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 UGX1,084bn[1].

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 methods[2]. Noteworthy, labour-based techniques do not imply the complete elimination of machinery but rather a labour/equipment mix that gives priority to labour[3]

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.

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[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 POLICY STATEMENT

1.1 Legal Provisions

In 2005 Uganda transited from movement system to multi party political dispensation, this paved way for the constitutional amendments that resulted into the creation of the office of the Leader of the Opposition[4]. 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 transport[5].

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]

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[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.

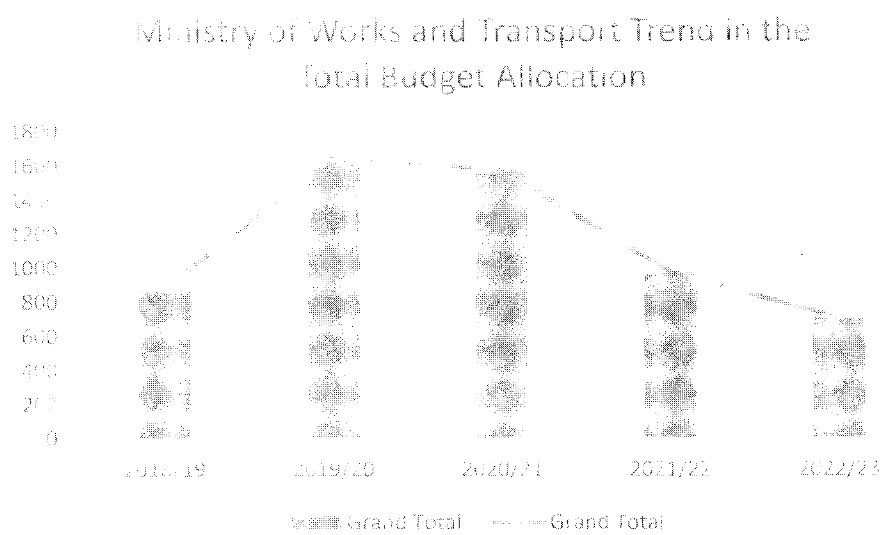
Table of summary for Ministry of Works and Transport.

	Ministry of Works and Transport				
FY	**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.

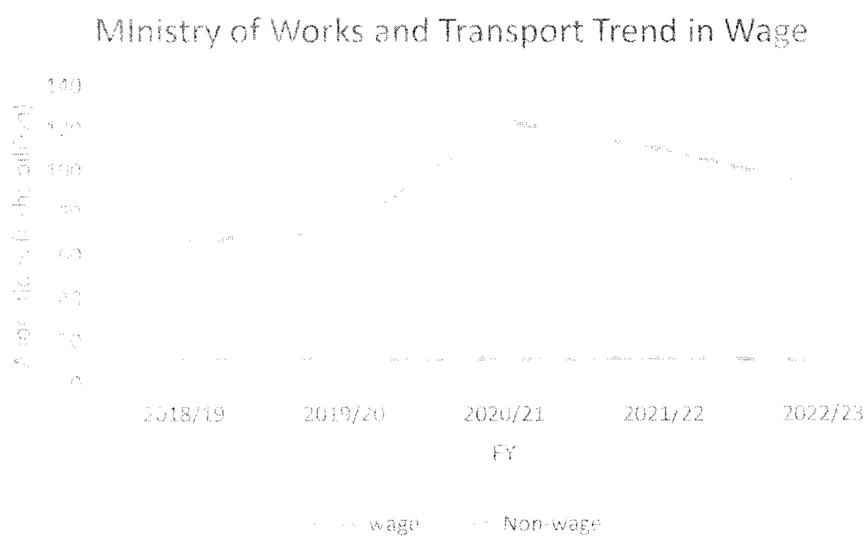
In the proposed budget for the FY 2022/23, there's a variance of Ushs 268.119 billion representing a 27.5% reduction from the approved budget in the FY 2021/22. This means that for the last four financial years, this is the least budget observed in allocation for the Ministry of Works and Transport as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



