they were developing cracks.

   Pending works included: Installation of gate valves, filling of the ponds with aggregates and sand, planting of papyrus in the ponds and landscaping among others.

2. At the solid waste disposal section: The ground was leveled, well compacted and fenced. The pending work included ground stabilization. The guard house/store/water borne toilet was complete.

L-R: Cracked sections of the sludge drainage channel; Inlet chamber and main drainage channel; Compacted ground for the solid waste disposal site, Ntungamo district

L-R: Sludge drying beds; PVC pipes; Store/Guardhouse/Water borne public toilet in Ntungamo town

Implementation challenge

- Delays by the town authorities to provide land for construction of the faecal sludge and solid waste disposal facility.

Recommendation

- The MWE should budget for purchase of pieces of land for installation of project facilities under the project.

Analysis

Link between financial and physical performance

There was a good link between the financial and physical performance by end of Q2 as 48.12% was released of which 94.57% was spent to achieve 93% physical progress.

Achievement of set targets

The planned targets of the water supply systems of Bukakata, Buwama/Kayabwe and Ntungamo feacal sludge disposal facility were achieved.

Conclusion

The LVWATSAN performed excellently by half year as 93% of overall planned outputs were achieved and the construction works in Bukakata, Buwama/Kayabwe and Ntungamo feacal sludge were progressing well. The project however was faced with the major challenge of delays in payment of contractor's certificates due to long bureaucratic procedures involved in processing payments within MWE, MFPED, ADB and other challenges included land acquisition issues for example for the scheme components in Bukakata which delayed works and delayed payment of contractors certificates in Buwama/Kayabwe.

Recommendations

- The ADB should release funds in annual tranches to the project instead of direct payments in order to reduce the long bureaucratic procedures involved in processing payments.
- The MWE should budget for purchase of pieces of land for installation of project facilities under the project.

11.2.7 Kampala Water Lake Victoria Water and Sanitation (Project 1193)

Background

This project aims at promoting sustainable socio-economic growth and improved health, through enhanced access to safe water, thereby contributing to the poverty eradication efforts of the government. The project targets to provide safe water to a population of over four million within the greater Kampala metropolitan area up to the year 2035. The project is profiled in box 11.2.

Box 11.2: Profile of Kampala Water Lake Victoria Water and Sanitation Project

Implementing Agency: National Water and Sewerage Corporation (NWSC)

Location: Kampala

Implementation Period: 1st July 2011 to 30th June 2018

Objective: To increase coverage, reliability and access to clean, affordable and economically viable water supply services for the population of metropolitan Kampala, in particular the urban poor, for sustainable growth until 2035.

Source: Ministry of Finance Planning and Economic Development, PIP FY 2015/16-2017/18

The long term outputs are:

- The Ggaba I and II treatment plants rehabilitated and upgraded.
- A new water treatment plant in Kampala East constructed.
- The water supply network and pipe extensions in greater Kampala restructured and upgraded.
- Increased access to water supply and sanitation services in the informal settlements.
- Enhanced institutional support/capacity building and programme management.

Planned outputs by end of Q2 FY 2015/16

- Ggaba I & II water treatment plants 94% rehabilitated.
- Namasuba transmission main pipeline 100% completed.
- Namasuba evacuation pipeline 80% completed.
- Construction of four concrete reservoir tanks of total capacity 8000m^3 at Namasuba 100% completed.
- Naguru transmission main interconnection 100% completed

Findings

Financial Performance

The overall estimated project cost over the implementation period was Euros 212million, co-financed by Government of Uganda (GoU) - Euros 34million; KfW Entwicklungs bank - Euros 20million; Agence Française de Développement (AFD) - Euros 75million; European Investment Bank (EIB) - Euros 75million; and European Union - Infrastructure Trust Fund (EU-ITF) - Euros 8million.

In FY 2015/16 the approved budget was Ug shs 27.93billion. By end of Q2, Ug shs 14.95billion (53.53%) was released, of which Ug shs 14.60billion (97.66% of the release) was spent. Both release and expenditure performance was excellent. The funds were spent on the output component of construction of piped water supply systems (Urban).

Physical Performance

The overall average physical performance of the project was estimated at 84.43% (table 11.34). The Namasuba evacuation pipeline was lagging due to challenges of securing way leaves, tax clearances on materials, challenging terrain and delayed authorization to cross Entebbe Road.

Table 11.34: Overall physical performance of Kampala Water Lake Victoria Water and Sanitation

Planned output by end of Q2	Status	% Achieved
Ggaba I & II water treatment plants 94% rehabilitated.	The construction of civil structures, and partial startup of mechanical and electrical installations at Ggaba I was 73.66% and Ggaba II was 73% levels of completion.	78.01
Namasuba transmission main pipeline 100% completed.	The works of Namasuba transmission main pipeline was 95% complete.	95
Namasuba evacuation pipeline 70% completed.	The cumulative progress for this output was 40%.	57.14

Construction of four concrete reservoir tanks of total capacity 8000m³ at Namasuba 100% completed.	The four concrete reservoir tanks were 92% complete. Water tightness test was ongoing but there was shortage of water.	92
Naguru transmission main interconnection 100% completed	The output was executed as planned.	100
Overall physical project performance		84.43

Source: Project monthly progress report No. 23 December 2015 and field findings

Field findings

a) Rehabilitation and Water Production Capacity Optimization of Ggaba Water Treatment Complex and Transmission Mains Improvements

The Ggaba I and II water treatment plants are located on the shores of Lake Victoria in Makindye division, Kampala district. The purpose of the rehabilitation works was to upgrade Ggaba I production capacity to 72 million liters/day and restore Ggaba II to 80 million liters /day there by increasing total production by 60% in order to attain 240 million liters/day. In addition improvement of transmission mains and water storage capacities were also undertaken. It is expected that by the end of implementation an additional 400,000 people shall have access to safe drinking water at affordable costs.

M/s. Sogea Satom/France was awarded the construction contract at a sum of EUR 31,876,367.59. The price was revised to EUR 39,837,440.02 due to additional works. The design and supervision consultants were CES Consulting Engineers Salzgitter GmbH/Germany, contracted at a sum of EUR 2,173,669.70. The construction commencement date was 15th January 2014 and the end date was 14th July 2015. Owing to the additional works, a seven months extension was granted, and the construction end date revised to 21st February 2016.

The scope of works involved: Rehabilitation works at Ggaba I and II water treatment plants, Naguru transmission mains interconnection, laying of transmission mains to Namasuba Hill reservoirs, construction of Namasuba reservoirs, Namasuba evacuation lines and Muyenga water reservoirs.

Financial Performance

By end of Q2, the contractor had received funds worth EURO 24,102,991.93 (60.50% of the contract sum). The payment schedule is summarized in Table 11.35 below.

Table 11.35: Financial performance of the Rehabilitation and Water Production Capacity Optimization of Ggaba Water Treatment Complex and Transmission Mains Improvements works by 31st December 2015 in EUROS

Contract sum: 39,837,440.02

Payment type	Amounts certified and paid to the contractor	Date of payment
Advance Payment(recovered under Interim Payments)	5,651,957.58	30th January 2014
Interim Payment #01	2.335.977,35	25th June 2014
Interim Payment #02	1,182,155.62	14th November 2014
Interim Payment #03	1,255,764.69	02nd March 2015
Interim Payment #04	743,613.69	10th February 2015
Interim Payment #05	1,170,775.52	06th May 2015
Interim Payment #06	651,533.07	06th May 2015
Interim Payment #07	1,261,621.69	20th August 2015
Interim Payment #08	605,325.10	22nd June 2015
Interim Payment #09	846,226.83	22nd June 2015
Interim Payment #10	341,177.47	02nd July 2015
Interim Payment #11 (Release of Retention Money)	1,593,818.38	09th September 2015
Interim Payment #11 (A) (Advance Payment Variation Order 1)	1,592,214.49	28th September 2015
Interim Payment #12	689,646.43	17th August 2015
Interim Payment #12 (A)	1,478,093.69	15th September 2015
Interim Payment #13	1,113,859.46	24th December 2015
Interim Payment #14	1,298,273.82	28th December 2015
Total amount paid to date:	**24,102,991.93 (60.50%)**	

Source: Project monthly progress report No. 23 December 2015

Physical performance

i) Rehabilitation of Ggaba I Water Treatment Plant

By end of Q2, the rehabilitation works at Ggaba I water treatment works was at 73.66% (table 11.36).

Table 11.36: Physical performance of Ggaba I Water Treatment Plant

Planned Output	Status	Remarks
The raw water stainless steel pipe DN 1000 installed.	53% achieved: The construction of all reinforced concrete pipe supports up to the invert of the pipe was completed. Installation of the DN 1000 stainless steel pipe was in progress.	There was late start of works because the steel pipes were delivered late.

