



PERFORMANCE OF EXTERNALLY FUNDED PROJECTS

(June – December 2025)

REPORT

January 2026



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ABBREVIATIONS AND ACRONYMS

AC	Actual Cost
ADF	African Development Fund
AEP	Accelerated Education Programme
AF	Additional Financing
AFD	<i>Agence Française de Développement</i>
AfDB	African Development Bank
AI	Artificial Insemination
AnGRC	Animal Genetics Resource Centre
ARDC	Agricultural Research Development Centre
ART	Antiretroviral Therapy
AVCP	Agricultural Value Chain Development Programme
BMAU	Budget Monitoring and Accountability Unit
BoQ	Bill of Quantity
BoU	Bank of Uganda
BTVET	Business, Technical, and Vocational Education and Training
BTVET II	Business, Technical, and Vocational Education and Training Support Project – Phase II
CAR	Community Access Road
CERC	Contingency Emergency Response Component
CERT	Computer Emergency Response Team
CGV	Chief Government Valuer
CITCC	China International Telecommunication Construction Co-operation
CMPs	Catchment Management Plans
COVID-19	Coronavirus Disease-2019
CPHL	Central Public Health Lab
CPI	Cost Performance Index
CRI	Crisis Response Initiative
CSA	Climate Smart Agriculture
CV	Cost Variance
DAB	Disputes Adjudication Board
DACUM	Developing a Curriculum (used in curriculum development)
DC	Development Committee
DDA	Dairy Development Authority
DLG	District Local Government
DLI	Disbursement Linked Indicator
DLP	Defect Liability Period
DVO	District Veterinary Officer
DWD	Directorate of Water Development
E&S	Environment and Social Safeguards
EAC	Estimated Cost at Completion
EDF	European Development Fund



E-GP	Electronic Government Procurement
EHS	Environmental, Health, and Safety
EIA	Environmental Impact Assessment
EIB	European Investment Bank
EMS	Environmental Management System
EPC	Engineering, Procurement and Construction
ERT	Energy for Rural Transformation
ESHS	Environmental, Social, Health, and Safety
ESIA	Environmental Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
EU	European Union
EU-ITF	European Union Africa Infrastructure Trust Fund
EUR	Euro
EUR	Euro
EUTF	European Union Trust Fund
EV	Earned Value
EVM	Earned Value Management
EXIM Bank	Export-Import Bank of India
FAR	Farm Access Road
FAT	Factory Acceptance Test
FSTFs	Faecal Sludge Treatment Facilities
FY	Financial Year
GAVI	Global Alliance for Vaccine Initiative
Gbps	Giga bytes per second
GoU	Government of Uganda
GOVNET	Government Network
GRCs	Grievance Redress Committees
HC	Health Centre
HIV	Human Immunodeficiency Virus
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HMIS	Health Management Information System
HPV	Human Papillomavirus
HSE	Health, Safety and Environment
HV	High Voltage
ICRP	Irrigation for Climate Resilience Project
ICT	Information and Communication Technology.
ICU	Intensive Care Unit
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFMS	Integrated Financial Management System
IGG	Inspectorate General of Government
IIC	Independent Investment Committee
INVITE	Industrial Transformation and Employment
IP	Internet Protocol



IPC	Interim Payment Certificates
ISC	Implementation Support Consultant
IsDB	Islamic Development Bank
ISO	International Organization for Standardization
IT	Information Technology
IUWA	Irrigation Water Users Association
IWM	Integrated Water Management
IWMDP	Integrated Water Management and Development Project
JICA	Japan International Cooperation Agency
JPY	Japanese Yen
KCCA	Kampala Capital City Authority
KENAS	Kenya Accreditation Services
KfW	German Development Bank (Kreditanstalt für Wiederaufbau)
KfW	Kreditanstalt für Wiederaufbau
KfW	KfW Development Bank (German Financial Cooperation)
KfW	Kreditanstalt für Wiederaufbau
KIBP	Kampala Industrial and Business Park
KRA	Key Result Area
kV	kilo Volts
KW-LVWATSAN	Kampala Water–Lake Victoria Water and Sanitation Project
LCS	Low-Cost Surfacing
LG	Local Government
LLG	Lower Local Government
LPG	Liquefied Petroleum Gas
LSB	Local Seed Business
LV	Low Voltage
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture Animal Industry and Fisheries
MAN	Metropolitan Area Network
MCC	Milk Collection Centre
MDALGs	Ministries, Departments, Agencies and Local Governments
MDAs	Ministries, Departments and Agencies
MGS	Matching Grant Scheme
MLHUD	Ministry of Lands, Housing and Urban Development
MoES	Ministry of Education and Sports
MoES-SDHQ	Ministry of Education and Sports – Skills Development Headquarters
MoFPED	Ministry of Finance, Planning and Economic Development
MoH	Ministry of Health
MoICT&NG	Ministry of Information, Communication Technology and National Guidance
MoLG	Ministry of Local Government
MoU	Memoranda of Understanding
MoWT	Ministry of Works and Transport
MR-1	Measles Rubella
MSC	Microfinance Support Centre
MSMEs	Medium, Small, and Micro Enterprises



MT	Metric Tonne
MTIC	Ministry of Trade, Industry and Cooperatives
MTR	Mid-Term Review
MV	Medium Voltage
MW	Mega Watts
MWE	Ministry of Water and Environment
NACRRI	National Crops Resources Research Institute
NAGRC&D	National Animal Genetic Resources Centre and Data Bank
B	National Animal Genetic Resources Centre and Data Bank
NARO	National Agricultural Research Organization
NASARRI	National Semi-Arid Resources Research Institute
NBI	National Backbone Infrastructure
NBI PV	National Backbone Infrastructure-Phase V
NDP	National Development Plan
NDP III	The Third National Development Plan
NDPIV	Fourth National Development Plan
NDPIV	Fourth National Development Plan
NEMA	National Environment Management Authority
NICU	Neonatal Intensive Care Unit
NITA-U	National Information Technology Authority-Uganda
NMS	Network Monitoring System
NMS	National Medical Stores
NUWS	Northern Umbrella of Water and Sanitation
NWSC	National Water and Sewerage Corporation
O&M	Operations and Maintenance
OFID	OPEC Fund for International Development
OGS	Of-Grid Solar
OPD	Outpatient Department
OPEC	Organisation of the Petroleum Exporting Countries
OPM	Office of the Prime Minister
PAD	Project Appraisal Document
PAPs	Project Affected Persons
PBS	Programme-Based System
PBS	Programme Budgeting System
PCU	Project Coordination Unit
PDHs	Physically Displaced Households
PDPO	Personal Data Protection Office
PDWs	People with Disabilities
PFIs	Participating in Financial Institutions
PIM	Project Implementation Manual
PIM	Public Investment Management
PIP	Public Investment Plan
PISD	Project on Irrigation Scheme Development in Central and Eastern Uganda
PIU	Project Implementation Unit
PMT	Project Management Team
PMU	Project Management Unit



