BMAU BRIEFING PAPER (1/14)

THE REPUBLIC OF UGANDA

MARCH, 2014

Persistent Implementation Challenges: Are they insurmountable?

Overview

Uganda is experiencing poor service delivery in many public institutions and programmes. The reason for the poor performance is a myriad of challenges that continue to be given by the implementers.

The Budget Monitoring and Accountability Unit (BMAU) monitors progress of implementation of programmes in Agriculture; Education; Energy; Health; ICT; Industry; Microfinance; Roads; and Water and Sanitation sectors.

The overall objective of this brief is to highlight the persistent implementation challenges in the sectors by comparing the implementation constraints in FY2011/12 and FY 2012/13.The paper examines the extent to which these challenges can be resolved and provides policy recommendations.

Key Issues

- Most of the challenges faced by the sectors reflect a weak culture of performance management.
- Many of these challenges have been continuously noted during the budget monitoring activities but there has been limited follow up by the relevant Ministries, departments and agencies.
- The challenges influenced by financial availability will continue to constrain implementation given the fluctuating domestic revenue generation and looming donor cuts, if allocative and operational efficiency are not improved.

Key Issues noted

(a) General concerns

1) Budget cuts both at central and local government during the two financial years under review greatly affected budget implementation. The overall trend analysis of the local government development conditional grants, for example, shows that although the budgets have not changed so much, the total receipts have been reducing over the years because of continued budget cuts.

2) **Delayed initiation of procurement** has persisted across programmes. Arguments for poor predictability of the budget are not universal. For example, the NAADS programme has been receiving funds upfront. By December 2012, most sub-counties had received funds for the NAADS program for Q1 and Q2. However, most had not commenced input/technology procurement processes and hence had utilized about 20% - 30% of the available funds.

b) Specific sector concerns

- **Agriculture sector**

Low resource absorption and poor allocative efficiency. Low service delivery in the agricultural sector during FY 2012/

13 was highly correlated with financial underperformance and poor allocative efficiency for the spent funds. For example, funds absorption for the Labour Saving Technology and Mechanization for Agricultural Production project was at about 35% of released funds.

Although funds absorption for the Uganda Meat Export Development Project was high (93%), physical performance was poor as about a half of the resources (49%) were spent on short term consultancies that did not contribute directly to achievement of the set targets.

Inadequate information dissemination, supervision and monitoring of agricultural projects: Most agricultural projects lack a monitoring and evaluation framework and information dissemination mechanisms.

Although significant proportions of GoU development budgets are earmarked to project monitoring and supervision, field findings show that implementation is poor and the outcomes remain unknown because most activities are not followed up.

- ## Education Sector

Diversion of Funds and Misreporting: The sector continued to suffer these vices. During FY 2012/13, the Ministry of Education and Sports (MoES) implemented a number of activities that were outside the approved work plan submitted to the Ministry of Finance.

For instance five schools under project 0943Emergency construction of primary schools (i.e J.C Kakoola P/S, Nakikungube C/U P/S and Nabalanga P/S, Kibibi C/U and Kjoro Odrua P/S), were not in the work plan while two schools (i.e Kalububbu P/S and St Thomas Bazadde P/S), were for the previous financial year 2011/12.

The sector then gave erroneous progress reports. For instance three primary schools under project 0943 (i.e. Bujubi P/S, Kibibi C/U and Nabalanga P/S) were reported to have received funds for emergency construction and rehabilitation during FY 2012/13 which was not true. In addition, MoES reported to have supplied assorted furniture to Sir Samuel Baker S.S in Gulu during FY 2012/13 which was not done.

- ## Energy

Delays by REA to compensate the project affected people (PAPs). Issues of land compensation were common throughout the two financial years on the Power Line projects implemented by the Rural Electrification Agency (REA) and the Energy for Rural Transformation programme. Some of the affected projects included; Ibanda - Kazo - Rushere; Ayer-Kamdini-Bobi; Gulu-Adjumani-Moyo with tee-off to Amuru; Rachokoko-Awere-Lalogi; Buseruka Interconnection Line. The Project Affected People are also not clearly sensitized about the procedures of compensation.

Poor planning and coordination among energy implementing agencies continues to delay implementation of planned activities, and causes cost overruns.

