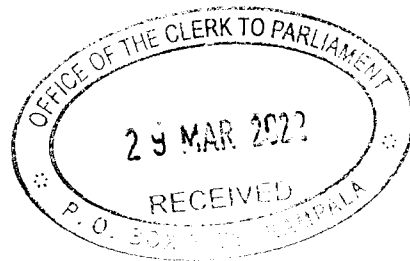




**OFFICE OF THE
LEADER OF THE OPPOSITION**



Alternative Policy Statement for the Works and Transport Sector.

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Mawokota South

Shadow Minister for Works and Transport.

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Executive Summary.

An efficient transport system is a prerequisite for economic and social transformation. The national transport system currently comprises of road, rail, air and water transport modes. Over 90 per cent of cargo freight and passengers in Uganda move by road. The road accounts for 96.5 per cent of the freight cargo whereas the rail accounts for only 3.5 per cent. In nominal terms, roads carry an estimated 5,500 million-tonne-km per year compared to 200 million-tonne km by rail, 0.03 million tonne-km by air and negligible freight by water transport.

The sector is a key player envisioned to strengthen the achievement of Uganda's macroeconomic objectives through increased connectivity to major tourism, mineral, oil and gas facilities/sites. In addition, the sector is equally central in enhancing the physical internal and regional integration as well as improving the policy, legal, regulatory and institutional framework for the construction industry.

The National Transport Master Plan 2008- 2023 sets out a series of prospective developments that must be undertaken if the Works and Transport sector is to contribute to Uganda's macroeconomic objectives.

In the Year 2009 the government endorsed a policy where all districts, municipalities and town councils would have their own road construction equipment. The government was to ensure that every district get some road equipment like tractors and there would be no more excuses for non-renovated roads. However, some of the country's road network is in a serious state of disrepair due to poor maintenance – a fact that is devaluing this important resource and limiting revenue generating commerce.

In FY 2021/22, the approved budget for vote 016 which is Works and Transport was UGX 973.879bn, of this amount, UGX 11.956bn which constitutes 1.2 % is for wages, UGX 110.184bn that amount to 11.3% is for nonwage recurrent, UGX 437.967bn which constitutes 45.0% is for GoU development, UGX 386bn (39.7%) is external financing and UGX 26.9bn (2.7%) is for arrears.

Out of UGX4,855.94bn which is the total amount of money for the programme, this constitutes 14% of the total amount of money for the program under table P1.2, Uganda National Roads Authority (UNRA) was allocated UGX 3,387.34bn this amounts to 70% of the total amount of the total amount for the programme

Despite the fact that 47 billion Shillings was appropriated, it is clear as per the Budget Framework Paper that the 14 new districts that were created over three years ago have failed to acquire road maintenance equipment, which has left the road infrastructure in dire straits.

The failure to adequately maintain the road infrastructure creates a backlog. The current road maintenance financing can only meet about 26% of the needs, leaving a big chunk of the road network unattended to. Over the medium term, the proportion of roads in fair to good condition will decrease, while that in poor condition will increase. The maintenance backlog is estimated at 51,725Km of roads, and this will cost UGX1,084bn¹.

Only 37% of the stations had at least one complete set of key equipment in good condition. Hence, the available equipment does not match the maintenance needs of the road network under their management. In addition, the equipment was associated with frequent mechanical breakdowns and high maintenance costs.

Labor-intensive methods are technically feasible for a wide range of construction activities and can generally produce the same quality of product as equipment-intensive methods². Noteworthy, labour-based techniques do not imply the complete elimination of machinery but rather a labour/equipment mix that gives priority to labour³

Community Led Procurement enables local communities to implement and control the procurement process through their own organizations often resulting in more openness and accountability, ownership, reduced corruption and wastage, better value for money, increased use of local workers/contractors and better quality works and services. Community Led Procurement also helps citizens to be better informed about available public resources and projects and to manage their development in accordance with their shared vision.