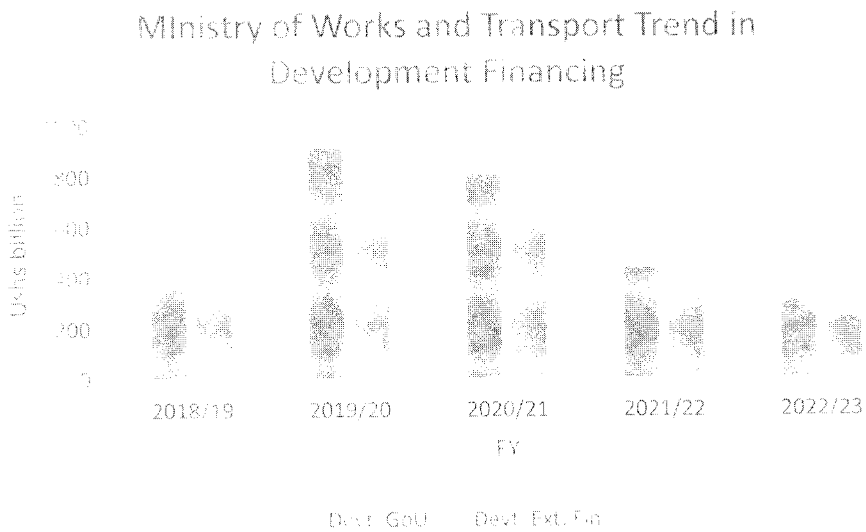
This brings about questions on how the planned outputs for water transport, transport safety, plans, Policies, laws, Regulations and Guidelines, Rail Transport, Air Transport and Road transport for FY 2022/2023 are going to be implemented yet there are no corresponding estimates made to reflect the planned 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.)

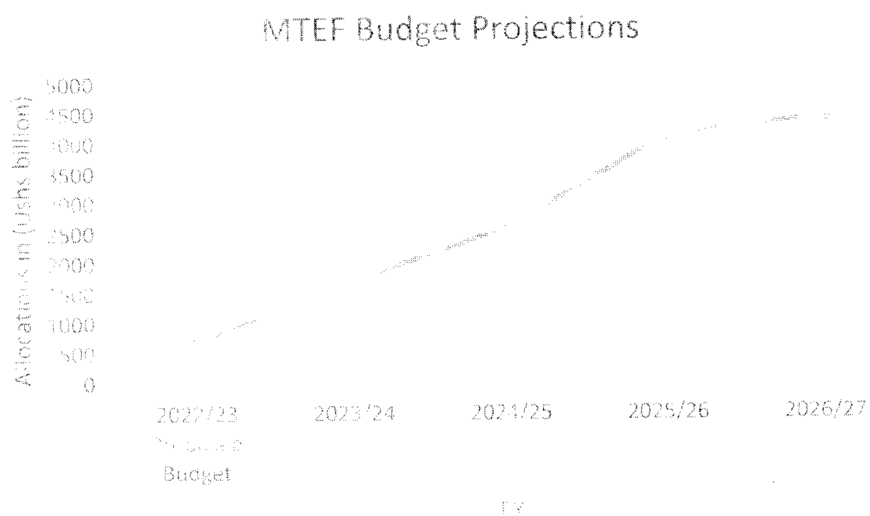


The financing in terms of development has continued to be constrained for both government and external partners for the last FY 2021/22 and the proposed FY 2022/23 (see figure below). If continuous efforts in terms of engagements with MoFPED and lobbying Parliament to provide required financing for critical 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.



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.



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 2020/21-2024/25[8], 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 responsive[9];

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 107,020Km[10]. 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' jurisdiction[11].

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, 084bn[13].

[10] Uganda Road Fund, 2013
[11] Briefing Paper (21/19) May 2019
[12] Ibid1
[13] Ibid

Proposed Alternative.