Raw Water Inlet Tank rehabilitated	85% achieved: rendering and repair works in progress	There was late start of works coupled with slow execution of civil works.
Micro strainer structure constructed	99% achieved: Painting of walls; Installation of tank cover slabs; and Installation of cable trays were in progress.	Reasons for delay / problems faced: Late start of works, slow execution of civil works
Sludge Recirculation System constructed	55% achieved: Cast base slabs and pump plinths	Late start of works coupled with slow execution of civil works.
Clarifiers rehabilitated	42% achieved: Installation of pipes, supports and lamella plates completed in clarifiers 3 to 5; and clarifiers 6 to 7 cleaning and removal of lamella plates and Installation of external pipework in progress.	Late start of works and slow execution due to unforeseen conditions of existing base slabs
Old Mannesman Filters rehabilitated	82% achieved: Installation of through beams completed	There was slow progress in civil works. Measures taken by improving the work method and modifying the design
New Mannesman Filters rehabilitated	83% achieved: Replacement of defective nozzle slabs and Placing of aggregates and filter sand completed	There was slow progress in civil works. Measures taken by improving the work method and modifying the design
Filter Control Room rehabilitated	40% achieved: Concreting of basement walls and stripping of formwork completed	Late start of works
Air Blower Station rehabilitated	55% achieved: completed casting of concrete to base slab.	Late start of works
Backwash Water Pumping Station & Reservoir constructed	89% achieved: Placing of electrical cables for lighting and pumps completed	Slow progress due to additional soil investigations, additional excavation and backfill works due to insufficient bearing capacity, changes in foundation design.
Chlorine Plant / Chlorine Neutralization System	55% achieved: Block work for pump room; Cast ring beam at pump room; Demolition of trench for external pipe DN 250; and Casting manhole cover for Soda Tank completed	There was late start of works and slow progress
Chemical Building	98% achieved: The chemical building was	Additional soil investigations,

constructed	substantially complete.	additional excavation and backfill works due to insufficient bearing capacity, changes in foundation and late start of works, late procurement / placement of order of steel roof structure
New Reservoir and Pumping Station constructed	82% achieved: All external and internal walls completed. Casting concrete for roof slabs reservoir area (50%), roof slab pumping station completed and removal of formwork ongoing. Formwork & reinforcement for additional roof slabs reservoir area; 20% completed	Late start of works
MV Room constructed	95% achieved: Internal epoxy paint; Mounting of electrical panels; and Excavation for splash apron completed	Late start of works
Switch Gear Room constructed	50% achieved: Installation of hollow and roof sections completed, installation of ceiling, demolition of doors and windows, demolition of internal walls and repair of walls in progress.	The works were delayed by late start and relocation of staff offices
Surge Vessel	85% achieved: Fixing of vessel on plinths; 100% completed	Late start of works
Sludge Pipe Diversion	90% achieved: Excavation of trench completed; Welding & placing of steel pipes; Backfill of trench substantially complete, pending connections.	Late start of works
Raw Water Pumping Station Area protected with Gabions	88% achieved: Placing of gabion mattresses and installation of gabion boxes along the shoreline was in progress.	*There was l*ate start of works coupled with slow progress

Source: Project monthly progress report No. 23 December 2015; field findings



Left: New reservoir and pumping station; Center: Gabions on the lake shores; Right: Sludge recirculation pipes at Ggaba I water treatment plant

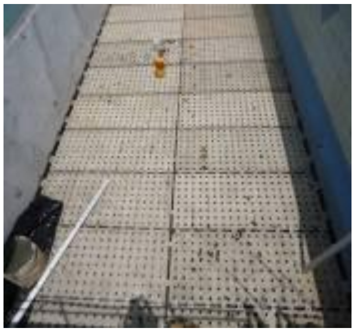
ii) Rehabilitation of Ggaba II Water Treatment plant

By end of Q2, the overall physical progress of Ggaba II water treatment plant was 73%. There was generally slow progress of civil works. The status of works is presented in table 11.37.

Table 11.37: Physical performance of Ggaba II Water Treatment Plant

Planned Output	Status	Remark
Installed a DN 1000 stainless steel raw water pipe	70% achieved: installation of the stainless steel pipe in progress.	The works commenced late.
Distribution Chamber constructed	99% finalized: Installation of pipes & inserts; and Formwork for concreting of pipe inserts completed	Slow execution of civil works.
Reaction Chambers A and B constructed	82% achieved: Installation of roof sheets (A & B); 100% completed	Diversion of unexpected underground services and repetitive water tightness tests
Clarifiers A1 and A2 rehabilitated	61% achieved: All civil works and Installation of PVC sludge extractor pipes completed, and Fixing of lamellar supports were in progress.	Late start of works; slow execution of works
Rapid Sand filters rehabilitated	60% achieved: Filter 3/6 - Placing aggregates & sand completed; Filter 3/6 – to be handed over NWSC and Filter 4/6 - Removal of sand & aggregates 20% completed.	There was slow execution of civil works because one filter is worked on at a time to minimize interruption to water supply.
Backwash Water Reservoir & Pumping Station rehabilitated	92% achieved: Installation of down pipes & gutters completed. Application of epoxy paint to walls & floor in pumping station 50% completed.	General slow execution of civil works
Chlorine Plant / Chlorine Neutralization System rehabilitated	22% achieved: Demolition of existing windows; Finishing window openings Internal wall painting pre-cast slabs completed	Late start of works
Chemical Building constructed	98% achieved: Installation of tiles & sinks on work tops; 100% completed. Backfilling of murram for splash apron; 60% completed. Cast base slab for emergency stair case; 100% completed. Installation of emergency stair case; 40% completed. Screed to the roof; 100% completed. Fixing of roof shaft; 80% completed. Formwork & reinforcement for roof of septic tank; 100% completed. Aluminum partitioning; 40% completed	Demolishing of existing structure, relocation of fence and additional soil investigations

Source: Project monthly progress report No. 23 December 2015; field findings

L-R: New backwash nozzles installed in the slow sand filter; Offices and Chemical building; Distribution and reaction chamber at Gaba II water treatment plant

iii) Namasuba works (Reservoir Tanks and Pipe works)

The overall performance for the Namasuba works was estimated at 75.66%. Table 11.38 provides the level of achievement by end of Q2.

Table 11.38: Physical performance of the construction works at Namasuba

Planned Output	Status	Remark
Namasuba Reservoirs Four 2000m^3 concrete reservoir tanks constructed. Staff houses constructed.	92% achieved: Tank 1 and Tank 2: Water tightness tests were done but leaks were detected. Repair to leaks was in progress. Tank 3: Laying of bitumen to the roof was ongoing at 50% completion. And addition of joint sealant to external walls was 60% complete. Tank 4: Application of joint sealant internally and externally was 30% completed. Valve House 1 (between Tank 1 & 2) and Valve House 2 (between Tank 3 & 4): Internal walls painted with 1st coat. Electrical installations were in progress. Construction of staff Houses were complete.	Late delivery of batching plant and defective cement delivery; slow execution of civil works Late delivery of batching plant and defective cement delivery; slow execution of civil works; availability of water for water tighteness testing
Namasuba Transmission Main	95% achieved: All pipes (DN 700) were laid 9,582m, Construction of washout chamber at Munyonyo road 100% complete. Road reinstatement of asphalt on Munyonyo Rd; 90% completed. Pipes were pending pressure testing.	Late delivery of pipes , Challenging terrain, and challenges obtaining way leaves
Namasuba Evacuation Pipe	40% achieved: Pipe laying DCI DN 700 continued. In total 1,946m executed (87% of totally 2,227m). 447m	Late delivery of pipes , Challenging terrain, and

	DN500 pipe laying pending.	challenges obtaining way leaves

Source: Project monthly progress report No. 23 December 2015; field findings

L-R: A section of the office building; One of the reservoir tanks; Placing bitumen on top of one of the tanks at Namasuba Hill

Implementation challenges

- There were unforeseen ground conditions such as unexpected underground utility lines and rocky formations which delayed implementation.
- Difficulty obtaining way leaves
- Delay in obtaining tax clearances for imported materials
- Several design review changes delayed implementation
- Poor weather conditions especially during the rainy seasons interfered with works
- Slow execution of work by the contractor
- Delayed payments to the contractor

Recommendations

- The MWE should give adequate time for ground investigations during the project design phase.
- The MWE should ensure improved coordination between local authorities and project implementers to fasten securing of way leaves.
- URA should issue timely tax clearances for water projects.
- The MWE should clear authorization of payments for contractors certificates on time

Analysis

Link between financial and physical performance

There was a close link between the financial and physical performance by 31st December 2015 as 97.66% of the funds received in the FY were spent and overall physical performance achieved was 84.43%.

Achievement of set targets

The planned targets were not achieved. Ggaba I was at 73.66% physical progress and Ggaba II 73% physical progress as opposed to the 94% planned for both treatment plants. Namasuba works were at 80% opposed to the 75.66% planned progress.

Conclusion

The overall performance of the project by end of Q2 was 84.43%. Although this is rated excellent, the targets for the works in Ggaba I&II and Namasuba were not achieved. This was caused by delays in tax clearances, difficulty obtaining way leaves, unforeseen utility lines and slow progress by the contractor.

Recommendations

- URA should provide tax clearances for water projects timely.
- Project implementers should adequately investigate project sites during design phase.
- Local authorities and project implementers should improve coordination in order to fasten securing of way leaves.

11.2.8 Water for Production (Project 0169)

Background

Water for Production (WfP) refers to the development of water resources for productive use in agriculture (crop irrigation, livestock and aquaculture), rural industries, wildlife, recreation, hydropower generation, transport and commercial uses.

The development of the water resources is a shared responsibility between other relevant line ministries (e.g. MAAIF) and MWE. The MWE coordinates and undertakes design, construction/development of new facilities, putting in place community/institutional management structures & building their capacity, back up support for O&M, rehabilitation of old facilities and harmonized planning for improved provision of WfP for other users.

The WfP project commenced in July 2004 and is expected to end in June 2017.

The overall objective of the project is "*to provide Water for production services for increased production in order to reduce poverty on a sustainable basis*".

The expected outputs by 2017 are:

- Adequate quantity and quality of water for production provided for agriculture and rural industry.
- Water for production facilities sustainably operated and maintained.
- A total of 10.1million cubic meters of storage created.
- Capacity of the stakeholders built in provision and sustainable management of water for production facilities.

Planned outputs by end of Q2 FY 2015/16

1. The procurement process for purchase of two vehicles for WfP department continued.
2. Contract for purchase of construction equipment unit awarded to best evaluated bidder.
3. Acanpii dam in Oyam; Nabitanga and Buteraniro dams in Sembabule; Kenwa dam in Kiruhura; and Bigasha dam in Isingiro designed.
4. Consultant for design of Ojama dam in Serere; Ogwete dam in Otuke; Katigondo WfP facility in Kalungu district procured.
5. Cumulative progress attained for the following dams: Andibo (95%), Ongole (75%), Kyabal and Kabingo valley tanks (95%), 8 valley tanks under Kisozi Livelihoods improvement project (95%).
6. Cumulative progress attained for the following dams: Rehabilitation of Mabira dam (50%), Longoritopoj dam in Kaabong (10%), Namatata/ Namalu dam in Nakapiripirit (20%), Iwemba and Nabweya valley tanks in Bugiri (60%), Windmill-powered watering systems in Karamoja (20%), and construction of WfP facilities using Ministry equipment countrywide.
7. Construction of ongoing WfP facilities supervised.
8. Drip Irrigation systems installation on selected WfP sites countrywide (10% cumulative progress).
9. Land valuation and compensation to landowners for construction of water for production facilities carried out.
10. The construction of ongoing and new facilities under WfP, monitored and supervised. Andibo dam in Nebbi; Namatata dam in Nakapiripirit; Kyabal and Kabingo valley tanks in Bushenyi district; 8 valley tanks under Kisozi Livelihoods Improvement Project; Iwemba and Nabweya valley tanks in Bugiri district; Ongole dam in Katakwi; Mabira dam in Mbarara district; Rwengaaju irrigation scheme in Kabarole District.
11. Design of Geregere dam in Agago district, Acanpii dam in Oyam District, Ojama dam in Serere District, Bigasha dam in Isingiro district, Katigondo WfP facility in Kalungu district; Baseline survey of WfP facilities country wide carried out.
12. Management trainings, advocacy and sensitizations conducted.
13. Catchment management systems established at ongoing and completed WfP facilities.
14. Sustainable Water for Production management systems established

Findings

Financial performance

The project approved budget for FY 2015/16 is Ug shs 36,302,883,361. By 31st December 2015, Ug shs 10,982,557,750 (30.25%) had been released, of which Ug shs 9,297,618,609 (84.65%) was spent. The release performance was good whereas expenditure was excellent. The expenditure performance was as presented in table 11.39.