In a nutshell, with its place as a key player to strengthen the achievement of Uganda's macroeconomic objectives, Works and Transport sector must embark on planning, developing and maintaining economic, effective and efficient transport infrastructure to increase connectivity to major tourism, mineral, and oil and gas facilities. In addition, the sector must promote state-of-the-art standards in construction for an efficient transport system.

¹ Ibid

² Construction Industry Development Board 2005

³ Tajgman and Veen 1998

List of Acronyms

CAA	Civil Aviation Authority
CHEC	China Harbour Engineering Company
FY	Financial Year
GKMA	Greater Kampala Metropolitan Area
GOU	Government of Uganda
LG	Local Government
MoWT	Ministry of Works and Transport
MPS	Ministerial Policy Statement
NCI	National Construction Industry
NCIP	National Corridor Integration Projects
NDP II	Second National Development Plan
NRSC	National Road Safety Council
NTMP	National Transport Master Plan
SGR	Standard Gauge Railway
TLB	Transport Licensing Board
UIPE	Uganda Institute of Professional Engineers
UGX	Uganda Shillings
UNRA	Uganda National Roads Authority
URC	Uganda Railway Corporation
URF	Uganda Road Fund

CHAPTER ONE: BACKGROUND AND MANDATE OF THE ALTERNATIVE

1.1 POLITICAL STATEMENT

1.1.1 Background

In 2005 Uganda transitioned from a one-party system to a multi-party political dispensation, this paved way for the constitutional amendments that resulted into

the creation of the office of the Leader of the Opposition⁴. Therefore, in accordance with section 6(E) of the Administration of Parliament Act as amended in 2005, the Leader of the Opposition in Parliament is under obligation to consult with his or her party leadership to appoint shadow cabinet from members of Opposition in parliament with portfolios and functions that correspond to those of Cabinet ministers.

Under the same Act, specifically section 6E (4) the Leader of the Opposition is mandated to study all policy statements of Government with his or her shadow ministers and propose possible alternatives.

Therefore, in line with the above, **I Yusuf Nsibambi**, the shadow Minister for Works and Transport presents this Alternative Policy Statement for Works and Transport Sector as required by Rule 147 of the Rules of Procedure of Parliament which requires the shadow ministers to present the alternative statements to parliament by 29th day of March every year.

1.2 The Works and Transport Sector Overview.

An efficient transport system is a prerequisite for economic and social transformation. The national transport system currently comprises of road, rail, air and water transport modes.

Over 90 per cent of cargo freight and passengers in Uganda move by road. The road accounts for 96.5 per cent of the freight cargo whereas the rail accounts for only 3.5 per cent. In nominal terms, roads carry an estimated 5,500 million-tonne-km per year compared to 200 million-tonne km by rail, 0.03 million tonne-km by air and negligible freight by water transport⁵.

It is important to note that the Road Transport system remains the most used transport mode in Uganda even though it's not without its challenges such as multiple taxation, inaccurate weighbridges and poor road safety culture.

All district and community access roads are not paved while a few urban roads are loosely paved. Dual carriageways account for only 20 km, mainly urban areas of Kampala and Jinja. It is worth noting that the community road network coverage is a proxy indicator of improvement of access to social services.

The current Railway system possesses several commercial viability challenges such as safety, time and affordability making it to operate at 29.9% of the entire

⁴ The constitution (Amendment) Act 2005

⁵ The Compendium of Diaspora Investment and Business Opportunities.

rail network. The major reason for the dilapidated state of the rail network has been low investment in its regular maintenance.

Similarly, the Management of the rail network, which was vested under Uganda Railway Corporation until November 2006, was largely characterized by weak human resource capacity coupled with political meddling. This problem emanated from failure to delineate the critical roles and responsibilities which culminated into weak regulation of both operations and infrastructure maintenance.

The sector mandate includes:

- Plan, develop and maintain economical, efficient and effective transport infrastructure and services, i.e. road, rail, water, air and the proposed pipeline; and
- Manage public works and promote good standards in the construction industry.