Labour based maintenance of Public Road.
Operationally, 'labor-based methods' refers to using labour and light equipment as the predominant mode of production[14]. The concept is based on the principle of using manual labor to complete tasks otherwise done by the machine. In the 1970s, labor-based methods was introduced by ILO and the World Bank in SSA countries on a pilot basis to assess technical and economic feasibility of the methods in a particular country.
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 methods[15]. Noteworthy, labour-based techniques do not imply the complete elimination of machinery but rather a labour/equipment mix that gives priority to labour[16].

Expanding labour-based methods in maintenance of public roads in order to transform the poor condition of public roads in Uganda, adopting this approach will not only allow road maintenance efficiency on a continuous basis but also affordable within certain scope of maintenance schedules. Moreover, for transport projects to have a positive impact on poverty reduction there is need for policy arrangements to have stakeholders more involved in issues related to resource generation, allocation and prioritization of road investments[17].

This method not only produce gravel roads of quality equal to roads made by equipment-based methods, but can also help organize workers to negotiate more substantial participation in the national development process[18].

Application of such methods can halt road network deterioration and ensure that financial, material and human investments are made in a manner which maintains the quality and value of the assets and also improves the road network in relation to the demands and priorities of the users. Roads built and maintained by labour-based approach are more durable because of greater attention to detail during maintenance[19].

The preference of this approach is also based on the fact that labour-based methods have a significantly higher employment creation potential when compared with equipment-based methods. They generate about 2.5-4.0 times as much employment of unskilled labourers as equipment-based methods[20]

[14] (Stock and Veen 1996).
[15] Construction Industry Development Board 2005
[16] Tajgman and Veen 1998
[17] Kumar 2002.
[18] Tajgman and Veen1998
[19] Republic of Mozambique/ UNDP/SIDA,2002.
[20] Taylor and Bekabye 1999

Also, the use of labour-based approach becomes viable because most local government councils do not have the financial muscle and the required personnel to embark on equipment (machine) based approaches. The continuous use of heavy machines for the construction and maintenance of public roads has been found to have many challenges[21].

These include but are not limited to fuel shortage, delays in procurement for both equipment and spare parts, inappropriate type of equipment, lack of understanding of equipment used and poorly trained and ill-motivated operators[22]. Despite its potential for involvement in many areas of development, labour-based pilots in Africa collapsed soon after the ILO and WB pilot ended or have remained primarily in the rural roads sector[23].

In Uganda, the use of equipment-based methods in road maintenance is still considerably high; more than 47% of the road maintenance done is carried out by equipment-based methods[24]. This is an alternative policy option to improve citizen participation in the road sector and improve the road maintenance dilemma.

Maintenance of the Road Equipment in Local Governments. The Government of Uganda procured Road Construction equipment from Japan basing on the success the Japanese equipment have had in the country over the years[25].

The Ministry of Works and Transport (MoWT) procured and distributed different types and models of road construction equipment manufactured from Japan to all Local Governments (LGs), Kampala Capital City Authority (KCCA), Uganda National Roads Authority (UNRA), National Enterprise Corporation (NEC) and Regional Mechanical Workshops (RMWs) of MoWT between 2017 and 2018. The equipment included among others; Wheel Loaders, Motor Graders, Excavators, Low Beds, Vibro Rollers, Bulldozers, Water Bowsers and Dump Trucks.

The equipment was delivered without making the necessary increases in provisions for fuel, manpower and other requirements. Modalities for timely servicing of the machines are not in place yet the districts are banned from doing any servicing or repairs on the road equipment.

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[21] Magidu et al 2010
[22] Uganda Road Fund
[23] ILO/GOU 1999; Stock and Veen1999.
[24] Ibid20
[25] Ministry of Works and Transport: Responses to Issues Raised on Its Program Budget Framework Paper 2022/23

The government had an agreement with the supplier and they have appointed Victoria Motors as an agent to do the servicing of the equipment. However, due to accumulated arrears the agent has also abandoned their task of providing timely repairs of the equipment[26].