POM	Programme Operations Manual
POM	Project Operations Manual
PPDA	Public Procurement and Disposal of Assets Authority
PPP	Public-Private Partnership
PSFU	Private Sector Foundation Uganda
PSPs	Public Stand Posts
PV	Planned Value
PWDs	Persons with Disability
RAP	Resettlement Action Plan
RBF	Results-Based Financing
RGCs	Rural Growth Centres
RHC	Refugee Host Communities
RHD	Refugee Host Districts
RMNCAH	Reproductive Maternal Newborn Child and Adolescent Health
RoW	Right of Way
RRH	Regional Referral Hospitals
RSU	Regional Support Unit
SACCO	Savings and Credit Cooperative Organisation
SDG	Sustainable Development Goal
SDR	Special Drawing Rights
SFD	Saudi Fund for Development
SME	Small and Medium Enterprise
SOPs	Standard Operational Procedures
SPI	Schedule Performance Index
SPS	Sanitary and Phytosanitary
SRWSSP	Support to Rural Water Supply and Sanitation Project
STs	Small Towns
SV	Schedule Variance
SWC	Southwestern Cluster
TB	Tuberculosis
TI	Technical Institute
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training
TVET-MIS	TVET Management Information System
TX	Transformer
UAT	User Acceptance Testing
UBOS	Uganda Bureau of Statistics
UBTS	Uganda Blood Transfusing Services
UCF	Uganda Consolidated Fund
UCI	Uganda Cancer Institute
UCREPP	Uganda COVID-19 Response and Emergency Preparedness Project
UDAP	Uganda Digital Acceleration Project
UECCC	Uganda Energy Credit and Capitalisation Company
UEDCL	Uganda Electricity Distribution Company Limited
UETCL	Uganda Electricity Transmission Company Limited
UFZEPA	Uganda Free Zones and Export Promotions Authority



UHI	Uganda Heart Institute
UK	United Kingdom
UKEF	United Kingdom Export Finance
UMCS	Unified Messaging and Collaboration System
USD	United States Dollar
USEEP	Uganda Secondary Education Expansion Project
USh	Uganda Shilling
USh	Ugandan Shilling
VAT	Value Added Tax
VHTs	Village Health Teams
VSLA	Village Savings and Loan Association
WB	World Bank
WEMIS	Water and Environment Management Information System
WHO	World Health Organization
WIFI	Wireless Network
WSDF-N II	Water and Sanitation Development Facility North Phase II
WSS	Water Supply and Sanitation
WWTP	Wastewater Treatment Plant



GLOSSARY OF KEY TERMS

Term	Definition
Planned Value (PV)	Amount of work that should be completed at a certain point in time ($PV = \text{Percentage of work planned} * \text{Budget}$).
Earned Value (EV)	Amount of work that has really been completed at a certain point in time regardless of the cost incurred ($EV = \text{Percentage of work completed} * \text{Budget}$).
Actual Cost (AC)	Money spent to complete work (Expenditure) at a certain point in time.
Schedule Variance (SV)	An indicator of whether a project schedule is ahead, behind or on schedule to provide a progress update at a certain point in time ($SV = EV - PV$). An SV equal to 0 means the project is on schedule; whereas a positive SV means the project is ahead of schedule; and a negative SV means the project is behind schedule.
Cost Variance (CV)	A process of evaluating the project financial performance. Cost variance compares the budget that was set before the project started and what has been spent ($CV = EV - AC$). A positive CV indicates that the project has spent less money than the value of work done, whereas a negative CV indicates that the project has spent more money than the value of work done (Cost Overrun).
Schedule Performance Index (SPI)	A measure of the conformance of actual progress (Earned Value) to the planned progress ($SPI = EV / PV$). An SPI equal to 1 means the project is on schedule; whereas an SPI of greater than 1 means the project is ahead of schedule; and an SPI of less than 1 means the project is behind schedule.



Cost Performance Index (CPI)

A measure for calculating the cost efficiency and financial effectiveness of a project ($CPI=EV/AC$). A CPI ratio with a figure higher than 1 indicates that the project is operating under the budget; whereas a CPI ratio less than 1 indicates that the project is operating over the budget; and a CPI ratio equal to 1 indicates that the project is operating on budget.

Estimate Cost at Completion (EAC)

An estimate of the remaining costs for a more dynamic picture of the project budget ($EAC=Total\ Budget/CPI$). Then compare the estimate at completion (EAC) to the total budget at completion. If the figure is above the total budget, then the project managers should plan to scale down activities for the outstanding work; and if the EAC is below the total budget, then project managers should go ahead and complete outstanding works.

To-complete Performance Index (TCPI)

Measures the cost performance that is required to be achieved with the remaining resources in order to meet a specified management goal. (In other words, it is a ratio of the cost to finish outstanding work to the remaining budget.) $TCPI=(Budget-EV)/(EAC-AC)$. A TCPI equal to 1 means that the remaining resources can complete outstanding work; whereas a TCPI greater than 1 means that the remaining resources can complete outstanding work and even have excess funds; and a TCPI less than 1 means that the remaining resources cannot complete outstanding work.



FOREWORD

The Ministry of Finance, Planning and Economic Development has consistently mobilized resources for projects to fund social and economic infrastructure. These projects are expected to be among the drivers of the tenfold growth of our economy. To that effect, Government is committed to ensuring their effective implementation.

In September 2024, the first comprehensive report on the performance of externally funded projects was produced. This was to be followed by semi-annual assessment reports on these projects. This report is a follow-on and it shows what has changed since May 2025. The report shows some improvements as more projects were completed, while a third of those that had stagnated in the previous review period slowly picked up. The reasons noted for stagnation are the challenges that Accounting Officers should effectively deal with. We need more concerted efforts from all stakeholders to address these surmountable issues.

This is to urge all concerned Accounting Officers to critically review this report with a view to instituting effective mechanisms for tackling the identified bottlenecks. As we strive for the exponential growth of the economy, achievements of projects will continue to be a performance measure for renewal of contracts for Accounting Officers.

Ramathan Ggoobi

Permanent Secretary/ Secretary to the Treasury





CHAPTER 1: INTRODUCTION

Over the years, the Ministry of Finance, Planning and Economic Development (MoFPED) has mobilised resources for projects both domestically and externally to fund social and economic infrastructure. However, there is a problem of poor implementation of the projects. The binding constraints are the shortcomings in the frameworks and processes for planning, allocation and implementation of public investment projects that result in poor utilisation of project funds. The main concern is around the non-disbursement of external financing to projects.

To that effect, performance assessment of externally funded projects is carried out semi-annually. The assessment has been conducted by the Budget Monitoring and Accountability Unit (BMAU). This is the fourth monitoring report on the performance of externally funded projects.

The previous assessment of the externally funded projects was done by BMAU in May 2025. In November/December 2025, the Unit made a follow-up assessment on the then ongoing projects. The assessment covered 59 projects compared to the 66 projects covered in May 2025. This was because six projects had been completed then, while Ugift was on halt as negotiations for phase 2 are ongoing.

1.1 Methodology

Scope

The report is based on 59 projects that were monitored, from 11 programmes (Table 1.1).

Table 1.1: Projects assessed by programme

Programme	Number of Projects May 2025	Number of Projects November 2025
Agro-Industrialisation	7	6
Human Capital Development (HCD)	14	12
Integrated Transport and Infrastructure Services (ITIS)	21	19
Private Sector Development	1	1
Digital Transformation	2	2
Manufacturing	1	1
Natural Resources, Environment, Climate Change, Land and Water Management (NRECCLWM)	10	10
Sustainable Energy Development (SED)	5	4
Mineral Development	1	1
Regional Balanced Development	2	2
Sustainable Urbanisation	1	1
Cross-cutting – UgIFT	1	-
Total	66	59

Source: Authors' compilation from Public Investment Plan (PIP) 2024.



Approach and Methods

Both qualitative and quantitative methods were used in the monitoring exercise. The physical performance of planned outputs was assessed through monitoring a range of indicators and linking the progress to reported expenditure and/or planned targets.