The sector is a key player envisioned to strengthen the achievement of Uganda's macroeconomic objectives through increased connectivity to major tourism, mineral, oil and gas facilities/sites. In addition, the sector is equally central in enhancing the physical internal and regional integration as well as improving the policy, legal, regulatory and institutional framework for the construction industry. The sector has made strides and achieved the following;

Road Transport.

In as far as road transport is concerned 335 km of Community Access Roads in Butaleja, Buyende, Luwero, Kamuli, Mayuge, Serere, Kyankwanzi, Buhweju, Dokolo, Hoima, Kapchorwa, Moroto, Kasese, Arua, Adjumani, Sironko, Bulambuli, Rubanda, Kayunga, Mukono, Kaliro, Rakai, Alebtong, Amuria, Amuru, Apac, Budaka, Bududa, Bugiri, Buikwe, Bukedea, Bukiisa, Bushenyi, Busia, Butambala, Ibanda, Iganga, Isingiro, Jinja and Kabale have been rehabilitated.⁶

Air Transport

According to the Ministerial policy Statement, 85% rehabilitation works for Apron 1 for Entebbe airport completed, 72% construction works at Kabaale International Airport has been completed.⁷

⁶ Ministerial policy statement for works and Transport FY 2022/22, P.1.

⁷ Ibid

CHAPTER 2: SITUATIONAL ANALYSIS OF MINISTERIAL POLICY STATEMENT (MPS)

The National Transport Master Plan 2008- 2023 sets out a series of prospective developments that must be undertaken if the Works and Transport sector is to contribute to Uganda's macroeconomic objectives. These developments include:

Development of a long-term transport sector vision, and of sub-sectoral visions for individual modes.

For the roads sub-sector, development (i) a robust model for roads planning; development and management in the country (feeding into regional networks); and (ii) a system of principles for public-private partnerships (PPPs).

For the rail sub-sector, emphasis on (i) infrastructure upgrading through a wider gauge and track realignment; (ii) a review of PPPs in the light of RVR experience; and (iii) definition of rail as a key provider of bulk transport.

The inland water transport sub-sector may require government action to revive socially essential services to remote islands and shorelines, where the market may not necessarily fulfil the required role.

For the air sub-sector, without a visionary Air Transport Master Plan for Uganda it may not necessarily fulfil the required role.

2.0 Budget Allocation

In FY 2021/22, the approved budget for vote 016 which is Works and Transport was UGX 973.879bn, of this amount, UGX 11.956bn which constitutes 1.2 % is for wages, UGX 110.184bn that amount to 11.3% is for nonwage recurrent, UGX 437.967bn which constitutes 45.0% is for GoU development, UGX 386bn (39.7%) is external financing and UGX 26.9bn (2.7%) is for arrears.

This chapter is intended to make a critical analysis of the Ministerial Policy Statement of the Works and Transport Sector with a view of ensuring that there is strict adherence to NDP III, Uganda's vision 2040, SDGs plus regional and international commitments.

P1: Medium Term Budget Allocations by Sub-Programme and Vote

Table P3.1: Proposed Budget allocations and medium term projections by Programme and Sub-Programme

Billion Uganda Shillings	2022/23	Medium term projections			
	Proposed Budget	2023/24	2024/25	2025/26	2026/27
Programme: 09 INTAGRATED TRANSPORT INFRASTRUCTURE AND SERVICES					
01 Transport Regulation	11.035	16.531	29.348	29.348	29.348
02 Land use and Transport Planning	608.694	827.276	1,266.18	2,458.53	1,008.15
03 Transport Infrastructure and Services Developme	3,082.13	4,632.04	5,841.08	6,680.41	1,159.65
04 Transpor Asset Management	1,154.08	1,437.22	1,340.36	866.25	786.25
Total for the Programme	4,855.94	6,913.06	8,476.96	10,034.54	2,983.40

Source: National Budget Framework Paper FY 2022/23

Under the integrated transport infrastructure and services basing on the table above, there are four votes that is vote 01 transport regulation, vote 02 land use and transport planning, vote 03 transport infrastructure and services Development and vote 04 transport asset management. In the financial year 2022/23 it has been allocated UGX 4,855.94bn this constitutes 12% of the total resource envelope which stands at UGX. **40,408** billion.