Table 11.39: Expenditure performance of Water for Production project by 31st December 2015

Output components	Expenditure	%

	(Ug shs)	Expenditure
Construction of Water Surface Reservoirs	6,680,988,198	71.86
Purchase of Specialized Machinery & Equipment	869,624,631	9.35
Construction of Bulk Water Supply Schemes	838,220,750	9.02
Sustainable Water for Production management systems established	523,613,086	5.63
Supervision and monitoring of WfP activities	265,408,304	2.85
Acquisition of Land by Government	80,000,000	0.86
Purchase of Office and ICT Equipment, including Software	39,763,640	0.43
Total	**9,297,618,609**	**100**

Source: IFMS

Physical performance

The overall physical performance of Water for Production project by half year was below average (32.35%). Several planned outputs were not achieved. Table 11.40 shows the level of achievement of the half year planned outputs.

Table 11.40: Physical performance of Water for Production

Planned Output by end of Q2 FY 2015/16	Status	% Achieved
The procurement process for purchase of two vehicles for WfP department continued.	This output was deferred to next FY due to insufficient funds.	0
Contract for purchase of construction equipment unit awarded to best evaluated bidder.	This output was not achieved due to resource constraints.	0
Acanpii dam in Oyam; Nabitanga and Buteraniro dams in Sembabule; Kenwa dam in Kiruhura; and Bigasha dam in Isingiro designed.	Inception report for the design of Acanpii dam in Oyam district was submitted. Draft design reports for Nabitanga and Buteraniro dams in Sembabule district and Kenwa in Kiruhura district were submitted for approval. Terms of Reference for procurement of the design consultants for Bigasha dam in Isingiro district have been developed.	65
Consultant for design of Ojama dam in Serere; Ogwete dam in Otuke; Katigondo WfP facility in Kalungu district procured.	Terms of Reference have been developed for procurement of consultants to carry out the designs.	0
Cumulative progress attained for the following dams: Andibo (95%), Ongole (75%), Kyabal and Kabingo valley tanks (95%), 8 valley tanks under Kisozi Livelihoods improvement project (95%).	Construction of Andibo dam was at 76.2% progress (excavations and embankments completed). Construction of Ongole dam was at 15%	40

	progress (clearing of dam basin and excavation of embankment completed, excavations of Spillways ongoing). Construction of Kyabal and Kabingo valley tanks in Sheema district attained 40% progress. However, the construction of Kabingo valley tank was halted due to land acquisition issues. The district will be getting an alternative site. Two valley tanks in Gomba district attained 40% progress. Evaluation report and award of contract was approved by contracts committee for construction of 5 valley tanks in Sembabule district under Kisozi livelihood improvement project.	
Cumulative progress attained for the following dams: Rehabilitation of Mabira dam (50%), Longoritopoj dam in Kaabong (10%), Namatata/ Namalu dam in Nakapiripirit (20%), Iwemba and Nabweya valley tanks in Bugiri (60%), Windmill-powered watering systems in Karamoja (20%), and construction of WfP facilities using Ministry equipment Countrywide.	The procurement plan for rehabilitation of Mabira dam was approved by contracts committee. Longoritopoj dam in Kaabong district was halted due to financial constraints. Designs of Namatata/Namalu dam in Nakapiripirit district were completed. Contract for construction of Iwemba and Nabweya valley tanks in Bugiri district were submitted to Solicitor General for clearance. Contracts forwarded to the Solicitor General for clearance of windmill-powered watering systems construction in Karamoja. Constructed 41valley tanks: (7 tanks of 2000m^3 in Ngoma in Nakaseke district, 3 tanks of 8000m^3 in Lyantonde district, 23 tanks of 1200m^3 in Kiruhura district and 6 tanks of 1000m^3 and 1 tank of 10000m^3 and 1tank of 5000m^3 in Bukomansimbi district and 6 fish ponds of 4000m^3 in Bushenyi district.	16.7
Construction of ongoing WfP facilities supervised.	Construction of ongoing WfP facilities supervised for compliance to BoQs.	100

Installation of Drip Irrigation systems on selected WfP sites countrywide (10% cumulative progress).	6 sites have been identified for drip irrigation installation. Rakai bulk water scheme in Rakai district, Mabira dam in Mbarara district, Ongole dam in Katakwi district, Andibo dam in Nebbi district, Kenwa dam in Kiruhura district and Nabitanga dam in Sembabule district. However installation works have been rescheduled for next FY.	0
Land valuation and compensation carried out to landowners for construction of water for production facilities.	20 sites were identified in Bugiri, Nakapiripirit, Kween, Butaleja, Amuru, Oyam, Nebbi, Kasese, Otuke, Katakwi, Apac, Bukedea, Sembabule, Kole, Mubende and Mbarara districts for construction of Water for Production facilities. Awaiting valuations by the Chief Government Valuer.	0
the construction of ongoing and new facilities under WfP monitored and supervised, Andibo dam in Nebbi; Namatata dam in Nakapiripirit; Kyabal and Kabingo valley tanks in Bushenyi district; 8 valley tanks under Kisozi Livelihoods Improvement Project; Iwemba and Nabweya valley tanks in Bugiri district; Ongole dam in Katakwi; Mabira dam in Mbarara district; Rwengaaju irrigation scheme in Kabarole district.	Supervised and monitored construction of Andibo dam in Nebbi district, Kyabal and Kabingo valley tanks in Sheema district, Ongole dam in Katakwi district and 2 valley tanks of the Kisozi livelihoods project in Gomba district. Monitoring and supervision works were carried out for Namatata/Namalu dam in Nakapiripirit district, Mabira dam in Mbarara district, Rwengaaju irrigation scheme in Kabarole district, Iwenba and Nabweya valley tanks in Bugiri district and 6 valley tanks of the kisozi livelihood project as works had not commenced.	31.25

Geregere dam in Agago district, Acanpii dam in Oyam district, Ojama dam in Serere district, Bigasha dam in Isingiro district, Katigondo WfP facility in Kalungu district designed.	Inception report for the design of Acanpii dam in Oyam district was submitted. However, the community denied consultants access to site to carryout detailed surveys and geo-technical studies for the design of Acanpii dam in Oyam district. Terms of Reference for procurement of design consultants for the designs of Geregere dam in Agago district, Ojama dam in Serere district, Bigasha dam in Isingiro district and Katigondo WfP facility in Kalungu district have been developed. The initial proposals were very high for the design of Bigasha dam in Isingiro district, the lowest being 7 billion.	0
Management trainings, advocacy and sensitizations conducted.	Management trainings, advocacies and sensitizations were carried out.	100
Catchment management systems at ongoing and completed WfP facilities established.	Catchment management systems not established due to insufficient funds.	0
Sustainable Water for Production management systems established	20 Water User Committees formed (3 in Ntungamo district at Bakiharaire, Nshenyi and Rubaare valley tanks, 1 in Kabale district at Nyakiharo Water System, 1 in Kiruhura district at Kaikoti valley tank, 1 in Isingiro district at Kagango valley tank, 1 in Lyantonde district at Kasensero valley tank, 6 in Nakapiripirit, Abim and Kaabong districts, 2 in Sheema district for Kyabal and Kabingo valley tanks, 4 for Greater Kisozi valley tanks and 1 in Nebbi district for Andibo dam)	100

Source: WfP

a) Construction of Andibo dam

Andibo dam is located in Panyango sub-county, Nebbi district. The purpose of the dam is to increase water storage for agricultural purposes during the dry seasons. The contract for civil works was awarded to M/s Pearl Engineering Company Ltd at a sum of Ug shs 11,152,777,493. The contract value was revised to Ug shs 12,813,208,373 due to an increase in the scope of works. The original contract period was from 14th July 2014 to 14th January 2016. However, the end date was revised to 4th May 2016 due to delays in implementation.

The design and supervision consultant was initially M/s Iliso Consulting (Pty) Ltd at a cost of Ug shs 822,950,000. The services of M/s Iliso Consulting (Pty) Ltd were terminated as he was not performing his duties adequately. Later, a Project Management Team was temporarily instituted by MWE to supervise the works and finally an individual consultant was contracted.

The scope of works involved:

i) Construction of a dam embankment, 10m high and 452m long, with a crest width of 6.4m
ii) General excavations of the dam site of 150mm for 45.8Ha
iii) Construction of spillway 10m width
iv) Construction of inlet and outlet structures
v) Construction of four two-stance eco-san toilets each with two bathrooms
vi) Construction of four cattle troughs.

Financial performance

By 31st December, 2015 payments to the contractor were amounting to Ug shs 7,891,065,889 (69.59%) of the revised contract sum.

Physical performance

By 31st December 2015, the physical progress of the dam was 76.2% and the status of works was as follows:

i) Construction of a dam embankment, 10m high and 452m long, with a crest width of 6.4m: The dam embankment was 100% complete filled with sand, clay and gravel. The downstream slope of the bank embankment was protected by grass planting while the upstream slope was being protected by rock and riprap.
ii) General excavations of the dam site of 150mm for 45.8ha: Excavations were finished.
iii) Construction of spillway 10m width: The spillway works were 60% complete, excavations were ongoing.
iv) Construction of inlet and outlet structures: The inlet and outlet structures were 100% constructed.
v) Construction of four two-stance eco-san toilets each with two bathrooms: The plan was changed to VIP toilets and three of the toilets were constructed. Pending works included finishes and fitting of the doors.
vi) Construction of four cattle troughs: Two cattle troughs had been constructed pending two others.