Data Collection

Both primary and secondary data was collected from the sources and by means that are indicated below:

- i) Literature review: The project documents reviewed included project appraisal documents, project agreements/contracts, Project Implementation Plans, Projects Operations Manual, progress reports, Project Evaluation Reports and aide-memoire, among others.
- ii) Review and analysis of data from the Integrated Financial Management System (IFMS), Programme-Based System (PBS), the Aid Management Platform (AMP), institutional websites, and quarterly performance reports.
- iii) Consultations and key informant interviews with project managers and activity implementers.
- iv) Field visits to various project sites for primary data collection, observation and photography.
- v) Call-backs in some cases were made to triangulate information.

Data Analysis

The analysis entailed comparisons of planned inputs and outputs with actual achievements.

Comparative analysis was done using the relative importance of the outputs and the overall weighted scores. Relative importance (weight) of an output monitored was based on the amount of budget attached to it; thus, the higher the budget, the higher the contribution of the output to the project performance. This was derived from the approved¹ budget of each output divided by the total budget of all outputs of a particular project.

The overall project performance is an average of individual output performances assessed. The performance of the project was rated based on the criteria in Table 1.2

Table 1.2: Assessment guide to measure performance of projects

Score	Comment	Traffic Light
70% –100%	Good (Achieved at least 70% of outputs)	
50% – 69%	Fair (Achieved at least 50% of outputs)	
49% and below	Poor (Achieved below 50% of outputs)	

Source: Author's compilation.

¹ Approved at project inception



This was blended with the Earned² Value Management (EVM) analysis that illustrated the degree of risk in implementation among the projects. This entailed analysing project information right from inception. The EVM tool was used to determine the variances in schedule and cost of project implementation. In addition, the tool was used to establish the cost efficiency and financial effectiveness of the projects. In cases of cost overruns and slow implementation, indices were used to forecast additional funds and the time required to complete the planned project outputs.

1.2 Study Limitations

- 1 The inadequate time for the assessment limited an in-depth analysis of projects using the EVM tool. This required detailed expenditure data by output for every project since inception.
- 2 Inconsistencies in the loan financial figures between the implementing agencies and MoFPED. This was worsened by the fact that some loans are disbursed in more than one currency and reconciling these to one base currency gave inconsistent figures.
- 3 Lack of key project documents, such as work breakdown structures, schedule, cost, scope and risk management plans. This was mainly because these key documents are not a Development Committee requirement before the projects enter the Public Implementation Plan.

1.3 Structure of the Report

The report has three chapters. These are the introduction, the overview of aggregate project performance, and the detailed individual project performance by programme.

² The metrics used are explained in the Glossary of Terms.

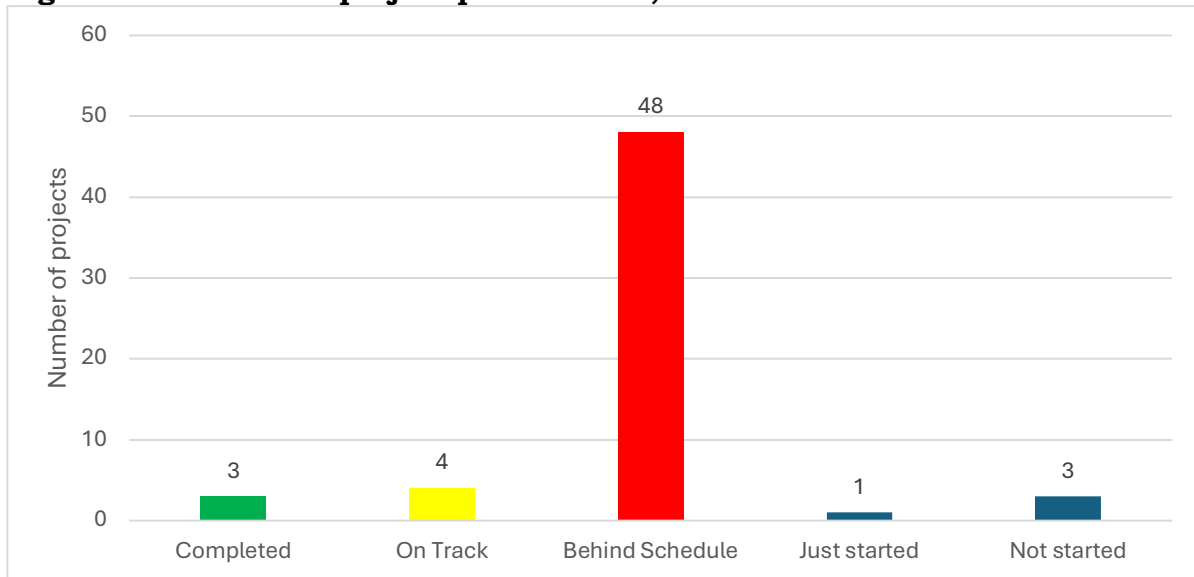
CHAPTER 2: OVERALL PERFORMANCE

This chapter gives the overall performance of the 59 projects by programme.

2.1: Trends in Project Performance since May 2025

Overall, 11.9% of the projects showed good implementation, recording either completion or on track status (Figure 2.1). On the other hand, 81.3% of the projects were still behind schedule, as was the case in the previous review.

Figure 2.1: Trends in project performance, June-November 2025



Source: Field findings

This project performance is lower than what was reported for the last assessment, where seven projects had been completed during the review period, and 19 were on track.

2.2 Programme performance

The best performing programme, was Mineral Development Programme that had its only project completed. This was followed by the Digital Transformation programme with one of its 2 projects being on track. On the other hand, the Human capital Development programme had 3 of the 12 projects (25%) completed (Table 2.1).

Of the 11 programmes with externally funded projects, 7 (63.6%) had **all** their projects behind schedule, compared to 5 in the previous assessment. This was most prevalent in the Natural Resources, Environment, Climate Change, and Land and Water Management programme, that had 10 projects behind schedule.



Table 2.1: Status of project implementation by Programme: June-November 2025

Programme	Status of implementation				Total
	Completed	On track	Behind Schedule	Just/not started	
Agro-Industrialization			6		6
Digital Transformation		1	1		2
Human Capital Development		3	8	1	12
Integrated Transport Infrastructure and Services	2		15	2	19
Manufacturing			1		1
Mineral Development	1				1
Natural Resources			10		10
Private Sector Development			1		1
Regional Development			1	1	2
Sustainable Energy Development			4		4
Sustainable Housing and Urbanization			1		1
Total	3	4	48	4	59

Source: Field findings

Of the 48 projects that were behind schedule, 7(14.6%) had stagnated an improvement from 18% in previous assessment. On the other hand, 37(77%) showed slight change, which was an improvement from 75% in the previous assessment (Table 2.2). The Integrated Transport Infrastructure and Services Programme accounted for 42.9% of the stagnated projects, compared to the 60% that it had in the previous assessment.

