

# BMAU Briefing paper 3/18



## The District Roads Rehabilitation Project under Ministry of Works and Transport: What outputs and outcomes have been realized to-date?

### Overview

In June 2012, the Government of Uganda (GoU) instituted a policy shift from contracting road maintenance works to use of Force Account. The Government thus acquired a loan from the Republic of China amounting to USD 100 million. The loan was mainly used to purchase 1,425 pieces of new road equipment for maintenance and rehabilitation of district roads by Force Account. The equipment was meant to clear the rehabilitation backlog of 10,000km in five years (June 2013 to June 2018). This meant that 2,000km needed to be rehabilitated each year and six (6) zonal centres had to be created for the rehabilitation of district roads.

The District Roads Rehabilitation Project (DRRP) was designed aimed at reducing the transport costs by improving district roads to an all-weather status by 2018. In addition, the project was to improve the stock and quality of road infrastructure.

In the policy guideline, maintenance was to be done by Local Governments; while rehabilitation was to be carried out by the Ministry of Works and Transport (MoWT) through zonal centres. Hence MoWT set up four (4) Zonal centres (District Roads Rehabilitation Units) that implement the roads rehabilitation through Force Account.

This **Briefing Paper** examines the extent to which the project has achieved the key planned outputs from FY 2013/14 to 31<sup>st</sup> December 2017; and assesses whether the project will achieve its planned outputs and the expected NDP II outcomes by June 2018. It further highlights a few challenges it has encountered and lessons learnt.

**Performance Rating:** A quantitative weighted scoring method was used to rate the extent to which the planned outputs were achieved. The performance scores are as follows: Very Good (90% and above); Good (70%-89%); Fair (50%-69%) and Poor (Less than 50%).

### Key Issues

1. The project will not achieve the overall planned outputs by June 2018. Hence, the overall outcome of “Improved condition of district roads” has not yet been realized as most districts are still battling with dilapidated road networks.
2. Poor planning was manifested in limited allocation of funds to actual road works. Only 53% of the released funds was spent on actual road works. Furthermore, the procurement of culverts and gravel material was being concluded at the end of the financial year.
3. There is no link between planning and budgeting. For instance, in the project profile, a yearly target of 2,000km was set yet during budgeting only 500km were planned for the five FYs.

### Background

The Project commenced in FY 2013/2014 and is meant to end in FY 2017/18. Its main objective is; “to improve the condition of district roads network”. The expected outcome is an improved condition of district roads.

### Relevance of the project with respect to the NDPII and sectoral policy objectives



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The project intends to achieve the following sectoral objectives;

- 1) Develop adequate reliable and efficient multimodal transport network in the country.
- 2) Rehabilitate and maintain the district urban and community access road network.

## Planned Outputs

The key **expected outputs** from the FY 2013/14 to the FY 2017/18 (June 2013 to June 2018) were;

- i. 10,000 km of district roads rehabilitated/improved,
- ii. Six (6) zonal workshops established for the rehabilitation of districts roads.

## Financial performance

The approved project budget from FY2013/14 to FY 2017/18 was Ug shs 27.16 billion, of which Ug shs 23.43 billion (86.3%) was direct GoU budget allocation, and a total of Ug shs 3.73 billion (13.7%) was donor funding.

However, by 31<sup>st</sup> December 2017, this project was solely financed domestically through direct budget allocation. No release was realized from the allocated donor funding in both FY 2013/14 and 2014/15 as earlier budgeted for.

The GoU budget outturn from the FY2013/14 to 31<sup>st</sup> December 2017 was rated **good** at 85.5%.

The overall expenditure of received funds is rated **very good** with 93% of received funds absorbed by end of December 2017 (Table 1).

**Table 1: Rehabilitation of District Roads projects budget allocation and releases From FY 2013/14 to 31<sup>st</sup> December 2017 (Ug shs billion)**

FY	Approved Budget	GoU Release	Spent	% of GOU Budget released	% GoU Budget Spent	% Release Spent	Remarks
2013/14	4.06 <sup>1</sup>	2.00	1.15	100.0	57.5	57.5	<b>Very good</b> release and <b>fair</b> expenditure performance.
2014/15	4.37 <sup>2</sup>	2.39	2.66	88.5	98.5	111.3	<b>Good</b> release and <b>very good</b> expenditure performance.
2015/16	5.13	4.63	4.63	90.3	90.3	100.0	<b>Very Good</b> release and expenditure performance
2016/17	4.80	3.70	3.70	77.1	77.1	100.0	<b>Good</b> release and <b>very good</b> expenditure performance.
2017/18	8.80	10.51	10.25	119.4	116.5	97.5	<b>Very Good</b> release and expenditure performance
<b>Total</b>	<b>27.16</b>	<b>23.23</b>	<b>22.39</b>	<b>85.5</b>	<b>88.0</b>	<b>93.3</b>	

*Source: MoWT Q4 Reports FY 2013/14 to FY 2016/17, BMAU Semi-Annual AND Annual Monitoring Reports FY 2014/15 to FY 2017/18 and author's compilation*

Tables 2 & 3 show the breakdown of expenditures and level of achievement of planned outputs respectively.