L-R: Riprap rock embankment protection upstream; Excavated spillway in Panyango sub-county

L-R: VIP toilet; Cattle trough in Panyango sub-county

Implementation challenges

- Delay in payment of the contractor affected his cash flow which significantly stalled meeting the targets.
- Land acquisition challenges: Delay in release of government land valuer's report for persons affected downstream of the dam to be compensated.

Recommendations

- The MWE should pay contractors timely.
- The Ministry of Lands, Housing and Urban Development should provide timelines upon which land valuation reports should be issued.

Analysis

Link between financial and physical performance
There was a weak link between financial and physical performance. Whereas the release performance was good by half year (30.23%) and 84.65% of the release was spent, only 32.35% of planned outputs were achieved.

Achievement of set targets
Set targets were not achieved for most outputs, for example drip irrigation systems have not been installed on dams yet this output has been on the work plan for two years; design consultants for new dams were not procured; and Andibo dam did not attain the planned physical progress.

Conclusion
The half year performance of the WfP project was rated below average (32.35%). Three planned outputs were fully achieved, some were partially achieved while others not achieved. Ongoing projects had several setbacks such as land acquisition, delay in contractor's payments and project management issues.

Recommendations

- The MWE and MLHUD should issue times lines for finalization of government valuers' reports.
- The MWE should acquire project development land prior commencing work.
- The MWE should prioritize payment of contractors' certificates.

11.3 Local Governments (Votes 501-850)

Background

Local Governments (districts, towns, sub-counties) are empowered by the Local Governments Act (1997) for the provision of water services. They receive grant funding (DWSDCG) and may mobilise local resources for implementing rural Water Supply and Sanitation (WSS) programmes and to support small town WSS[48].

District Water and Sanitation Development Conditional Grant (DWSDCG)

The DWSDCG is disbursed to DLGs to implement hardware and software activities/outputs including: boreholes, shallow wells, springs, piped systems, rainwater harvesting tanks and sanitation facilities. The DLGs are expected to plan and budget for the outputs based on the following percentage allocations according to the DWSDCG guidelines; Up to 70% of the grant should be planned for new water supply systems, 13% for rehabilitation, 8% for software activities, 6% for office operations, and 3% for sanitation hardware.

The mid-year monitoring focused on seven districts of Amuru, Jinja, Lyantonde, Lwengo, Mpigi, Nakasongola and Sembabule. The findings on both financial and physical performance are presented below.

Findings

Financial performance

Table 11.41 shows the financial performance of the monitored districts by 31st December 2015. The seven districts received Ug shs 1,619,489,631 (45.3% of the budget) and spent Ug shs 584,517,105 (34.5%) which was below average with some targets not met.

There were few cases of delays in releases of funds for both Q1 and Q2 from the MFPED to the districts. However, major delays were experienced at the districts from the general fund account to the department account. The local governments have continued to experience slow procurement processes and poor planning where most hardware outputs planned by end of Q2 were not implemented.

Table 11.41: Financial performance of DWSDCG for districts monitored by 31st December 2015

District	Approved Budget	Cumulative	%	Cumulative	% expenditure

[48] District Implementation Manual 2013

	(Ug shs)	Releases (Ug shs)	Release	Expenditure (Ug shs)	
Amuru	497,659,000	226,640,000	45.5	69,822,000	30.8
Jinja	676,876,000	309,583,000	45.7	97,442,000	31.5
Lyantonde	439,179,000	200,867,000	45.7	109,777,000	54.7
Lwengo	455,373,000	208,274,000	45.7	37,535,003	18
Mpigi	404,775,000	185,131,000	45	35,323,557	19
Nakasongola	424,127,000	193,981,907	45.7	46,386,000	23.9
Sembabule	672,530,242	295,012,724	43.9	188,231,545	63.8
Totals	**3,570,519,242**	**1,619,489,631**	**45.3**	**584,517,105**	**34.5**

Source: District Q2 Progress reports and field findings

Physical performance

The overall physical performance of the DWSDCG was fair at 56%. By January 2016, five out of seven districts monitored had started hardware implementation while the other two districts (Lwengo and Nakasongola) were still undergoing the procurement process. The detailed performance based on selected output categories against the annual targets per district is detailed below.

Amuru district

The district is composed of Amuru Town Council (TC) and the sub-counties of Atuk, Pabo, Lamogi and Amuru. It has a population 195,562 people according to the 2014 population census. The safe water coverage was at 80%, functionality 63.8% and sanitation 72%[49]. In the FY 2015/16 the district planned to recruit staff on contract terms which reduced funds planned for rehabilitation and raised the office operational costs thus differing from the guidelines.

The district planned to implement both software and hardware activities/outputs. The software comprised of two District Water and Sanitation Coordination Committees (DWSDCCs), six advocacies two extension workers' meetings, formation and training of 26 Water User Committees (WUCs), 26 post construction support activities, and 26 baseline surveys around the new water sources. Hardware implementation plans comprised of drilling eight Deep Boreholes (DBHs), rehabilitation of six boreholes, construction of three shallow wells, and water quality testing of 50 old sources.

By 6th January 2016, all software activities were 80% complete while hardware outputs were at 16% completion. Payments had been made for all software activities completed and the only expenditures made on hardware activities were for supply of spare parts for rehabilitation. Table 11.42 shows the DWSDCG detailed software physical progress.

Table 11.42: DWSDCG Software Performance of Amuru

[49] Q2 Amuru DWSDCG Report

Planned output	Target	Achievement	Remarks
DWSCC meetings held	2	1	This was 50% achieved.
Planning and advocacy meetings held	6	6	One advocacy was held for each of the six sub-counties (S/Cs) - (100% achieved)
Extension staff quarterly review meeting held	2	1	This was 50% achieved
WUCs formed and trained	26	14	These were old committees formed for the water sources constructed the previous financial year. (54% achieved)
Post construction support activities done	26	20	This was still on-going at the time of monitoring. (90% achieved)
Baseline survey for sanitation carried out	26	26	This survey was done in the areas where new sources were to be constructed (100% achieved)

Source: District Q2 report and field findings

Construction of boreholes

The district contracted the construction of the 16 boreholes in two Lots of nine and seven to Ebowa Investments Ltd. By 6th January seven boreholes had been drilled but no payment made yet. Sited and drilled boreholes included: Labala parish Head Quarter (H/Q), Atuya Mangala, Kulu niang, Marawobi D, in Pabbo sub-county; Abongo rwot A, Lukulia Te oywelo, Atiak technical school in Amuru sub-county. The drilled boreholes were awaiting casting and installation of hand pumps at the time of monitoring. The other two boreholes in Ayak S/C were not drilled. These were: Pagora which was inaccessible and Kaladima that was dry.

Rehabilitation of boreholes

The planned rehabilitation of six boreholes will be carried out by the Amuru Hand Pump Mechanic Association (HPMA). However, the spare parts had been procured by the DWO at a cost of Ug shs 38,822,000. The actual rehabilitation awaited completion of the procurement process.

Construction of shallow wells

The planned construction of three shallow wells was constracted to Ngai One Investment (U) Ltd however; the works had not started by the time of monitoring.

Water Quality Testing

The planned water quality testing (bacteriological and physical tests) for the 50 old sources was achieved and 11 sources were found to be non-compliant to the water quality standards. These were: Amuru Mission DBH and Wang atota spring in Amuru S/C; Kaladima H/C III and Keyo Primary School (P/S) DBHs in Lamogi S/C; Bibia H/C III DBH in Atiak S/C; St. Andrew P/S, Barrack, Abott P/S, Hope Nursary & P/S, Odura, WACFO DBHs in Pabbo S/C. The district plans to sensitise the communities on safe water chain and avoiding contamination.

Gender Issues

The newly formed and trained WUCs' women representation was 79%. The women in key position of chairperson, vice chairperson and treasurer. This was an excellent indicator of gender representation in the management of water sources.

Implementation challenges

i) Ineffective supervision of works due to inadequate transport and understaffing as the District Water Officer (DWO) acts as the District Engineer (DE).
ii) Delay in verification of sites by the local governments especially when there are changes made by the beneficiaries which delays implementation of planned outputs.
iii) The difficult to meet the minimum critical requirements to receive water facilities due to dependency syndrome of the communities who had lived in the camps.
iv) Bad road network and weather affected the pace of works.

Recommendations

i) The district service commission should recruit and fill up the established staffing structure gaps in the water office.
ii) The DWO should fasten mobilisation and sensitisation activities in order to speed up works.
iii) The MWE, Ministry of Local Government (MoLG) and the district should prioritise provision of transport to the water office.

Jinja district

The district is composed of the TCs of Buwenge, Bugembe and Kakira and the sub-counties of Budondo, Butaga, Buwenge (rural), Buyengo, Busedo and Mafubira. According to the 2014 census, it has a population figure of 395,235 people. The safe water coverage was at 70%, functionality 95% and sanitation 85.7%[50]. The recruitment of staff on contract and the high cost of sanitation facilities to the islands of Kisima I and II reduced funds allocated to new water facilities and rehabilitation budget contrary to the recommended guidelines.

The district planned to implement both software and hardware activities/outputs. The software comprised of two DWSDCCs, three advocacies, two extension workers' meetings, formation and training of 18 Water User Committees and 20 baseline surveys in 20 villages around the new water sources. Hardware comprised of drilling nine deep boreholes, rehabilitation of 16 boreholes, construction of 2 public latrines and quality testing 60 old water sources.

By 18th January 2016, software outputs were at 96% and hardware at 50% completion. Contractors took possession of sites in December and drilling of nine boreholes was complete but casting apron works were on going. All completed software outputs were paid for while no expenditure had been incurred on hardware outputs. Table 11.43 shows the DWSDCG software detailed physical progress.