Table 2.2: Changes in implementation for projects, that are behind schedule: June- November 2025

Programme	Status of implementation during the review period			Total
	Improved a lot ³	Improved slightly ⁴	No change	
Agro-Industrialization		6		6
Digital Transformation		1		1
Human Capital Development	3	5		8
Integrated Transport		12	3	15
Manufacturing		1		1
Natural Resources		8	2	10
Private Sector Development			1	1
Regional Development		1		1
Sustainable Energy Development	1	2	1	4
Sustainable Housing and Urbanization		1		1
Total	4	37	7	48

Source: Field findings

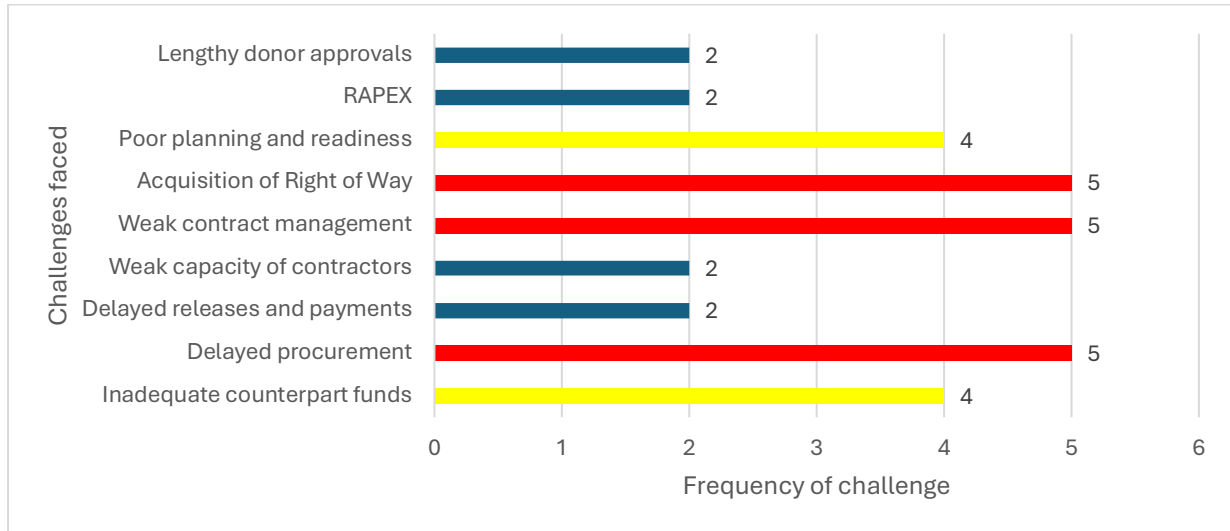
³ More than 50% of period's targets were achieved

⁴ Less than 50% of period's targets were achieved

2.3 Reasons for stagnation in implementation of projects.

The most common challenges faced by project implementers were delayed procurements, acquisition of Right of Way, and weak contract management (Figure 2.2). These were followed by poor planning and readiness for projects, and inadequate counterpart funding.

Figure 2.2: Project implementation challenges (frequency)



Source: Field findings

2.4 Key Recommendations

These are the key recommendations to reverse the stagnation and poor implementation of projects.

1. Fast track procurements for the following projects

- MoGLSD: Generating Growth Opportunities and Productivity for Women Enterprises
- Uganda Heart Institute: Uganda Heart Institute Infrastructure Development
- MoLG: Rural Development and Food Security in Northern Uganda Project
- UETCL: Masaka-Mbarara 400kV Transmission Line
- MEMD: Electricity Access Scale Up Project
- MoWT: Multinational Kapchorwa-Suam-Kitale and Eldoret Bypass Road
- MoWT: Kampala-Jinja Expressway
- MoWT: Entebbe Airport Rehabilitation Phase 1
- MoWT: Namagumba - Budadidiri - Nalugugu Road
- MoWT: Upgrading of Katine-Ochero Road
- MAAIF: National Oil Palm
- MWE: Enhancing resilience of communities and fragile ecosystems to climate change risk in Katonga and Mpologoma catchments
- MWE: Irrigation for Climate Resilience
- MoES: Uganda Secondary Education Expansion



2. Prioritize funding for the Right of Way or land acquisition for the following projects.

- MoKCC&MA: Greater Kampala Metropolitan Area Urban Development Program
- MWE: Support to Rural Water Supply and Sanitation
- MAAIF: Project on Irrigation Scheme Development in Central and Eastern Uganda
- UETCL: Masaka-Mbarara 400kV Transmission Line
- MoWT: Multinational Kapchorwa-Suam-Kitale and Eldoret Bypass Road
- MoWT: Kampala City Roads Rehabilitation
- MoWT: Development of the New Bukasa Port
- MoWT: Upgrading of Muyembe-Nakapiripirit road (92km)
- MoWT: Upgrading of Rwenkunya-Apac-Lira-Acholibur Road
- MoWT: Busega – Mpigi Expressway
- MoWT: Luwero-Butalangu Road
- MoWT: Namagumba - Budadidiri - Nalugugu Road
- MoWT: Kyenjojo (Kihura)-Bwizi-Rwamwanja-Kahungye/Mpara-Bwizi Roads

3. Strengthen contract management for the following projects:

- MoWT: Atiak-Moyo-Afoji: Atiak-Laropi (66 km) road
- MoWT: Multinational Lake Victoria Maritime Communication & Transport
- MoWT: Moyo - Yumbe - Koboko Road
- MoWT: Namagumba - Budadidiri - Nalugugu Road
- MoLG: Local Economic Growth Support
- MAAIF: Agricultural Value Chain Development Programme
- MAAIF: Uganda Climate Smart Agricultural Transformation
- MoKCC&MA: Greater Kampala Metropolitan Area Urban Development Program
- MoH: Italian support to Health Sector Development Plan-Karamoja Infrastructure Development Project Phase II

4. Prioritize allocation/ mobilization of counterpart funds for these projects:

- MoH: Uganda COVID-19 Response and Emergency Preparedness
- MoES: Second Phase of the Business, Technical, and Vocational Education and Training Support Project
- MoES: Vocational Education Project
- MWE: Water and Sanitation Development Facility North Phase II
- MoICT: The National Backbone Infrastructure Phase V Project



CHAPTER 3: DETAILED PROJECT PERFORMANCE

3.1 Agro-Industrialisation

3.1.1 Agriculture Value Chain Development Programme (1444)

Introduction

The Agriculture Value Chain Development Programme (AVCP) development objective is to improve household incomes, food security, and climate resilience through commercial agriculture practices, sustainable natural resources management and agricultural enterprise development. The key deliverables are: irrigation, animal disease control and trade facilitation infrastructure established; business development services provided; and research and development along the maize, rice and dairy/beef value chains undertaken. The project profile is provided in Table 3.1.1.

Table 3.1.1: Basic data for the Agriculture Value Chain Development Programme

Goal	To contribute to poverty reduction and economic growth in Uganda through enhanced productivity and commercialization of agriculture.
Coverage	40 districts ⁵
Lead Agency	Ministry of Agriculture, Animal Industry and Fisheries
Total project cost	UA 64,410,000 of which UA 57,000,000 is a loan from the African Development Fund (ADF) and UA 7.4 million is the GoU counterpart funding
Project Financier/ Development Partner	African Development Bank
Date loan declared effective	7th December 2018
Initial closure date	30th June 2023
Revised closure date	30th June 2027

Source: MoFPED Budget documents 2021-2025; Project Appraisal Document

The cumulative achievements by 30th April 2025 were: The Department of Crop Inspection and Certification was supported to inspect 20,000 acres of maize and 4,470 acres of rice; the seed storage laboratory at the National Crops Resources Research Institute (NACRRI) was equipped; dairy breeding was supported including procurement of 22 dairy breeding bulls and training of 278 artificial insemination technicians; and business development services were provided to 625,659 rice and maize farmers in 35 districts.