Under the programme, transport regulation was allocated 11.035 out of the total amount of money allocated for the programme which stands at 4,855.94, therefore its allocation constitute 0.22%, land use and transport planning has been allocated UGX 608.694bn which constitutes 12.5% of the total amount of money allocated to the programme.

Transport infrastructure and services development in the FY 2022/23 has been allocated UGX 3,082.13bn, this amounts to 63.4% of the total amount of money allocated to the integrated transport infrastructure and services programme, transport asset management was allocated UGX 1,154.08bn, this is an equivalent of 24% of the total amount of money allocated to the programme. Therefore, going by the above figures, transport infrastructure and services development took the lion's share.

Table P1.2: Proposed Budget Allocations and Medium Term Projections by Vote

Billion Uganda Shillings	2022/23	Medium term projections			
	Proposed Budget	2023/24	2024/25	2025/26	2026/27
Programme: 09 INTAGRATED TRANSPORT INFRASTRUCTURE AND SERVICES					
016 Ministry of Works and Transport	718.532	1,770.22	2,689.60	4,406.65	532.635
013 Uganda National Roads Authority (UNRA)	3,387.34	4,384.23	4,748.07	4,581.55	1,830.61
018 Uganda Raod Fund (URF)	506.23	506.23	506.23	506.23	506.23
122 Kampala Capital City Authority (KCCA)	198.61	215.66	499.34	506.40	80.20
609 Local Government 09	45.22	33.72	33.72	33.72	33.72
Total for the Programme	4,855.94	6,910.06	8,476.96	10,034.54	2,983.40

Source: National Budget Framework Paper FY 2022/23

Under the proposed Budget allocations and medium term projections by vote captured in the table above, the proposed budget for the programme is UGX 4,855.94bn, Ministry of Works and Transport in financial year 2022/23 was allocated UGX 718.532bn.

Out of UGX4,855.94bn which is the total amount of money for the programme, this constitutes 14% of the total amount of money for the program under table P1.2, Uganda National Roads Authority (UNRA) was allocated UGX 3,387.34bn this amounts to 70% of the total amount of the total amount for the programme under table P1.2.

Uganda Road Fund (URF) was allocated UGX 506.23bn which is an equivalent of 10.4% of the total amount of money allocated to the programme, Kampala Capital City Authority (KCCA) was allocated UGX 198.61bn, this constitutes 4%, local Government was allocated UGX45.22bn, and this makes 0.93% in terms of percentages. Therefore, in terms of financial allocations UNRA was allocated the largest amount of money.

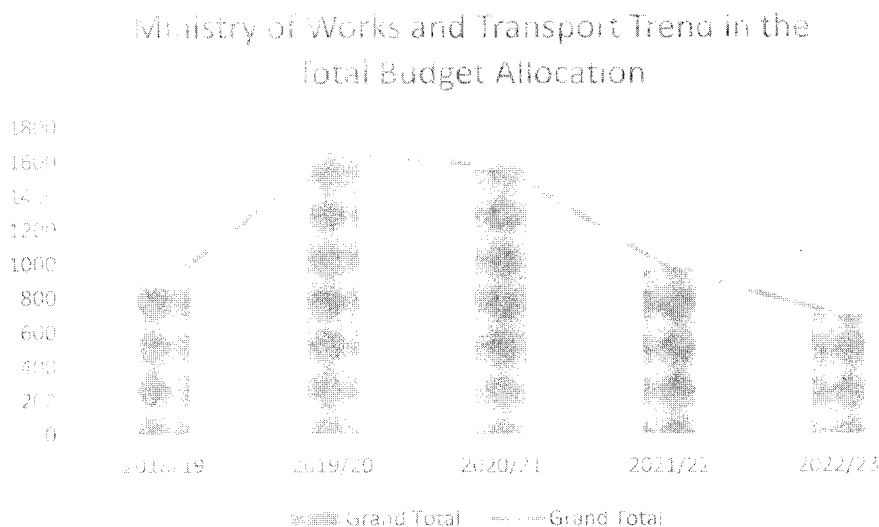
Table of summary for Ministry of Works and Transport.