[50] Q2 Jinja DWSDCG Report

Table 11.43 Software performance of Jinja DWSDCG

Planned output	Target	Achievement	Remarks
DWSCC meetings held	2	2	This was 100% achieved.
Planning and advocacy meetings held	3	2	Two sub-county advocacies were held for the six sub-counties while the district advocacy was not conducted - (67% achieved)
Extension staff quarterly review meeting held	2	2	This was 100% achieved
WUCs formed and trained	20	20	These are committees formed for the new water sources - (100% achieved)

Source: District Q2 report and field findings

Construction of boreholes

By January 18th 2016, the DWO had contracted silting and the construction of 18 boreholes in two Lots of nine each to KLR Uganda Ltd for Lot I and SRI BALAJI Industries (EA) Lot II. Seven out of the planned nine in Lot I boreholes had been drilled remaining with installation of hand pumps but no payment had been made yet. The drilled boreholes included: Labala Parish H/Q, Atuya Mangala, Kulu niang, Marawobi D, in Pabbo S/C; Abongo rwot A, Lukulia Te oywelo, Atiak technical school, while Pagora and Kaladima in Ayak S/C were inaccessible and dry respectively.

One borehole under construction was visited in Kabowa Town Council. The borehole drilling was complete but the apron cast was still undergoing curing.

Left: A newly constructed deep borehole at Kabowa Town Council. Jinja district

Sanitation Hardware

Two latrines were undergoing construction by MARO (U) Ltd in Kasima I and Kasima II villages in Walukuba Masese division.

Rehabilitation of boreholes

Rehabilitation of 16 boreholes was contracted out to Leo Contractors despite MWE advocacy for use of HPMAs. This was because the district felt the Hand Pump Mechanics (HPMs) were not competent enough to carry out the activity. By the time of visitation seven deep boreholes and one shallow well had been completed. The completed boreholes were: Kabowa T/C, Sale, Ibungu West in Budondo sub-county; Tamale, Kalebera in Buwenge sub-county; Mpambwe Army, Wawumba Paska in Busede sub-county. The rehabilitated shallow well (Lugada) is in Buwenge sub-county. The only expenditure incurred was on the procurement of spare parts by the DWO at Ug shs 38,822,000. The rehabilitation works for the other eight sources were on-going.

Jinja district: Nabilama rehabilitated borehole in Basude sub-county

Spring protection

The construction of four springs was contracted to MUROSHI Constructors and General Supplies Ltd. The works were on-going at the different sites.

Water Quality Testing

The planned water quality testing (bacteriological and physical tests) for the 60 old sources was on going at the time of monitoring.

Baseline Survey

Baseline survey was done in each of the two parishes of Buwenge and Buyengo sub-counties in the district. The overall sanitation coverage was 69.8% and the HWF was 31.8%. The findings in Buwenge sub-county in the 12 villages of Kaiira parish were: latrine coverage at 79.5% and hand washing facility coverage at 36. %. In Buwera parish eight villages were surveyed and the latrine coverage was at 62. %, while HWF presence was at 27.8%. In Buwenge sub-county Butamira parish eight villages near the new water sources were piloted and sanitation coverage was 69.5% while the HWF presence was at 29.8%. The results for Iziru parish around 12 villages reflected latrine coverage at 69.5% and HWFs at 33.5%.

Gender

The number of female representation on the newly formed and trained WUCs for the water sources who had equal representation on the WUC was 60%. This was good representation. The women in key position of chairperson, vice chairperson and treasurer were at 50%. This reflects a good indicator of gender balance in the management of the water sources.

Implementation challenges

i) Delayed release of funds for almost a month in each quarter affected implementation of activities.
ii) Low capacity of HPMs to carry out the borehole rehabilitation works.
iii) Delayed procurement because of lack of money to run adverts which delayed works
iv) The increased cost of operation thus leading to:
    - Reduced number of outputs
    - affects keenness to supervise of works.

Recommendations

i) The MFPED should ensure timely release of funds to enable speedy implementation of works.
ii) The MWE should organise a capacity building programme for the HPMs so that they can handle repair works.

Lyantonde district

The district is composed of Lyantonde TC and the sub-counties of Lyantonde Rural, Kaliro, Mpumudde, Kinuuka, Kasagama and Lyakajura. According to the 2014 census it has a population figure of 66,039 people. The safe water coverage was at 49.8%, functionality 70% and sanitation 84%[51]. The district plans to recruit staff on contract terms which reduced funds planned for rehabilitation and raised the office operational costs thus differing from the guidelines.

The district planned to implement both software and hardware activities/outputs. The software comprised of two District Water and Sanitation Coordination Committees, one advocacy, two extension workers' meetings, formation and Training of 20 Water User Committee. Hardware comprised of rehabilitation of 11 boreholes, construction of four shallow wells and nine rain water harvesting tanks.

By 20th January 2016, all software and hardware activities were 97% complete while hardware outputs were at 45.8% completion. Rehabilitation works were complete while the rest of the works had not been achieved. All completed software activities were paid for. Table 11.44 shows the DWSDCG (software) detailed physical progress.

Table 11.44 DWSDCG Software performance of Lyantonde

Planned output	Target	Achievement	Remarks
DWSCC meetings held	2	1	This was 50% achieved. There were internal weaknesses in processing money to carry out the output.
Planning and advocacy meetings held	1	1	One advocacy was held as planned (100% achieved)
Extension staff quarterly review meeting held	2	2	This was 100% achieved
WUCs formed and trained	20	20	These were committees formed for the new water sources. (100% achieved)
Post construction support	20	20	This was done for old sources constructed the previous year (100% achieved)

Source: District Q2 report and field findings

Rehabilitation of Boreholes

51 Q2 Lyantonde DWSDCG Report

Rehabilitation of 11 boreholes was contracted to Lyantonde HPMA. The works were completed at a cost of Ug shs 37,000,000. Payments were made by 31st December 2015. The rehabilitated boreholes were: Kiyinda T/C, Kankubebe and NkiiroT/C, in Kaliiro sub-county; Ndigito and Namutamba in Kasagama sub-county; Kakondo and Mukokoma/Kiterede in Lyantonde Rural; Kyenpiiri and Bwamulamira in Kinuuka sub-county; Namiwunda in Lyakajura sub-county; Kireibe (A) in Mpumudde sub-county.

Works for construction of two valley tanks of 3,000m^3 capacity were on going at Kabatema in Kaliiro sub-county and Lwamabala in Mpumudde sub-county. However this was planned for Q3.

Implementation challenges

i) Delay in procurement which slowed works. There is only one procurement officer in office instead of the required three who is overwhelmed with work.
i) Delay of project development due to land acquisition difficulties from land owners.

Recommendations

i) The DWO should expedite the procurement processes and follow through the procurement plans.
ii) The district should hold joint technical and political meetings to sensitise communities on development project land acquisition.

Lwengo district

The district is composed of Kyazanga and Lwengo Town Councils plus the sub-counties of Kkinge, Kisseka, Lwengo, Ndagwe, Malongo and Kyazanga. It has a population 242,257 people according to the 2014 population census. The safe water coverage was at 63%, functionality 56% and sanitation 76%[52]. The DWO contributed to the construction of the office block which affected the software and rehabilitation costs in relationship to the sector guidelines.

The district planned to implement both software and hardware activities/outputs. The software comprised of two District Water and Sanitation Coordination Committees, six advocacy and two extension workers’ meetings, formation and training of 12 Water User Committees, and 12 baseline surveys around the new water sources. Hardware comprised of construction of six shallow wells, and six rain water harvesting tanks.

By 18th January 2016, all software activities/outputs were 94% complete while hardware outputs had not started as contractors were just mobilising equipment on site. All completed software activities were paid for. Table 11.45 shows the DWSDCG software detailed physical progress.

Table 11.45: DWSDCG Software performance of Lwengo

Planned output	Target	Achievement	Remarks

[52] Q4 Lwengo DWSDCG Report

DWSCC meetings held	2	1	This was 50% achieved. There were internal weaknesses in processing money to carry out the output.
Extension staff quarterly review meeting held	2	1	This was 50% achieved
Planning and advocacy meetings held	6	6	One advocacy was held for each of the six sub-counties (S/Cs) - (100% achieved)
WUCs formed and trained	12	12	These were committees formed for the new water sources. (100% achieved)
Baseline survey for sanitation carried out	12	12	This survey was done in the areas where new sources were to be constructed (100% achieved)

Source: District Q2 report and field findings

Rehabilitation of boreholes

The planned rehabilitation of six boreholes will be done by the Hand Pump Mechanic Association (HPMA). The DWO had procured spare parts at Ug shs 38,822, 000.

Implementation challenges

i) Ineffective supervision of works with an old vehicle inherited from Masaka district five years ago.
ii) Delay of works due to failure by the communities to fulfil their obligation of capital contribution towards capital cost.

Recommendations

i) The DWO should request and follow up on transport provision with MWE and MoLG.
ii) The DWO should fasten mobilisation and sensitisation activities in order to speed up works.

Mpigi district

The district is composed of one Town Council (Mpigi) and the sub-counties of Kamengo, Kiringente, Muduuma, Buwama and Nkozi. It has a population of 251,512 people according to the 2014 population census. The safe water coverage was at 80.8%, functionality 80% and sanitation 65.3%[53]. The deviance from the recommended allocations was due to district prioritisation and technology; change from hand dug wells to motorised wells and deep wells, lined latrines instead of pits and high cost of office operations.

The district planned to implement both software and hardware activities/outputs by end of Q2. The software comprised of two District Water and Sanitation Coordination Committee, six advocacies and two extension workers' meeting, formation and training of 18 Water User Committees, 15 post construction support trainings and 18 baseline surveys around the new

[53] Q2 Mpigi DWSDCG Report

water sources and rehabilitated sources. The planned hardware comprised of construction of drilling eight boreholes, 10 shallow wells, and rehabilitation of 15 boreholes.

By 19th January 2016, all software and hardware activities were 83% achieved while hardware outputs were 15% achieved. Other hardware works were advertised late on 10th December 2016 and awards were yet to be made. All completed software activities were paid for. Table 11.46 shows the DWSDCG software detailed physical progress

Table 11.46: DWSDCG Software performance of Mpigi

Planned output	Target	Achievement	Remarks
DWSCC meetings held	2	2	This was 100% achieved.
Extension staff quarterly review meeting held	2	2	This was 100% achieved
Planning and advocacy meetings held	6	6	This was held at the sub-counties (100% achieved)
WUCs formed and trained	18	18	These were committees formed in the new water sources. (100% achieved)
Post construction support to WUCs	15	0	This was to be done on old sources but was not achieved (0%).
Baseline survey for sanitation carried out	18	18	This survey was done for new sources in six sub-counties (100% achieved)

Source: District Q2 report and field findings

Drilling of boreholes

The planned drilling of eight boreholes had not started at the time of monitoring.