The National Dairy Analytical Laboratory was equipped; and construction was completed for the following facilities: Got Apwoy animal disease control centre,

⁵ Kyegegwa, Kamwenge, Masindi, Kiryandongo, Kasese, Buhweju, Mitooma, Nakaseke, Mukono, Luwero, Mityana, Kiboga, Buikwe, Wakiso, Buyende, Mayuge, Gulu, Oyam, Amolatar, Pader, Iganga, Kamuli, Mbale, Jinja, Kapchorwa; Rice: Sironko-Acomai irrigation scheme, and the districts of Bulambuli, Bukedea, Kamuli, Gulu, Oyam, Amolatar and Pader, Nebbi, Oyam, Kween, Butaleja, Kasese, Mbarara and Kitgum districts.



National Metrology Laboratory (NML) at the Uganda National Bureau of Standards (UNBS), Nabiswera Milk Collection Centre in Nakasongola district and five mini-irrigation schemes. Rehabilitation was completed of laboratories at Namalere Post Quarantine Laboratories in Kawanda and the Semen Production laboratory of the National Animal Genetic Resources Centre and Data Bank (NAGRC&DB).

Financial Performance

By 31st October 2025, USh 259.115 billion (79.3%) was disbursed to the project representing a 5.1 percentage point increase from the release performance recorded in April 2025. The disbursements were behind schedule compared to 82%-time progress. The loan release performance was at 76.9% (USh 222.278 bn) whereas Government of Uganda (GoU) counterpart was at 98.3% (USh 36.837 bn). The project expenditure as at 31st October 2025 was USh 242.256 billion (93.5%), having increased from USh 231.161 bn in March 2025). The project cumulative earned value was higher than the actual cost (Figure 3.1.1), explained by the pending payments of certificates for the animal disease control centres and Acomai irrigation scheme⁶.

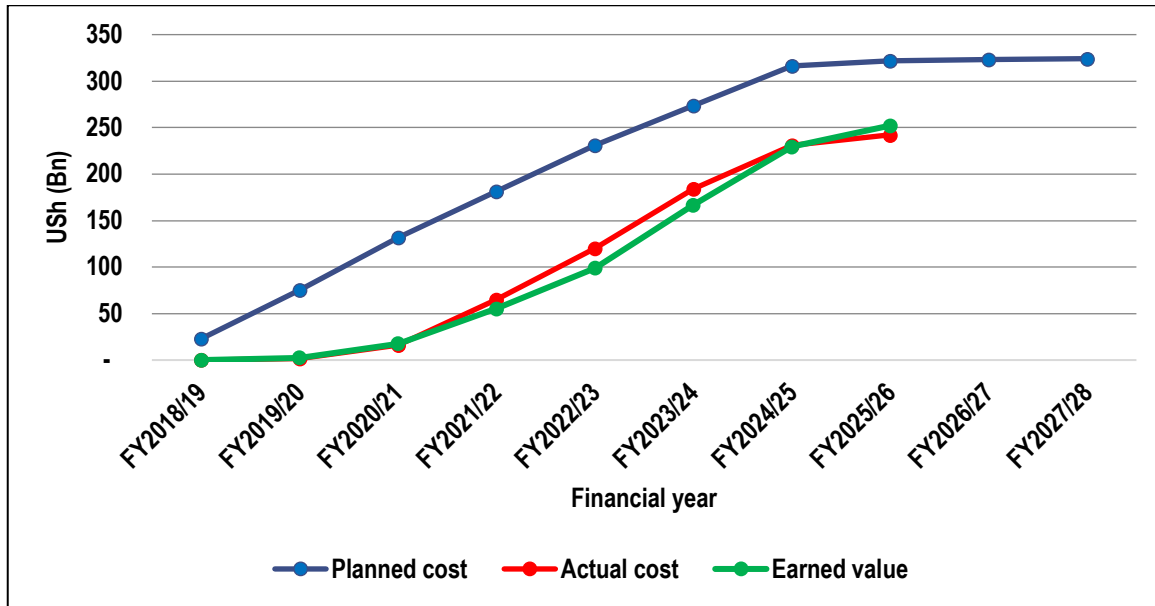
Physical Performance

The physical performance of the AVCP improved to 78%⁷ in November 2025 from 72% in April 2025 (Figure 3.1.1), although it was still behind schedule compared to the 82%-time progress. The improvement in physical performance was attributed to enhanced progress in construction of animal diseases control centres in Nakaseke, Bunyangabo, Soroti and Kiruhura districts; and equipping of laboratories for pesticide, entomology, molecular biology, soil and fertilizer analysis at Namalere Post Quarantine Laboratories.

⁶ EV= USh 252,219,840,869; AC= USh 242,256,584,131; CPI=1.04

⁷ SPI=0.78; SV= USh -69.676 bn

Figure 3.1.1: Performance of the Agriculture Value Chain Development Programme as at 31st October 2025



Source: Author analysis based on MoFPED and MAAIF data

The Nabiswera Milk Collection Centre in Nakasongola district was equipped with milk coolers and was functional. Equipping of the NML was at 60% in November 2025, having improved from less than 50% in May 2025. Construction of the Acomai irrigation scheme was ongoing at 98.5% physical progress, and implementation of the watershed management activities was yet to commence. The delay in implementation of planned activities was attributed delayed compensation of project affected persons (PAPs) and weak contract management for Acomai irrigation scheme; and change of scope for infrastructure development outputs. The detailed physical performance is provided in Table 3.1.2.

Table 3.1.2: Physical performance of the Agriculture Value Chain Development Programme as at 15th November, 2025

Component	Target	Achieved	Remark
Component 1: Production and Productivity Enhancement			
Dairy and beef (Increase dairy yield from 3 -6 litres a day; and beef yield from 300- 600kgs at 2-3 years)	National semen laboratory renovated and equipped.	The facility was renovated and in use (at 70% operation status using equipment from the old laboratory); however, the anticipated new equipment was yet to be delivered as at November, 2025.	Good performance was observed at output level however data on outcome performance (increase in dairy and beef yield) was not available.
Animal disease control	Two animal disease control centres constructed and equipped. Assorted animal	Construction of three disease control centres (biosafety level one) and the regional disease control centre was ongoing at varying stages	The Got Apwoy disease control centre was completed however, it was not functional as by



Component	Target	Achieved	Remark
	disease prevention and control equipment procured. Animal disease surveillance enhanced.	(Katine at 60%; Rubona at 60%; Nakaseke 40% and Kiruhura at 73%)	the design. Some structures were not functional (spray race, diagnostic laboratory and foot bath).
Component 2: Infrastructure Development			
Water for production infrastructure	Acomai irrigation scheme constructed (1480ha irrigable area), six livestock watering points, 25 sanitation facilities, bridge, 2 drying yards, 62 kms of road network and scheme facilities (warehouse, guesthouse, office and cafeteria). Six mini-irrigation schemes constructed. Watershed management activities implemented.	Construction of Acomai Irrigation scheme by Dott Services ltd and Coil ltd JV was ongoing and overall physical progress was at 98.5% as at 18/Nov/2025; and time progress of 100%. The following were pending including additional works on flood control: re-instating the ball pit, terminals of some road sections, widening the secondary drain canal (11.2km) and interceptor drain canal (3.8km), construction of two flood protection dykes (20.2km) and additional river training (8km). Implementation of watershed activities had not happened; the activity implementation plan was developed.	The construction of acomai irrigation scheme was behind schedule and there was no valid contract between Dott Services and Coil Ltd JV as at 18/11/2025. Four out of the six planned animal watering points were not constructed due to unwillingness of the intended beneficiaries to provide land. It was observed that some of the infrastructure like resting shades were waterlogged. Farmers had started using the scheme for rice and maize growing.
Quality assurance infrastructure and equipment	Control environment in the National Metrology Laboratory (NML) installed and the laboratory fully equipped	The control environment for air-conditioning was not installed, the contractor was onsite to initiate rectification of this issue. 45 new equipment out of the 53 equipment that were procured were delivered and installed. The remaining 8 equipment pieces were awaiting the installation of the control environment for them to be imported.	The UNBS had targeted to buy additional equipment worth USh 30 billion; the funding that was availed was USh 7.2 billion. The facility was operating at 50% of the installed capacity due to inadequate equipment

Source: Field findings and Project Progress Reports, Mission supervision Reports (2021 to 2025)



L-R: Hi-Tech equipment that was delivered at the UNBS NML in Kiira Municipality in Wakiso district; and the fully equipped and functional Milk Collection Centre in Nakasongola district



L-R: Storied Senior Staff Quarters under construction Nakaseke Zonal Animal Disease Control Centre in Nakaseke district; and partially completed feeds store at Sanga Regional Animal Disease Control Centre in Kiruhura district

Implementation challenge

Weak contract management by implementing entities.