<sup>1</sup> Inclusive of Ug shs 2.06 billion from external financing which was not released

<sup>2</sup> Inclusive of Ug shs 1.67 billion from external financing which was not released

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**Table 2: Rehabilitation of District Roads Projects Expenditure Breakdown from FY 2013/14 to 31<sup>st</sup> December, 2017 (Ug shs 000)**

S/N	Outputs Expended on	Financial Year						TOTAL	% Expenditure
		2013/14	2014/15	2015/16	2016/17	2017/18			
1	Roads, Streets and Highways	505,874,000	1,719,170,000	3,266,100,000	2,837,222,000	3,611,945,000	11,940,311,000	53.35	
2	Purchase of Motor Vehicles and other Transport Equipment	100,000,000	75,000,000	-	-	5,441,035,000	5,616,035,000	25.09	
3	Purchase of Office and ICT equipment	-	-	-	-	-	-	-	
4	Purchase of Specialized Machinery and Equipment	152,940,000	-	-	-	-	152,940,000	0.68	
5	Monitoring and Capacity building support for District Road Works	393,816,000	861,570,000	1,361,314,000	861,883,000	1,194,818,000	4,673,401,000	20.88	
<b>6</b>	<b>TOTAL</b>	<b>1,152,630,000</b>	<b>2,655,740,000</b>	<b>4,627,414,000</b>	<b>3,699,105,000</b>	<b>10,247,798,000</b>	<b>22,382,687,000</b>	<b>100</b>	

Source: MoWT Q4 Reports FY 2013/14 to FY 2016/17 & Q1, Q2 progress reports FY 2017/2018, BMAU Semi-Annual and Annual Monitoring Reports FY 2014/15 to FY 2017/18, and Author's compilation

**Table 3: Rehabilitation of District Roads Projects Actual outputs From FY 2013/14 to 31<sup>st</sup> December, 2017**

F/Y	Planned full gravelling (km)	Planned Rehabilitation (km)	Planned clearing, shaping and compacting(km)	Achieved full gravelling (km)	Achieved Rehabilitation (km)	Achieved clearing, shaping and compacting(km)	% of full gravelling achieved	% of clearing, shaping and compacting achieved	% of Rehabilitation achieved	Overall achievement of targets (%)
2013/14	-	57.00	-	-	69.00	0.0	0.0	0.0	121.1	100
2014/15	120.00	-	400.00	92.00	-	18.8	76.7	4.7	0.0	40.7
2015/16	50.00	50.00	100.00	52.70	-	73.1	105.4	73.1	0.0	59.5
2016/17	50.00	50.00	90.00	65.90	-	106.3	131.8	118.1	0.0	60.0
2017/18	145.00	-	-	10	-	15.0	6.9	0.0	10.3	34.5
<b>Total</b>	<b>365.00</b>	<b>157.00</b>	<b>590.00</b>	<b>220.60</b>	<b>69.00</b>	<b>213.2</b>	<b>60.4</b>	<b>36.1</b>	<b>43.9</b>	<b>46.8</b>

Source: MoWT Q4 Reports FY 2013/14 to FY 2016/17 & Q1, Q2 progress reports FY 2017/2018, BMAU Semi-Annual and Annual Monitoring Reports FY 2014/15 to FY 2017/18, and Author's compilation

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## Achievement of planned outputs

- i. The project realized 46.8% of the planned yearly outputs from FY 2013/14 to 31<sup>st</sup> December 2017 (Table 3). Thus, only 5% (502.8km) were rehabilitated/improved out of the planned 10,000km.
- ii. Four (4) zonal centers were set up out of the planned six (6).

Despite the over 80% financial release to the project, only 53% was spent on actual road works. The balance was spent on: purchase of motor vehicles and other transport equipment; purchase of specialized machinery and equipment; and monitoring and capacity building support for district road works (Table 2).

The very small achievement of 5% indicates a very limited chance of success even within the NDPII timeframe (FY2019/20) – in two years' time.

## Challenges Experienced by the project

- 1) Inadequate equipment as stock was estimated to have a 53% gap. The available equipment was not enough to enable timely implementation of works. For instance, the units did not have sound supervision vehicles and dump trucks; the available rollers were ineffective because they were of low compaction strength.
- 2) Poor planning with procurement process of the road rehabilitation materials such as gravel and culverts being concluded close to the end of each financial year (FY).
- 3) Intermittent mode of funds release and inadequate funds that did not favour work plans, hence leading to the delays in works completion and sometimes double expenditures through repetition of works.
- 4) Weak link between planning and budgeting. For instance, in the project

profile, a yearly target of 2,000km was set yet during budgeting only 500km were planned for. This was a sign of lack of commitment from the MoWT.

- 5) There was no clear selection criterion of the district roads to be worked on. It was a matter of responding to political pressure from Members of Parliament and other influential leaders.

## Conclusion

By 31<sup>st</sup> December 2017, the project had not achieved its planned yearly targets. Only 5% (502.8km) were rehabilitated/improved out of the planned 10,000km. This was partly due to challenges of equipment, prolonged procurement processes and intermittent mode of funds release.

However, poor planning was also observed as unrealistic project profiles were developed. Thus, the project may not realize its outcome even if it's extended up to FY 2019/20.

## Policy Recommendations

- 1) The MoWT must develop realistic project profiles; Financial Year Budgeting should always match the project targets.
- 2) The MoWT should have an appropriate budget balance between actual road works and other supporting activities.

## References

- i. MoWT Q4 reports FY 2013/14 to FY 2016/17
- ii. Q1 & Q2 progress reports FY 2017/2018
- iii. BMAU semi-annual and annual monitoring reports FY 2014/15 to FY 2017/18

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