A survey of the equipment inventory of eight UNRA stations (Gulu, Lira, Moroto, Fort Portal, Moyo, Masaka, Mbarara, and Luwero) revealed that none of the stations had two complete sets of the key equipment in good condition.

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. This affected the timely and efficient delivery of the purpose for which the equipment was put in place[27].

Proposed Alternative.

Community- Led Procurement (CLP).
Community- Led Procurement can be defined as an approach where the responsibility for managing financial resources and contracting service providers is vested in community organizations[28]. This gives locally elected community groups control of programme or project resources from local government and/or donors to acquire products, contractors and services. It involves the creation of community based organizations (CBOs) for design, implementation and management of local development works[29].

In this back drop, 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.

The community is usually represented by some form of community-based

[26] The Uganda National Roads Authority
[27] Briefing Paper (21/19) May 2019
[28] Kalesh et al 2009.
[29] Uriona 2001

organization or local project committee. Therefore, it is not the "community" per se that enters into a contract with the funding agency, but the group representing that community[30]

In form of a case extension, the Community Led Procurement approach will promote community dialogue and consensus building through information gathering and collective financial management. It will equally strengthens citizen voice and community empowerment. Furthermore, it will educate the community on available budgets and establishment of realistic expectation about budgetary expenditures. It will build the technical capacity of both local communities and local government officials in procurement practices. Consequently, we shall be handling the Local Content Question.

Our policy is to have a sector budget amendment that gives at least 20% of those sector funds to Local governments to enable them construct and maintain district roads that are critical to agriculture transformation and local economic development.

Local Content Promotion. The Buy Uganda Build Uganda Policy was approved by cabinet in 2014 and its Implementation strategy developed in 2016. The Policy, implementation strategy and framework for implementation of BUBU were launched by the Prime Minister on the 2 March 2017. Promoting the consumption and use of locally manufactured goods and services (both through public sector procurement and the ordinary channels of commerce)[31]. This is not being done. Local content as it is standing as of now is restricted to employment of casual and a few technical Ugandan experts in the sector to handle construction projects.

Proposed Alternative.

Reserve 40% of all Construction Works for local based entities.

Works and Transport is a strategic sector capable of generating employment and directly contributing to the attainment of NDP III objectives. To realize this, there is need for a sector-specific local content framework that will ensure that 40% of procurements are reserved for Ugandan local ventures.

The Sector promises to promote local content by ensuring that government procurement targets purchase of locally produced goods and services to enable

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[30] Kalesh et al 2009

[31] Ministry of Trade and Industry; BUBU Policy, Strategy and Local Content.

expansion of the private sector investments that will in turn increase production of employment opportunities for the population. It is proposed that a clause to this effect should be included in the contract documents. However, the sector is paying a blind eye to real challenge of unfair competition that is affecting the local service providers.

The sector continues to struggle with the unfair competition paused by the Chinese companies with top notch technologies in the industry. The idea would be a stimulus package to enable the local investors to be able to compete. In the same spirit, there should be a class of road construction that is a preserve of the local investors for instance City, Municipality, and town roads as a matter of policy.

Tax Incentives and holidays should be extended to Local construction firms as it is the case with the foreign construction firms.

Comprehensive plan addressing water transport.

Uganda does not have an approved national transport policy and as a result there are existing gaps in the planning procedures; policy, objectives, plans, programmes, projects, and evaluation. In addition, the existing frameworks have a number of gaps that need to be addressed[32] therefore this has made water transport to lag behind yet there is potential of Uganda's lakes/rivers to improve connectivity with the national road network for example by FY 2016/2017, UNRA had 9 operational ferries linking national roads.

This has made maritime transport infrastructure and services to remain underdeveloped. Further its due to lack of comprehensive planning the principal lake and transport system which includes lake Victoria, George, Albert, Kyoga together with River Kagera, the Victoria Nile and the Albert Nile remain dominated by informal sector operations by individual canoes. Therefore, there is need to come up with an elaborate plan or policy intended to gear the development of water transport.