Rehabilitation of boreholes

The planned rehabilitation of 15 boreholes by the district HPMA was still under procurement by 18th January 2016. However, the HPMA had done the borehole assessment but no payments had been made because they delayed to submit their assessment costing as required by the DWO.

Construction of shallow wells

The district had started construction of eight out of the planned 10 shallow wells. The eight shallow wells were at casting and finishing up the aprons, while works on the remaining two had not commenced.

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istrict

Gender and Equity Issues

The number of women on the WUC that had 50% representation was 44.4%. This was a fair representation of women on water source management committees in the district.

Implementation challenges

i) Poor quality of materials on the market especially pipes which are weak and frequently breakdown especially during repairs creating extra costs.
ii) Delayed works due to late procurement because of lack of money to run adverts.
iii) Mineralised underground water sources with unpalatable water in parts of the district.

Recommendations

i) The MFPED should ensure improve timely release of funds to enable speedy implementation of works.
ii) The district should ensure all departments plan and contribute to advertisement early enough.
iii) The WRM should carryout water quality testing and design the suitable technology

Nakasongola district

The district is composed of Kakooge, Nakasongola and Migeera Town Councils and the sub-counties of Kakooge, Lwampanga, Nakitoma, Nabiswera, Kalungi, Kalongo, Wabinyonyi and Nakitoma. It has a population of 181,863 people according to the 2014 population census. The safe water coverage was at 80.5%, functionality 68% and sanitation 83%[54]. The allocation to the new water supply facilities was higher due to non-budgeting for the sanitation hardware.

The district planned to implement both software and hardware activities/outputs by end of Q2. The software comprised of two District Water and Sanitation Coordination Committees, six advocacies, one extension workers' meeting, formation and training of 23 Water User Committees, 17 post construction support trainings and 23 baseline surveys around the new water sources and rehabilitated sources. Hardware comprised of rehabilitation of eight boreholes.

[54] Q2 Nakasongola DWSDCG Report

By 20th January 2016, all software activities were 94.6% achieved while hardware outputs were not achieved. The hardware works were advertised late on 10th December 2016 and awards were yet to be made. All completed software activities were paid for (Table 11.47).

Table 11.47: The DWSDCG Software detailed physical progress of Nakasongola

Planned output	Target	Achievement	Remarks
DWSCC meetings held	2	0	This was 50% achieved. The breakdown of the IFMS affected the output achievement.
Extension staff quarterly review meeting held	1	1	This was 100% achieved
Planning and advocacy meetings held	1	0	Output not achieved
WUCs formed and trained	23	23	These were committees formed for the new water sources. (100% achieved)
Post construction support to WUCs	17	17	These were trainings for old WUCs (100% achieved)
Baseline survey for sanitation carried out	12	12	This survey was done in the areas where new sources were to be constructed (100% achieved)

Source: District Q2 report and field findings

Baseline survey

The district carried out a baseline survey in 23 villages that were to benefit from the newly constructed sources. The latrine coverage was 48.2% and 42.8% of the population had hand washing facilities. It was realised that 47.8% of the villages had latrine coverage below 50%.

Implementation Challenge

- Delays in internal funds transfer due to IFMS breakdown in the months of October and November.

Recommendation

- The MFPED together with the National Information Technology-Authority should expedite the IFMS functionality by strengthening its connectivity through the National Backbone Infrastructure project.

Sembabule district

The district is composed of Mateete and Sembabule Town Councils and the sub-counties of Ntuusi, Lwemiyaga, Lwebitakuli, Lugusulu, Mateete and Mijwala. It has a population of 252,994 people according to the 2014 population census. The safe water coverage was at

38.59%, functionality 85% and sanitation 63%[55]. The operational costs were higher than the recommended due to increased operational cost of the office vehicle which cut down on sanitation hardware and software budgets.

The district planned to implement both software and hardware activities/outputs. The software comprised of two District Water and Sanitation Coordination Committees, six advocacies, two extension workers' meetings, formation and training of 30 Water User Committees, and 20 baseline surveys around the new water sources. Hardware comprised of construction of one valley tank, 10 rain water harvesting tanks at household level (seven for 30m^3 and three 50m^3) and rehabilitation of 24 boreholes.

By 20th January 2016, all software activities were at 80% completion while 33.8% of hardware outputs were achieved. The construction works for two 30m^3 rainwater harvesting tanks were complete while three had on going works. Construction for the 50m^3 and seven 30m^3 tanks had not started yet though contracts were signed. All completed software activities were paid for. Table 11.48: shows the DWSDCG (software) detailed physical progress.

Table 11.48: DWSDCG Software performance of Sembabule

Planned output	Target	Achievement	Remarks
District Water and Sanitation Coordination Committee meetings held	2	1	This was 50% achieved. The political calendar affected the schedule as politician who are usually members to this meeting were running campaigns for primaries.
Extension staff quarterly review meeting held	2	1	This was 50% achieved
Planning and advocacy meetings held	6	6	One advocacy was held for each of the six sub-counties (S/Cs) - (100% achieved)
Water User Committees formed and trained	30	30	These were 30 committees formed for the new water sources and 10 for reactivation of old sources (100% achieved)
Baseline survey for sanitation carried out	20	20	This survey was done in the households near the new sources were to be constructed (100% achieved)

Source: District Q2 report and field findings

Rainwater harvesting tanks

The contracts for the construction of four 50m^3 three 50m^3 and 11 30m^3 institutional rain harvesting tanks had been signed. The construction of two 30m^3 was complete (Gentebe P/S and Kasaana CoU in Mijwala S/C). Construction for a one 50m^3 tank at Mitima PS in Lugusulu S/C and three 30m^3 tanks at Kalukungu P/S, Katimba H/C in Mateete and Lugusulu P/S were on going.

[55] Q2 Sembabule DWSDCG Report

Two rainwater harvesting tanks were visited at Gentebe P/S and Kasana CoU in Mijwala sub-county and they were at finishes level.

Left: Newly constructed rainwater harvesting tanks at Gentebe P/S and Right Kasana CoU Mijwala sub-county, Sembabule district

Amini-piped water supply system at Katwe RGC, Lwebitakuli sub-county had been awarded and works were ongoing.

Sanitation hardware

One public latrine which was planned for Q3 was constructed and completed by January 2016 due to political pressure. The latrine was located at Nsanjala Rural Growth Center in Mateete sub-county and it cost Ug shs 14,096,907 which was paid for.

Rehabilitation of boreholes

Rehabilitation of 24 boreholes contracted to the Hand Pump Mechanic Association (HPMA) was on-going. The assessment of the boreholes to be rehabilitated had been done by the DWO. By 20th February Ug shs 55,361,600 had been paid to the HPMA.

Gender

The newly formed and trained WUCs for the water sources had equal representation of both male and female at 46.7%. The women in key position were at 50%. This was a good indicator of gender balance in the management of the water sources.

Implementation challenge

Limited supervision of works due to inadequate transport as the district has very old motorcycles.

Recommendations

The DWO should request and follow up on transport provision with MWE and MoLG.

General challenges faced during implementation of the DWSDCG

i) **Delays in procurement processes:** The District Procurement Units wait for all departments to submit procurement plans and having inadequate funds to initiate the procurement process.
ii) **Poor planning and reporting**: Project implementers make very ambitious plans to achieve several outputs. However, by the end of the reporting period, most outputs are not achieved.
iii) **Inadequate staffing at District Local Governmen**ts (DLGs), hence some District Water Officers are acting as District Engineers. This has led to inadequate supervision and monitoring of works implemented.
iv) **The IFMS frequent breakdown** affects internal transfer of funds which delays implementation.
v) **Poor quality of materials** on the market especially pipes which are weak and frequently breakdown especially during repairs thus creating extra costs.
vi) **Inadequate transport means at the DLGs** therefore works are not adequately supervised and monitored.
vii) **Mineralised underground water** sources with unpalatable water in some district local governments.
viii) Increased unit cost of construction due to rising cost of materials leading to fewer facilities provided than planned.

Analysis

Link between financial and physical performance
There was a weak link between the financial and physical performance as 34% of the funds released were used to achieve 56% outputs. Most of the funds were spent on software activities while planned hardware outputs were almost not achieved apart from districts which had rehabilitated boreholes using the HPMs. The unsent 44% of the released funds was mainly for for hardware works which were not completed as planned thus limited expenditure.

Achievement of set targets
The DLGs under the DWSDCG achieved 56% of the midyear set targets. Districts completed 89% of the planned software outputs while only 23% of hardware targets were met. The late initiation of the procurement processes affected implementation of hardware outputs.

Comparative analysis across monitored districts
No district had completed all planned software activities. Five ditricts failed to conduct the second DWSDCC and extension worker's meetings as planned. Four districts - Amuru, Jinja Sembabule and Lyantonde had completed borehole rehabilitation as hardware outputs. Mpigi, Lwengo and Nakasongola had not started rehabilitation works. All other on-going hardware output implementation included some drilled wells awiting installation of hundpumps and these were not yet paid for. Performance was majorly constrained by late procurement initiation.

Gender Issues

The districts elected women on the WUCs responsible for the management of water facilities. The gender considerations were guided by the sector specific schedules/guidelines (MWE 2003) which stipulate that all management committees should have women representation up to 50% and at least two women occupying the key positions on the WUCs[56]. Such good representations were in Amuru and Jinja districts where women representation was excellent. This gives chance to women in making decisions pertaining the operation and maintenance of their water sources.

Conclusion

The major outputs of the DWSDCG in the first two quarters of the FY 2015/16 were dominated by software. The few hardware outputs planned could not fully be achieved. The major hardware output achieved was rehabilitation of facilities by HPMAs. The districts received 45.3% of their approved budget and managed to utilise only 34.5%.This was because of the lengthy and late initiation of the procurements in DLGs. There were no major payments made for hardware outputs.