Conclusion

The project achieved 78% of the planned output targets in November 2025, an improvement from the 72% progress that was recorded in April 2025. The improvement was due to additional infrastructure development for disease control centres and water for production facilities, in addition to equipping of laboratories for Namalere and the UNBS. The project was behind schedule compared to the 82%-time progress. The delay in implementation of planned activities is likely to affect the timely attainment of intended outcomes by the project end date.

Recommendation

The MAAIF should consider diligent contract management for contracted infrastructure activities (Acomai irrigation scheme; equipment supply for NML and Mobile dairy analytical laboratory).



3.1.2 National Oil Palm Project (1508)

Introduction

The National Oil Palm Project (NOPP) is a ten-year agricultural development project designed as a public, private producer partnership (PPP). The project development objective is to sustainably increase rural incomes through opportunities generated by the establishment of an efficient oil palm industry that complies with modern environmental and social standards. The total project cost is USD 215.492 million. The detailed project profile is provided in Table 3.1.3.

The key outputs include: smallholder oil palm plantations and a nucleus plantation established; farm and community access roads, ferry, hub offices, fertilizer stores and four crude palm oil mills constructed; and degraded land restored under climate resilient practices among others.

Table 3.1.3: Basic data for the National Oil Palm Project

Project Goal	Inclusive rural transformation through oil palm investment.
Coverage	Kalangala, Buvuma, Mayuge, Namayingo, Bugiri, Masaka, Rakai, Kyotera, Kalungu, Mukono and Buikwe,
Lead Agency	Ministry of Agriculture, Animal Industry and Fisheries
Total project cost	USD 215.492 million (inclusive of USD 75.83 million IFAD loan; USD 5.05 million Crisis Response Initiative (CRI) grant and USD 1.210 million original grant; USD 11.747 million GoU counterpart; USD 90.622 million private sector contribution and USD 31 million loan reflows and farmer contributions)
Project Financier/Development Partner	International Fund for Agricultural Development (loan and grant); Bidco Uganda Limited (private sector); trust (loan reflows) and farmers
Loan effectiveness date	1st March 2019
Completion date	31st March 2029

Source: IFAD, NOPP, Project design report, 2017

As of 31 May 2025, the project had achieved the following: the project management unit (PMU) was established and operational; 1,906 hectares (ha) of smallholder oil palm plantations were developed; 16.5 km of community access roads (CARs) and 62 km of farm access roads (FARs) were constructed; a 604 MT-capacity ferry for the Buvuma hub was completed and operational; 4,000 ha of nucleus estate were established in the Buvuma and Masaka/Kyotera (Sango Bay) hubs; and 141.8 ha of degraded land were restored in the Kalangala and Buvuma hubs.

Financial Performance

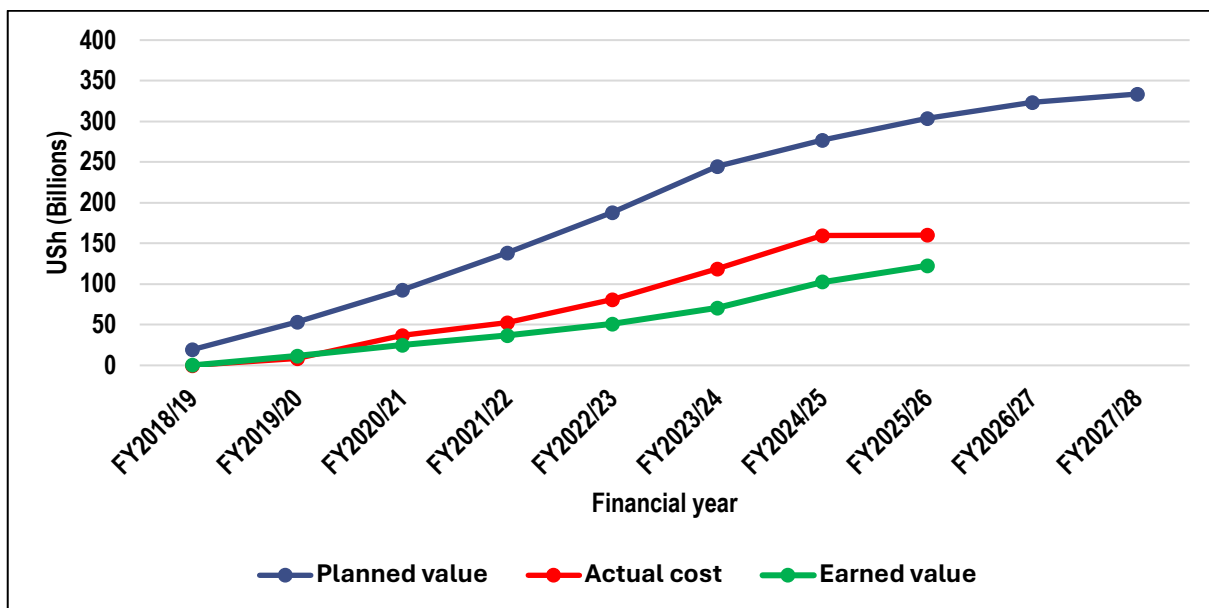
By 31 October 2025, a total of US\$ 172.56 billion had been released to the project (excluding private and beneficiary contributions), representing a 51.7% release performance. This was an improvement from the 41.2% release performance in May 2025. The disbursements by project financiers were as follows: IFAD loan at 52%, IFAD grant at 100%, Government of Uganda

counterpart funding at 79.8%, and CRI at 100%. The project’s cumulative expenditure amounted to US\$ 160.18 billion (92.8%). The project demonstrated 77% absorption of financial resources, but remained behind schedule⁸. A key issue identified was that the project was undertaking land purchases that were not part of its original deliverables, posing risks of time and cost overruns.

Physical Performance

Cumulative physical performance from project effectiveness to 31 October 2025 was poor, with 40% of planned output targets achieved (excluding private sector-funded outputs), an improvement from the 34% realized by 31st May 2025 (Figure 3.1.2). The project was 51 months behind schedule, with activities worth US\$ 181.18 billion yet to be implemented. Between April and October 2025, an additional 688.87 ha of smallholder oil palm plantations were established, bringing the cumulative area to 2,594.87 ha against the target of 15,000 ha in four new hubs.