The cost of road construction.

Uganda's high and rising cost of road construction is worrying is likely to deter the efforts of the country to attain the middle income status. Without reducing the cost, Uganda cannot sustainably acquire an integrated infrastructure system.

[32] See NDP III 2020/21-2024/25, P.137

According to NDP III[33] the average construction cost for upgrading roads to paved standard with bituminous surface treatment during the FY 2018/19 was UGX 3.1 billion per kilometer as compared to UGX 2.36 billion per kilometer in the FY 2017/2018. The cost of reconstruction or rehabilitation of the paved roads was UGX 1.8 billion per kilometer as compared to UGX 1.96 billion per kilometer in FY2017/18 and this is attributed to the high cost of acquiring right of way, weak local content capacity due to weak local construction industry and procurement delays.

Therefore, the obstacles that make the cost of road construction to increase should be dealt with, for example Section 90 and 91 of the PPDA Act, 2003 which require that once any complaint is received, the procurement process should be suspended until that complaint is settled can be amended to provide timelines for the expeditious disposal of such complaints. Therefore, reducing the cost of road construction is necessary for the economic development of the country.

The operationalization of the legal framework. Much as the Civil Aviation Act provides for the establishment of an accident and investigations unit to independently investigate civil aircraft accidents in line with Uganda's obligation under annex3 of the ICAO Convention, the government continues to allocate contrary to what the law provides.

Section 21(3) of the Road Fund Act provides that monies for the fund shall consist of monies appropriated by parliament, fines collected under the Traffic and Road Safety Act and levies on fuel, international transit fees, collections from foreign cars entering the country, road license fees, axle load fines among others.

To date there are no regulations to give this Act efficacy to be able to operationalize the legal framework as a second generation fund to enable the URF tap into the sources of funding stipulated under the above section to be able to meet its road maintenance needs.

Pre-Financing of Contracts. The sector is proposing to fully embrace pre-financing of projects by contractors and repayment to be done in a period of ten years[34].

As we had earlier on presented in this House, It has been established that the President, in abuse of the executive powers, directed that the following

[33] P.135

[34] The Budget Framework Paper 2022/23.

construction contracts under pre-financing model be undertaken without going through the mandatory procurement process.

Accordingly we assert that the processes cycle and activities of Procurement and Disposal of Public Assets in Uganda is governed by the Public Procurement and Disposal of Public Assets Act.

Non-compliance with the PPDA Act and regulations made thereunder by any person – whether public servant or not attracts criminal action and sanctions and in some cases civil liability. All Procuring and Disposing Entity (PDE) including UNRA and other Ministries, Departments and Agencies (MDAs) are enjoined to use the procurement methods and requirements specified in Part VI of the Act[35].

Proposed Alternative.
Force Account against Pre-Financing.

It is our strong conviction that the Presidential arrangement of entering into an arrangement for the contractors to advance money in form of works is in itself a loan. The Pre financing arrangement is a silent way of borrowing from the contractors that Uganda is taking on. There is an elaborate procedure that guides transaction of this nature where a country is acquiring a loan. The Constitution of the Republic of Uganda guides on instances where the country is to be committed on financial matters.

We therefore submit that the Presidential directives miserably fell short of the required standards and could not achieve a semblance of any of the legally recognized procurement methods and basic principles. Government can always get a fallback position and ignite the Force Account mechanism other than violating the Constitutional Provisions and those of the PPDA.

The government should settle and operate within the legal parameters and use Force account which is already provided for under the laws of Uganda other than inventing new wheel that is against the already established legal framework like the Pre-Financing mechanism as elaborated above.

[35] Under Section 79 of the PPDA Act and Regulation 6 (1) of the Public Procurement and Disposal of Public Assets (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014

Chapter Four: Conclusion.

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.

Accountability and Service.

For God and My Country.