Recommendations

i) The accounting officers should take responsible for late procurements and slow pace of implementation of planned outputs in the respective affected DLGs.
ii) The district service commission should recruit and fill up the established staffing structure gaps in the water office where possible.
iii) The MWE/WRM should carryout water quality testing and design the suitable technology for the highly mineralised ground water sources
iv) The MFPED/NITA-U should ensure improvement in IFMS user connection through the National Backbone Infrastructure project.
v) The National Bureau of Standards should ensure compliancy to specific standards of both local manufactured and imported materials.
vi) The MWE, MoLG and the district should prioritise provision of transport to the DLGs.

Sector analysis

Link between financial and physical performance

There is a weak link between the financial and physical performance as 96.8% of the funds released were used to achieve 65% of the planned outputs. The funds released were not commensurate to the outputs achieved.

Achievement of set targets

The MWE fairly achieved the FY2015/16 midyear targets/outputs. Some accomplished outputs were noted in Nyeihanga Piped Water Supply System Luuka, and Ntungamo, thus people were able to receive safe water. The hygiene and sanitation improvement campaigns, demonstration sanitation facilities increased the latrine coverage and hygienic practices like hand washing. New sanitation facilities in place and WSS management structures created. Late procurements, insufficient funds, non-payment of VAT, land conflicts affected the non-achievement of other targets in the FY.

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[56] Key position of Chairperson, Vice Chairperson, Treasurer

Gender and beneficiary satisfaction

The sector promotes gender representation in the management of water and sanitation facilities. For point water sources, the DLG put up water management committees with women representation of at least two in key positions which was in line with the sector guidelines. The Water Boards too had women represented on the Water Boards and Private Operator staffs. There were cases of women representation above 50% in the districts of Amuru and Jinja and on average the women in key positions were at 70%.

Conclusion

The overall sector performance was good at 65%. The number of targets achieved contributed to the NDP II and Vision 2040 goals. These are in line with the sector objective of increasing access to safe water and sanitation in both rural and urban areas to facilitate improved health and increased productivity. The use of HPMAs in some LGs speeded up rehabilitation works because the waiver given to ease procurement by working through a framework contract. There is need to prioritise planning, fasttrack procurement at both MWE and LG levels; and resolve land conflicts to be able to perform better.

Part 4: CONCLUSIONS

Chapter 12: CONCLUSIONS

Finance

The approved GoU development budgets for 26% of the selected priority central government ministries and agencies were revised as at 31st December 2015. The highest revision of 9.7% was registered under MoESTS. 75% of the votes registered revisions to their recurrent budgets. Government registered on average 37% release performance for development budgets for all Ministries and Agencies with the exception of MFPED that realized 13% of the development budget. The recurrent budgets performance was averagely at 46% which was excellent compared to 50% target at 31st December 2015.

The absorption of funds was excellent at 83% for the development budgets of the ministries and agencies and 92% for the recurrent budgets.

Overall, the Treasury Single Account had unspent balances of Ug shs 12.324 billion as at 31st December 2015 pointing to some absorption weaknesses in some sectors.

Key challenges that constrained absorption performance by the votes were;

- Delays in the commencement of the procurement process and slack in implementation by contractors.
- Delays in the finalization of warrants by the votes and actual availability of funds to the votes.

Agriculture

Overall agriculture sector performance (replace para)
Six projects/programmes in the agricultural sector where monitored to assess semi-annual sector performance in FY 2015/16 namely: i) Commercialization of Agriculture in Northern Uganda ii) Livestock disease and Control Project Phase 2 iii) Production and Marketing Grant in Local Governments iv) Support for NARO v) Agricultural Technology and Agribusiness Advisory Services and vi) Uganda Coffee Development Authority.

The sector semi-annual release (51.4%) was excellent while the expenditure performance (35.1%) was below average. The physical performance was at 70.4%. The overall sector performance was therefore rated at 60% (good), taking into account the low release and absorption levels. Some programmes such as the UCDA, Commercialisation of Agriculture in Northern project were very good performers while others under NARO and the PMG were fair performers.

There was evidence of delivery and receipt of various planting materials and inputs by farmers including coffee seedlings, silk worm eggs, rice and sunflower seeds, planters, tarpaulins, walking tractors and vaccines. Various infrastructures were constructed including conference facilities, laboratories and administration blocks. The beneficiaries expressed satisfaction with the quality of infrastructure established.

Implementation challenges

1) **Wastage/poor accountability for inputs** distributed to farmers due to limited supervision and follow up of beneficiaries and record keeping by MAAIF and Local Governments (LGs).
2) **Low agricultural outputs and outcomes** at farm level due to inadequate extension services, training, demonstration and adoption by farmers of improved technologies.
3) **Delayed or non-implementation of planned outputs at LG level due** to: a) Late and piecemeal disbursement of development funds leading to delayed procurements b) Mismatch between the timing of releases and the agricultural season c) Untimely transfer of funds to the production account d) Inadequate knowledge in the operationalization of the IFMS system e) Weak link between MAAIF and the District Production Departments f) Inadequate technical staff g) Inadequate transport needs.
4) **Gender inequality in access to agricultural sector programmes and projects** due to non-responsiveness of the workplans and interventions in the sector to specific concerns of women, youth and persons with disability.

Education

The overall semi-annual performance of the MoESTS for FY2015/16 was good. Good performance was noted under Programmes 02 Basic Education, which procured instructional materials for P.5-P7; Project 1340 Development of Primary Teachers Colleges project Phase II which constructed additional facilities in PTCs; Project 1233 Improving the Training of BTVET Technical Instructors, Health Tutors and Secondary Teachers in Uganda, which rehabilitated and constructed facilities in four colleges; and the Higher Education Students' Financing Board (HESFB) which provided loans to students.

Other programmes and projects exhibited mixed performance of about 50%, these included; Project 1273 Support to Higher Education Science and Technology, Project 0896 Support to MUBS Infrastructure Development, Project 0906 Gulu University and the Presidential Pledges.

However, underperformance was noted in some programmes and projects like Project 0943, Emergency Construction and Rehabilitation of Primary Schools projects didnot implement anything by half year, while Project 0897 Development of Secondary Education continued to implement activities outside the approved performance contract.

Energy

The sector performance was fair at 59%. Majority (98%) of the released funds were expended to achieve the key sector deliverables. Some projects in the two votes performed well while others underperformed. The good performing projects included; Isimba and Karuma HPPs, The Oil Refinery Project, Strengthening the Development and Production Phases of Oil and Gas sector, Uganda Geothermal Resources Development, Output based Aid (OBA), Grid extension, and the reviewed UETCL projects that had improved albeit at a slow pace.

Efforts to enhance access to power continued through implementation of the OBA although this was affected by misallocation of benefits and exploitation of some beneficiaries. For instance, some beneficiaries of the OBA project were located in town centres and were well to do while others were asked to pay additional funds to receive the connection contrary to the REA requirements.

The poor performing projects included; Promotion of Renewable Energy and Energy Efficiency Project, Downstream Petroleum Infrastructure, Mineral Wealth and Mining Infrastructure Development, Midstream Petroleum Infrastructure Development. PREEEP performed at 30% while the Mineral Wealth and Mining Infrastructure Development was at 32%; Midstream performed at 40% and downstream scored 25%. Most of the planned outputs were not achieved by 31st December 2015, while a number of them had not commenced at all. Achievement of sector outputs and outcomes was constrained by:

- **Inadequate and late release of funds** for projects such as the UETCL projects; the Downstream Petroleum Infrastructure Project that had received 25% of their budget, Nyagak III had 23% funds for the RAP implementation. In the PREEP, government funded projects, especially the Biomass sub-component procurements could not be concluded due to non-availability of funds. In the Upstream Petroleum Department, a number of outputs including construction of the administrative building were put on hold as no release was made.

- **Delayed acquisition of the Right of Way** (ROW) for the transmission line projects leading to stalling and demobilization of the contractor from site in some cases. This was the case on the Mbarara-Nkenda/Tororo-Lira-Opuyo transmission line, where works were suspended since September 2015 as the Project Affected Persons (PAPs) denied the contractor access to land.

- **Selection of financially constrained contractors:** Some of the contractors engaged have inadequate financial capacity and cannot effectively implement work before provision of advance payment. This is the case in the REA grid extension projects, construction of schools and resettlement houses for the Project Displaced Person (PDPs) in the Oil Refinery site. This issue leads to delays or budget suppressions.

Health

The budget performance of released funds was excellent at 46%, however absorption was below average due to delayed implementation of planned activities. Overall, the PHC development grant underperformed at 33% with most of the planned outputs not done, this was attributed to delays in commencement of the procurement process.

Overall challenges in the Delivery of Primary Healthcare Services

- Inadequate staff accommodation; 100% of the local governments monitored have less than 50% of staff accommodated. This has a bearing on the time staff are available through absenteeism and late reporting for work.

- DLGs continue to grapple with shortage of critical staff such as anaesthetics staff, medical officers (doctors). This curtails the services that can be provided at the health facilities for example operations. This was especially noted in the DLGs of Kayunga, Budaka, Hoima and Kole.
- Operation of an inadequate staffing structure, the structure in use for the local governments is old and does not best address the patient health worker ratio, as such complaints of work overloads exist even where the structure appears fairly filled. This was noted in Oyam DLG.
- High medicine stockouts as health facilities continue to suffer medicine shortages on account of fixed budgets against growing patient numbers attended to and wrong deliveries made by NMS from the requests placed.
- None coded health facilities; a number of districts have facilities that have not been coded by MoH and as such do not receive medical supplies as noted in the districts of Oyam and Buliisa.
- Lack of key equipment and infrastructure, for example blood bank, lighting and x-ray equipment to enable health facilities undertake some services as noted in 70% of the districts visited.
- Failure by contractors to install hi-tech equipment delivered at hospitals and health centres, as noted in Apac, Hoima and Bugiri districts.
- Transport challenges at the health facilities. Bicycles and motorcycles are not available which affects outreach activities and supervision. There are cases of lack of ambulances in some districts this make patient movement to other facilities difficult.
- Inadequate supporting information from MFPED and MoH for funds disbursed to the health accounts this delays the application of funds and at times misapplication of funds and delayed reporting.
- Weak link that affects the execution of transactions on the IFMS this causes delays in payments and translates into low absorption.