Figure 3.1.2: Performance of the National Oil Palm Project by 31st October, 2025



Source: Author compilation from MAAIF project documents (FY 2018/19 to FY 2025/26)

In Buvuma hub, 1,103.44 ha planted in 2021 and 2022 had begun ripening, yielding 418 MT of fresh fruit bunches (FFB) as of 30th August, 2025. However, the absence of a crude oil palm mill in the hub necessitated transporting FFB to Kalangala for processing, reducing farmer margins. Seedling shortages were reported in the Mayuge and Masaka/Rakai hubs due to delayed payments to Oil Palm Buvuma Limited (OPBL), which hindered the timely provision of inputs and services; additional challenges included limited transport for seedlings and lack of land for a nursery in the Mayuge hub.

The Acholi Private Sector Development Company Limited was contracted to strengthen grower organization capacity in Buvuma and Mayuge hubs.

⁸ CPI=0.77, SV=US\$ 181,180,897,774



However, the Kyotera hub organization lacked facilitation, logistics, and structures needed to support the distribution of seedlings and fertilizers.



Oil palm seedlings purchased by MAAIF for out growers were overdue for planting due to lack of funds at the Nucleus estate in Kyotera district

In the nucleus estates, 2,600 ha of oil pal plantation were planted in Buvuma hub against a target of 5,000 ha, while 1,400 ha were planted in Sango Bay (Rakai District) against a target of 6,000 ha. A total of 1,750 out growers, out of the target of 2,000 were enrolled in the Sango Bay Oil Palm Cooperative Society; out of whom, 246 farmers had accessed 64,320 seedlings and 64,320 kg of phosphate and planted 402 Ha of oil palm plantation. An additional 49km of farm access roads were constructed bringing the total length to 116.25km out of the 910 km planned. Construction of a 1,000 MT fertilizer store (against a planned 15,000 MT capacity) in Buvuma was at 85% physical progress as of 19th November 2025. In Mayuge hub, construction of a fertilizer store and hub office had begun.



L-R: Construction of Mayuge hub offices at Imanyiro sub-county headquarters had commenced; construction of the fertilizer store in Buvuma hub was substantially complete



The project trained 5,878 people in alternative income-generating activities—such as apiary, piggery, poultry, and vegetable farming—in the Kalangala, Buvuma, and Mayuge hubs, against a target of 23,922 individuals. An additional 311 households were enrolled into the mentorship program, bringing the cumulative total to 1,500 out of the targeted 8,066 households.

In partnership with implementing partner Solidaridad, the project rehabilitated and restored an additional 28.8 ha of degraded land in the Kalangala and Buvuma hubs, bringing the cumulative total to 101 ha. A further 600 ha in the Kalangala hub were demarcated for conservation using bamboo live markers, against a target of 4,000 ha. A fresh fruit bunch (FFB) pricing committee was also established to negotiate and review FFB prices and deductions. In addition, service cost panels were set up in the Buvuma and Masaka/Kyotera hubs to review and negotiate prices for essential inputs to ensure affordability for growers while maintaining service provider efficiency.

Implementation Constraints

- i) Delays in acquisition of land for establishing nucleus estates, indicating low preparedness for project activity execution.
- ii) Non-payment of outstanding OPBL dues, which hindered the timely provision of inputs and services to farmers.
- iii) Due to the slow administrative processes in NOPP, the Farmers Trust was not yet operational. A total of 136,000 seedlings worth US\$ 2 billion were purchased by MAAIF but could not be planted due to lack of funds to service the farmers. The holing to plant was done on the farmers' gardens by a contractor who abandoned the work due to non-payment of certificates.

Conclusion

The project physical performance improved to 40% by 31st October 2025 from 34% in May 2025. However, the project was behind schedule and was likely to require an additional US\$ 102.32 billion to complete planned activities⁹. Inefficiencies were noted, costs being higher than the project value due to the inclusion of unintended outputs such as land purchase and payment of contract staff salaries¹⁰. To achieve the intended results within the project period, the implementation of planned activities must be expedited and the recommendations below embraced.

Recommendations

- i) The MAAIF should consider pre-financing OPBL to provide seedlings and other support services to farmers.
- ii) The MAAIF should review and re-scope project activities, focusing implementation on hubs where land has already been acquired.

⁹ SV= US\$ -181,180,897,774; EAC= US\$ 436,771,732,050; SPI= 0.40

¹⁰ Actual cost= US\$ 160.178 bn; Earned value= US\$ 122.59 bn



3.1.3 Enhancing Agricultural Production, Quality and Standards for Market Access Project (1802)

Introduction

The Enhancing Agricultural Production, Quality and Standards for Market Access Project is a five-year, countrywide initiative led by the Ministry of Agriculture, Animal Industries and Fisheries (MAAIF), operating from 1st July 2023 to 30th June 2028. The total project cost is US\$ 1,645,000,000,000, financed through a Citibank loan and supported by the United Kingdom Export Finance (UKEF) and the Government of Uganda under Phase I, although the financing agreement has not yet been signed.

The project development objective is to promote an inclusive and competitive agricultural sector by establishing systems and infrastructure that enhance the safety and quality of agricultural products. The key outputs include the establishment and equipping of national and zonal laboratories, the development of border quarantine and export inspection facilities, strengthened veterinary infrastructure, and the provision of value-added and market infrastructure, supported by accredited laboratories for both domestic and international markets.

Financial Performance

By 30th November 2025, a cumulative total of US\$ 6.64 billion was budgeted as counterpart funding from the Government of Uganda, of which US\$ 2.32 billion (35%) was released, and US\$ 1.49 billion (64.2%) spent on procurement initiation, technical design, and pre-construction requirements, as well as project coordination, monitoring, and oversight. No development partner funds had been released as the project had not yet attained effectiveness.

Physical performance

The project commenced implementation before completing the Public Investment Management Systems (PIMS) approval cycle. During this period, counterpart funding supported preparatory and technical activities to ensure readiness for full project execution. These included feasibility studies, site verifications, geo-spatial mapping, and environmental and social assessments to guide facility design and ensure compliance with technical, operational, and regulatory requirements.

Key technical tasks were undertaken, such as data collection for the National Agricultural Diagnostics Laboratory, assessments for the Zonal Research Laboratories, and stakeholder consultations for the National Veterinary Medical Stores. These assessments also informed the planning of the SPS Export Training Facility and the Food Safety Laboratory. In support of field operations, two double-cabin vehicles were procured.

In addition, the Engineering, Procurement, and Construction (EPC)/Turnkey contractor was contracted and signed with M/s NMS Infrastructure Limited. Although full-scale implementation remains pending due to an unsigned



financing agreement with the UKEF, the project made substantial progress toward its planned deliverables (Table 3.1.4).

Table 3.1.4: Performance of the Enhancing Agricultural Production, Quality and Standards for Market Access Project by 30th November 2025

Planned outputs	Achievements/ Activities undertaken	GoU Expenditure (USh billion)
Procurement of motor vehicles for the implementation of project activities	2 double cabins were procured to support field operations, coordination, and supervision, and await delivery.	0.157
Construction of project facilities (National Agricultural Diagnostics Laboratory, Zonal Research Laboratories, National Veterinary Medical Stores, SPS Export Training Facility, National Agricultural Food Safety Laboratory & Fisheries Inspectorate Office)	Detailed designs and Bills of Quantities completed; On-site evaluations conducted for technical, environmental, and logistical compliance; Assessments for utility access and regulatory requirements were carried out.	0.9
Implementation of project activities monitored	Identified land in 21 districts, collected baseline data, assessed infrastructure gaps, and conducted monitoring & evaluation.	0.418

Source: MAAIF Project document Report, PBS Reports 2023-25

Implementation constraints

- i) Low capacity and readiness of MAAIF to fulfill the development partner prior conditions, leading to delayed approvals and full-scale implementation of project activities.
- ii) Unclear work plans and targets to guide the spending of counterpart funding.