FY	Ministry of Works and Transport				
	2018/19	2019/20	2020/21	2021/22	2022/23
Wage	11.866	11.866	11.866	11.956	10.877
Non-wage	66.74	72.182	123.782	110.184	92.171
Devt. GoU	370.81	917.269	809.549	437.967	339.77
Devt. Ext. Fin	425.382	654.547	625.957	386.854	244.057
GoU Total	449.416	1,001.32	945.197	560.108	442.819
Grand Total	880.956	1,656.33	1,571.90	973.879	705.76

Source: MOFPED

In FY 2019/20, the overall budget for Ministry of works and Transport increased by 46.8% from Ushs 880.956 billion in the FY 2018/19 to Ushs 1,656.33 billion with a view of providing an enabling environment for the development of the works and Transport sector, a bid to improve safety of transport and providing for safety of landing sites and small business operation though little progress was observed at the end of the financial year. From the FY 2019/22, There has been a noticeable budget cut of 38.0% to FY 2021/22.

In the proposed budget for the FY 2022/23, there's a variance of Ushs 268.119 billion representing a 27.5% reduction from the approved budget in the FY 2021/22. This means that for the last four financial years, this is the least budget observed in allocation for the Ministry of Works and Transport as the trend may be seen in the figure below:



This brings about questions on how the planned outputs for water transport, transport safety, plans, Policies, laws, Regulations and Guidelines, Rail Transport,

Air Transport and Road transport for FY 2022/2023 are going to be implemented yet there are no corresponding estimates made to reflect the planned outputs.

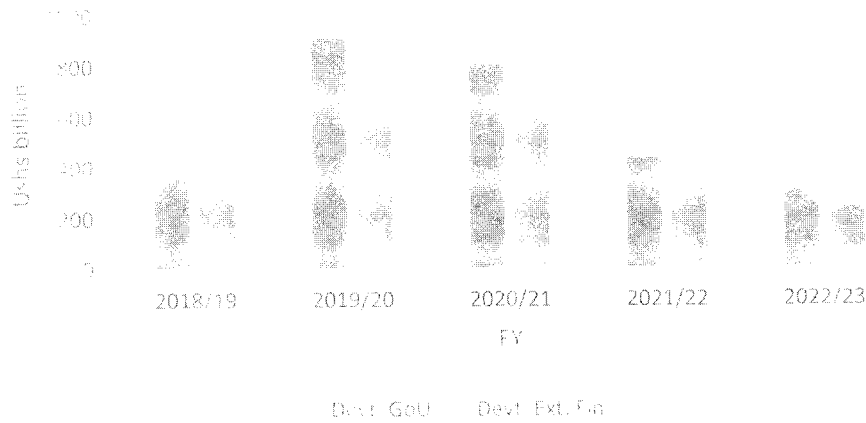
This should therefore be backed up by figures in terms of estimates allocations in order to trace and make sure the strategic objectives and planned outputs are achieved accordingly since one of the challenges observed in the vote is inadequate funding for development transport infrastructural projects such as national roads, SGR, Upcountry Aerodromes/ Regional Airports, Land acquisition for the development of transport infrastructure projects (Bukasa Port, SGR), Road maintenance which continues to downgrade the level of service for road transport and maintenance and repair of road equipment and acquisition of road equipment for new districts.