Information and Communication Technology

The overall physical progress was rated at 55% against the set sector targets for the first two quarters. The sector witnessed an increase in last mile connectivity, Internet subscription through the NBI, savings on Internet costs, increased Internet subscriber base, increased telephone subscription, rise in employment, enactment of laws and regulations as well as enforcement. Performance was however affected by slow implementation of the NBI, poor performance of Non-Tax Revenue and GoU releases which affected execution of the work plans for both NITA-U and MoICT.

Industrialization

The performance of the industrialization sub-sector by half year was fair (estimated at 58%). Progress varied across the different projects. The USADF recorded 80% progress; Development of Industrial Parks was rated at 70%; Presidential Initiate on Banana Industrial Development at

65%; construction of Soroti Fruit Factory at 60%; One Village One Product at 40%; and the Pre-investment analysis for proposed Kiira Ashok Leyland Joint Venture project at 35%.

However, civil works for the PIBID project had been abandoned by the contractor due to unpaid arrears worth Ug shs 13 billion, the Soroti Fruit Factory was slightly behind schedule due to changes in design and inclement weather. The One Village One Product project implementation remained slow-moving with outputs carried forward from the previous FY, executed in the first half of FY 2015/16, while the new outputs were under procurement.

The sub-sector continues to grapple with inadequate budget allocation and releases; poor planning, sluggish implementation of projects, escalating arrears and cost overrun due to nonpayment of contractors, inadequate skilled labour especially in vehicle manufacturing sub sector, inadequate or incomplete equipment kits and lack of forward and backward linkages to related sectors and stakeholders.

Public Sector Management

Overall PSM sector performance was fair (58%) but varied across programs. Good performance was noted under the Markets and Agriculture Trade Improvement Project (MATIP-I) at 70% under MoLG; and Support to Ministry of Public Service physical performance was good at (61.3%). Good performance was also noted in the development projects under MDAs. These included: Public Service Commission and Support to Local Government Finance Commission.

Fair performance was noted under Support to Luwero Rwenzori Development Programme (LRDP) at (59%) under OPM; Community Agriculture Infrastructure Improvement Programme CAIIP-2 also had fair performance (58.5%) under MoLG; and Public Service Reforms achieved 58% under the recurrent budget MoPS; However projects such as Humanitarian Assistance Project; Karamoja Integrated Development Programme (KIDP) and Resettlement of Landless Persons and Disaster Persons project under OPM performed below average.

The following were the challenges to programme implementation in the PSM sector

- Non-functional Agro processing facilities under CAIIP-2, MoLG arising out of lack of electricity, generator and partial installation of equipment.
- Lack of coordination between MoLG and Lira Municipal Council in the relocation of vendors (sitting tenants) that resulted in corruption tendencies.
- Delayed and partial payment on advance payment to contractors under the BADEA loan in the MATIP-1 Project under MoLG
- Abandonment of civil works under OPM projects arising out of delayed payments and as a result procurement for new contracts was lengthy hence delayed completion of projects e.g. KIDP
- Lengthy procurement processes and delayed clearances from the Solicitor general on new and additional civil works
- Lack of setting clear quarterly performance targets and outputs under OPM projects

Public Service Reforms

- Lack of clear operational guidelines and systems to implement the decentralized pensions management in Ministries and LGs.
- Lack of competent staff in the Human Resource Department to spearhead the decentralized reforms. A good number have theory but lack experience and skills in the public sector HR, this affects service delivery in the delayed pension and gratuity payments.
- Lack of a clear communication strategy by MoPS and MFPED to provide feedback on submitted cases on gratuity hence delayed payments.
- Lack of a clear records management system in LGs to implement timely decisions on the pension and gratuity files where most lack supporting documents for pension payments.
- The bureaucracy in terms of assessing, verification, auditing is long and too slow resulting in pension arrears and gratuity not paid; funds remitted to MFPED.
- Inadequate wage bill and slow clearance of vacancies by MoPS hinders the attraction and retention of staff in strategic positions. Some LGs lack staff at principal level.
- Lack of serious implementation of the performance management systems and rewards framework in the public sector.

Water and Environment

The sector performance was fair with a mixture of excellent and good performance and a few projects performing below average. The Lake Victoria Water and Sanitation Phase II achieved most of the major outputs planned by the end of December 2015 which was an excellent performance. Other projects/programmes performed fairly well since the achieved more than half the mid-year targets. The WSDF-E, WSDF N and Support to Rural Water Supply project are such examples.

Average performance was exhibited with the District Water and Sanitation Conditional Grant received 45.3% of the mid-year budget and spent 34.5% to achieve 56% of the midyear targets. The software activities/outputs were 90% whereas the hardware outputs were at 22.9% achievement. The DLGs continue to have slow procurement processes which affect absorption levels and achievement of major outputs.

The Water for Production and Lake Victoria-Kampala Sanitation Program were below average with very little progress on planned outs and in some cases outputs had not commenced. The major challenges to performance included land for development setbacks, late procurements, ambitious plans which could not be achieved, late release of funds, staffing gaps and inadequate transport for supervision of works.

Chapter 13: RECOMMENDATIONS

This chapter highlights the key recommendations emerging from the field findings on the physical and financial performance of selected government programmes during the FY 2015/16.

Finance

- The MFPED should prioritize development of a real time Integrated Procurement Management System that communicates with the IFMS. This will enforce monitoring and evaluation of procurement performance.
- The MFPED should enforce finalization of warrants and observation of release schedules by all stakeholders to enable the timely implementation of development works.
- The central government/department/agencies staff should adopt the new PPDA law to improve efficiency in the procurement process.
- The MFPED should continue enforcing compliance to reporting deadlines by the accounting officers.

Agriculture

- The MAAIF and all its agencies should collaborate with the DLGs to fasttrack implementation of the single spine extension system and recruit the requisite staff.
- The MAAIF and agencies should ensure timely disbursement of funds and inputs in line with the cropping seasons.
- The MAAIF and agencies should strengthen planning, budget execution and communication with the DLGs and regional institutes.
- The MAAIF and agencies should integrate gender concerns in all the sector interventions and address constraints that limit access to services by women, youth, elderly, PWDS and other disadvantaged groups.
- The MAAIF and agencies and DLGs should review and address the transport needs of extension workers/field officers.

Education

- The office of the Accountant General should ensure that consultants for CEMAS are available whenever they are called upon.
- The MoESTS should desist from implementing activities that are not planned for because this affects the set targets for the FY leading to low performance of a given project.
- The MoESTS should ensure that counterpart funds are disbursed to projects in time.

Energy

- The MEMD should rationalize utilization of received funds to implement activities in the different key development projects.
- The MEMD and MPFED should source for alternative funding to complement GoU funding to ensure service delivery.
- The MFPED and implementers of infrastructure projects should harmonize so that a single corridor is obtained for public use to save time lost during project implementation.
- The MFPED should prioritize funding to ensure timely compensation of Project Affected Persons that are in the corridor where the EPC contractor is on site.

Health

- The MoH should in its guidance on usage of PHC development funds allocate a percentage to construction of staff houses.
- The votes should prioritise the construction of staff houses on a phased basis and mobilise other development grants such as LGMSD to increase the resource envelope for construction.
- The LGs should liaise with the MoPS to authorise the recruitment of a critical staff. A replacement basis can be fasttracked for staff that were in post but left or retired.
- The LGs can consider incentivising the critical staff with top-up allowances from local revenue raised.
- The MoH in consultation with the MoPS should develop a new staffing structure that is in tandem with the demand for services.
- The MoH and MFPED should increase budgets for medicine or reallocate funds of given votes to the medicine budget to address the medicine stock incidents.
- The MoH should dedicate a grant to procure specialised equipment and establishment of district blood banks.
- MoH should withhold payment to firms contracted to supply hi-tech equipment such as x-ray to heath facilities and hospitals until they have been fitted and tested.

Information and Communication Technology

- The NITA-U should fasttrack the implementation of the NBI to avoid execution delays.
- The MoICT should revive and strengthen the sector working group to improve sector coordination.
- The Sector Working group should appropriately project the Non-Tax Revenue and accordingly budget to avoid over estimation which affects work plan execution.

Industrialization

- The MoTIC should expedite the implementation of the OVOP activities to ensure timely delivery of outputs.
- The MoTIC should identify the forward and backward linkages to beneficiaries under the OVOP project to avoid over dependency on grants.
- The MoTIC/UDC should spearhead the development of an automotive strategic plan to guide the sub-sector operations.
- The MoTIC and collaborating institutions should prioritize development of skilled and productive labour force as a foundation for industrial development.
- The MFPED should prioritize payment of outstanding arrears under the PIBID project to avoid cost overruns arising from interest on unpaid certificates.
- The MFPED should release the funds to the sub-sector in general and development of industrial parks project in particular on time to avoid piecemeal execution of activities (compensation of squatters in Mbale) and cost overruns.

Public Sector Management

- MoLG should follow up on contractors which were fully paid and have abandoned sites under the agroprocessing facilities especially in Barr sub county in Lira District where the civil works were completed but the electrical works not done and the generator not installed.
- MoLG should intervene and solve the problem of relocation of vendors in Lira market where some vendors rejected the stalls in the market.
- MoLG should hasten payments to contractors under MATIP-1, staff who frustrate the work of contractors should be sanctioned.
- MoPS and OPM should set realistic performance targets/outputs in implementation.
- MoPS and MFPED should coordinate and develop operational guidelines to address the management of the decentralized pensions in both Central and Local Governments.
- MoPS and MFPED should develop a clear feedback mechanism on pension submissions.
- MoPS and MFPED should prioritize the management of records under the pension decentralized management in both central and local governments.
- MoPS, MFPED and MoLG should address the wage bill shortfalls and unfilled strategic positions by running a central advert.

Water and Environment

- The MWE should budget and procure land for big projects early enough to avoid inconviniences associated with acquisition.
- The MWE should revise plans/budgets in consideration with the priority investment areas given the limited resource envelope. This reduces the staggered planned approaches that leave a number of outputs unexecuted.
- The accounting officers at both central and local government levels should take responsibility for non-completion of the set targets because of late procurements.

- The MWE should revise plans/budgets in consideration with the priority investment areas given the limited resource envelope. This reduces the staggered planned approaches that leave a number of outputs unexecuted.
- The donor should release the approved budget in a timely manner.
- The district service commissions should ensure the staffing gaps in the structures are filled.
- The MWE/MolGs should workout scheduling of procurement of vehicles for DLGs to ease field movements.

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