During FY2012/13 it was an issue with Buseruka Interconnection Project. Similarly, in 2013, a high voltage transmission line implemented by Rural Electrification Agency crossed the 132KV Tororo-Opuyo -Lira transmission line implemented by Uganda Electricity Transmission Company (UETCL) at Lumbuku village in Mbale district. This led to infrastructural design reviews to guard against any possible interface and short circuiting between the two lines.

- ## Health

Human resource shortage: The issue of staff shortages has been recurring however, the situation was made worse by the phasing out Nursing Assistants in the health cad re structure that were the majority staff at HCIIs and HCIIIs.

At present there is no immediate action that has been taken to replace them with nursing officers. The Ministry of Public Service has taken a long time to come up with a new cadre structure for the health centres to incorporate nursing officers at these levels.

Inadequate operational funds: The non wage recurrent budget is too inadequate to cater for the provision of cleaning services in hospitals and health centres, delivery of outreach services and payment of utilities. This was worsened by the budget cuts. Hospitals like Mbale regional referral hospital have accumulated arrears for utilities.

- ## ICT

Low absorption of funds under Development projects: This continued to be an issue under the National IT Authority where all projects spent less than 75 percent of the funds rolled over from FY 2011/12. This is an indication of poor planning and implementation.

Low demand for IT services provided by the district business information centres: The inadequate sensitization and awareness campaigns on the existence of the centres have resulted in persistent low demand for the IT services. This is making sustainability of the centres a problem.

Non delivery of complete ICT packages to education and health institutions has negatively affected delivery of intended services to the beneficiaries. The packages were delivered by the Uganda Communications Commission with no internet connectivity, an issue that has not been addressed.

- ## Industry

Slow implementation of projects was wide spread. The investors who had been allocated land by the Uganda Investment Authority in most parks were taking so long to effectively settle and develop the allocated plots. This is in part due to the delayed servicing of theindustrial parks by the UIA.

Under the Ministry of Trade, Industry and cooperatives, a number of activities for the One Village One Product project work plan failed to take off due to delayed approval by the internal technical committee.

The Soroti fruit factory and the Luweero-fruit drying project implementation under the Uganda Development Corporation were also very slow.

- ## Roads

Inadequate equipment: UNRA stations and districts have an aged fleet of equipment which is hard to maintain. The nature of equipment calls for high maintenance costs yet there is insufficient funding. The equipment supplied to Districts can only do light grading yet there is a lot of maintenance backlog that requires rehabilitation. Unfortunately, accessing the regional equipment is hard, given the competing demand for it.

Delayed land and property compensation: Government has continued with delayed handling compensation issues on projects. This had delayed works leading to late project delivery. There are cases of sections of UNRA and Ministry of Works and Transport roads that have been skipped due to valuation issues.

Late releases of road maintenance funds, has meant that planned works are implemented over two quarters, hence targets are usually not met.

- ## Water and Sanitation

Inadequate and Delayed remittance of funds: the District Local Government Indicative Planning Figures have been static for some time, despite the fast growing population. Funds are released a month or two late from the central government to implementing agencies which hindered effective implementation of activities over the two financial years.

Inadequate staffing in the District Water: Offices has continued to affect implementation of activities. In some Districts, Water Officers' are in acting positions while others are one man manned offices. This is worsened by the inadequate transport facilities for supervision and monitoring.

Non-adherence to the set guidelines and procedures during implementation of work: Some centrally done projects do not follow software and sanitation guidelines for example the emergency projects. Software activities are either done late or not carried out at all which compromises the sustainability of facilities.

Are the recurring constraints beyond our control?

Most of the challenges faced by the sectors reflect a weak culture of performance management in Ministries, Departments and associated agencies.

Many of the constraints are administrative in nature and can be effectively addressed.

The issues of late initiation of procurement; poor communication; delayed remittances of funds from intermediary institutions; diversion of funds and misreporting; as well as non adherence to set guidelines can be fully eliminated.

The challenges with financial implications may take longer to eliminate. Inadequate staffing, equipment and facilitation may be insurmountable in the short-term given the fluctuating domestic revenue collections as well as the looming donor budget cuts. However with improved allocative and operational efficiency, even these can be reduced significantly.

Recommendation

Government should strengthen the practice of performance management by effectively implementing the many reforms in that area.

The system should institute clear incentives and penalties for the civil service.

References:

- Annual Budget Monitoring Report for FY 2011/12
- Annual Budget Monitoring Report for FY 2012/13

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