Other allocation challenges are with wage and non-wage recurrent where recurrent wage has continued to follow a flat line for the last FYs yet non-wage recurrent keeps on shifting with lion's share. This puts the Ministry at spotlight on how priorities are considered without trying to balance the two aspects in terms of allocations. (See figure below.)



The financing in terms of development has continued to be constrained for both government and external partners for the last FY 2021/22 and the proposed FY 2022/23 (see figure below). If continuous efforts in terms of engagements with MoFPED and lobbying Parliament to provide required financing for critical areas including maintenance of road equipment, acquisition of new road equipment for new districts, Development of SGR and coordination of ITIS programme activities are halted, The Ministry is at the edge of totally failing to achieve.

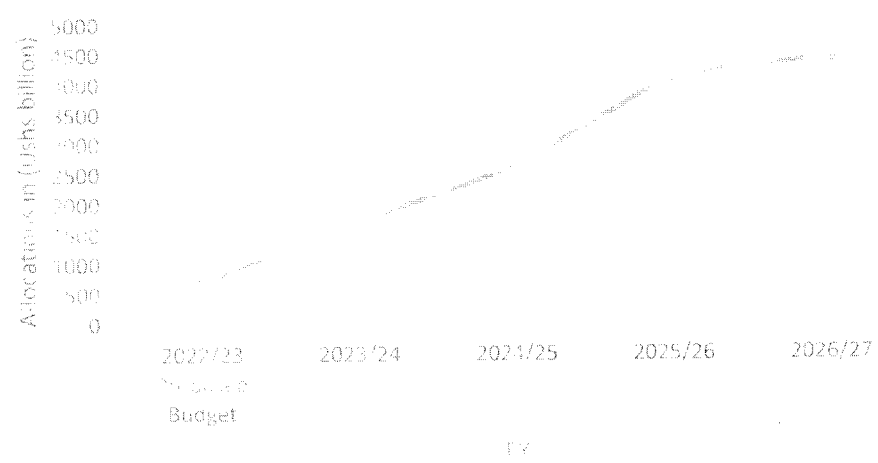
Ministry of Works and Transport Trend in Development Financing



The MTEF Budget projections

The Medium-Term Expenditure Framework Budget projection shows a positive trend and promising however, based on the past performance, this seems not practical in terms of allocations to jump from UGX 705.76 billion in the FY 2022/23 to UGX 4,407.68 billion in FY 2026/27 by 84.0% percentage increase in just 4 years' time yet government is still grappling with financing its developments as already observed above.

MTEF Budget Projections



2.1 Alignment to the National Development Plan (NDP III)

The Parliament of Uganda approved the third National Development Plan (NDP III) 2020/21-2024/25, which is part of a series of six NDPs that will guide the nation in delivering aspirations articulated in Uganda Vision 2040, therefore this section is intended to assess the extent to which the MPS for FY 2022/23 comply with NDP III and the charter for fiscal responsibility. The requirement for the alignment is in accordance with S.13 (6) and s.13 (7) of Public Finance and Management Act.

Under S.13 (6) thereof, the annual budget must comply with the national development plan, the charter fiscal responsibility and the budget framework paper.

The funds allocated to the Sector should be aimed at achieving the programme objectives enshrined NDP III 2020/21-2024/25⁸, these are;

- (a) Optimize transport infrastructure and services investment across all modes;
- (b) Prioritize transport asset management;
- (c) Promote integrated land use and transport planning;
- (d) Reduce the cost of transport infrastructure and services;
- (e) Strengthen, and harmonize policy, legal, regulatory, and institutional framework for infrastructure and services;
- (f) Transport interconnectivity to promote inter-regional trade and reduce poverty.

In line with achieving some of the above objectives, transport asset management was allocated UGX 1,154.08bn, this is an equivalent of 24% of the total amount of money allocated to the programme. This is a step forward in aligning the Sector to the aspirations provided for NDP III

2.2 Gender and Equity Compliance

The progressive and gender sensitive provisions of the constitution of the Republic of Uganda, 1995 under Article 32 prohibits any form of discrimination against marginalised groups based on gender, disability among others.

The Public Finance Management Act (2015) specifically S.13 (11) (ii), provides for the requirement that specific measures must be taken to provide equal opportunities men and women, persons with disabilities and other marginalised groups.

⁸ See NDP III, P.138

The Act also introduced requirements that MDAs and local governments must be gender and equity compliant before they can be issued with certificate of compliance for them to access funds from MoFPED made in consultations with the EOC.

The above PFMA gender and equity provisions, operationalizes section 14 and 15 of the Equal Opportunities Commission Act, 2007 and hence fulfilling its legal mandate of mainstreaming inclusion and equality in all aspects of Ugandan life, by, among other interventions, ensuring the compliance of the National Budget Framework Paper (s) with Gender and Equity requirements. MPS and empower all women and girls, with gender targets thereunder".

In line with the sector, there are parameters that can be based on to assess the compliance of the sector for example the number of men and women offered employment opportunities in the different departments under the sector, there is scanty information in as far as that area is concerned.

The Minister shall, in consultation with the Equal Opportunities Commission, issue a certificate—(a) certifying that the budget framework paper is gender and equity responsive⁹;

This requirement was grossly violated and we were not able to establish whether the MPS meets this legal requirement. There is need to have such information to be provided.

CHAPTER THREE. Emerging Issues and Proposed Alternatives.

The issues raised in this Alternative are based on the current Budget Framework paper, the National Development Plan III, the National Housing Policy 2006 and the Ministerial Policy Statement.

Road maintenance Equipment for the New Districts. Uganda's road network covers about 80,000km, with 22,500km managed by districts, 4,800km by urban authorities, and 35,000km under the local communities. With the new equipment, KCC will construct 200km per year and upgrade 100km. In the Year 2009 the government endorsed a policy where all districts, municipalities and town councils would have their own road construction equipment. The government was to ensure that every district get some road equipment like tractors and there would be no more excuses for non-renovated roads.

⁹ Section 9(6) of the Public Finance Management Act 2015.

Uganda's classified road network funded by the Uganda Road Fund (URF) is 107,020Km¹⁰. These are broken down as 20,552Km for Uganda National Roads Authority (UNRA) and 86,468Km for Districts, Urban and Community Access Roads (DUCAR) under the Local Governments' jurisdiction¹¹.

These roads are one of the country's main assets, generating millions of dollars in revenue every year through the commercial activities that they make possible. However, some of the country's road network is in a serious state of disrepair due to poor maintenance – a fact that is devaluing this important resource and limiting revenue generating commerce. For instance, the proportion of the district unpaved roads in fair to good condition was estimated at 61% by Financial Year (FY) 2017/18 against a target of 65%, while that of national roads was at 83% against a target of 70%¹².

Despite the fact that 47 billion Shillings was appropriated, it is clear as per the Budget Framework Paper that the 14 new districts that were created over three years ago have failed to acquire road maintenance equipment, which has left the road infrastructure in dire straits. The districts include Kassanda, Rwampara, Bugweri, Nabilatuk, Kikuube, Kwania, Karenga, Kapelebyong, Kazo, Kitagwenda, Kalaki, Terego, Obongi and Madi Okollo.

Recent studies in Uganda indicate that the routine and periodic maintenance cost for the entire life of a road is estimated to be between 2% to 3% of the initial capital investment.

The failure to adequately maintain the road infrastructure creates a backlog. The current road maintenance financing can only meet about 26% of the needs, leaving a big chunk of the road network unattended to. Over the medium term, the proportion of roads in fair to good condition will decrease, while that in poor condition will increase. The maintenance backlog is estimated at 51,725Km of roads, and this will cost UGX1, 084bn¹³.

¹⁰ Uganda Road Fund, 2013

¹¹ Briefing Paper (21/19) May 2019

¹² Ibid1

¹³ Ibid