Conclusion

Prior to the signing of the financing contract and the formal commencement of the project, a number of preconditions were required to be fulfilled by MAAIF before the financing agreement with the lender (UKEF) could be concluded. Despite these requirements, the project proceeded with early implementation activities ahead of the agreement becoming effective. Adherence to the remaining Standard Operating Procedures (SOPs) for accessing the loan, particularly the timely submission of required documentation and approvals, will be essential to securing financing, maintaining quality standards, and ensuring the timely delivery of planned outputs.



Recommendations

- i) The MFPED and MAAIF should expedite fulfillment of prior conditions for development partner financing and project effectiveness.
- ii) The MAAIF should strengthen project readiness and implementation capacity, particularly in planning, coordination, and compliance with Standard Operating Procedures (SOPs), to ensure a smooth transition to full-scale implementation once financing becomes effective.

3.1.4 The National Oil Seeds Project (1772)

Introduction

The Government of Uganda through the MAAIF and Ministry of Local Government (MoLG) is implementing the seven-year (2021-2028) National Oilseeds Project (NOSP).

The project development objective is to accelerate commercialization in key oilseeds value chains and thereby improve the livelihoods and resilience of the smallholders engaged in oilseed production and marketing. The project profile is presented in Table 3.1.5.

Table 3.1.5: Basic data for the National Oil Seeds Project

Project Goal	Inclusive rural transformation through sustainable development of the oilseeds sector.
Specific objectives	To facilitate the private sector-led growth of competitive, inclusive value chains for priority oilseeds (sunflower, sesame, soya bean, groundnuts) and their associated support markets and to improve local-level public transportation infrastructure to facilitate the commercialization of the oil seed sector.
Coverage	120,000 oilseed growing households in 81 districts located in six regional hubs: West Nile (12); Gulu (08); Lira (19); Eastern Uganda (26); Mid-Western (10); Karamoja (06)
Total project cost	US\$ 160.68 million contributed by: IFAD - US\$ 99.56 million (Special Drawing Rights (SDR) 72,300,000); OFID US\$30.002 million; GoU US\$ 14.427 million; others US\$ 16.817 million (Heifer international, Kuehne foundation, beneficiaries and private sector)
Start Date	12th July 2021
Completion date	11th July 2028
Implementers	MAAIF and MoLG

Financial Performance

As of 30th November 2025, a total of USD 29.679 million (approximately Ush112 billion) was released (29.5% of budget) of which USD 28.349 million was external financing and USD1.33 million counterpart funding. The project's cumulative expenditure was USD 18.347 million (62.2% of the release). This reflects a fair expenditure performance attributed to procurement delays, that affected absorption. The project's cumulative earned value exceeded the actual cost¹¹ due to the financed activities in the

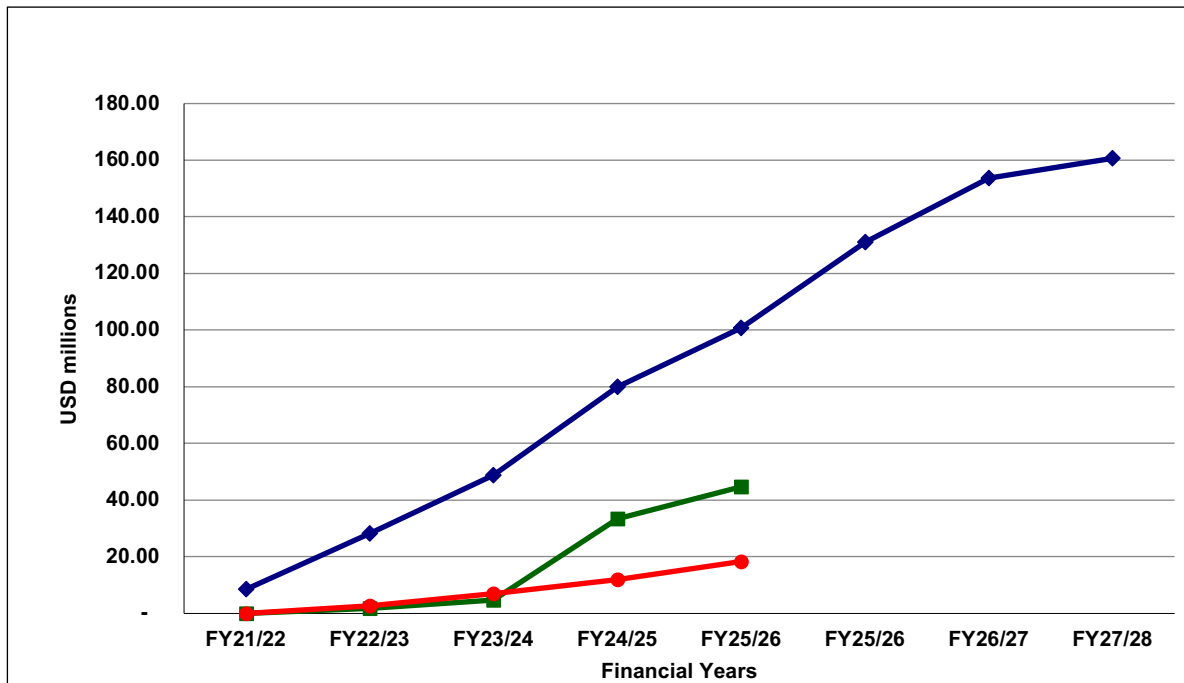
¹¹ Earned Value= USD 45 million, Actual cost= USD 18 million, Exchange Rate=3774

Support to Market Linkage Infrastructure Servicing the oil Sector component (Figure 3.1.3).

Physical performance

As at 30th November 2025, the project performance was at 45%¹² of its output targets indicating a slight improvement from the 42% registered in May 2025. The overall performance remained poor as several key planned activities for example the procurement of tractors were not implemented due to procurement delays. Consequently, the project remained behind schedule, with a cumulative delay of 28 months. The following outputs were fully achieved by 30th May 2025: 200 Clusters were selected, verified and operationalized; 11 Vehicles and 162 motorcycles were procured and distributed; plus, establishment and operationalising of a monitoring and evaluation system.

Figure 3.1.3: Performance of National Oil Seeds Project as at 30th November 2025



Source: Author's compilation based on Project data

The project physical performance on the planned output targets for the period is presented in Table 3.1.6.

Table 3.1.6: Physical performance of the National Oil Seed Project as at 30th November 2025

Components	Planned Outputs	Achievement
Support to Oil Seeds Value Chain Development and Support production, productivity and market development	Nine (9) Pay for Service Providers (PSPs) recruited and prepared to provide agronomic, crop insurance and marketing	8 out of the 9 Agro-business service providers (PSPs) are on board and profiling of at least 823 farmer groups, 14,300 households,

¹² SPI=0.45



Components	Planned Outputs	Achievement
	services to 1,440 Farmer Groups across the 81 districts.	58,402 acreage was done.
	Yield Potential of local varieties improved – Research	The National Semi-arid Resources Research Institute (NASSARI) was evaluating 22 hybrid lines for groundnuts on-station (10acres); established 5 acres for multiplication of NARONUT 5R. The NASARRI also, promoted sunfola (an open pollinated variety) and supplied 500kg of foundation seed; established multi-locational trials for four hybrid varieties under evaluation; supplied 350kg of foundation seed for sesame 2 and 3 to various project districts. The institute reported challenges of lack of budget for postharvest and soil fertility improvement research for oil seeds.
	200 Local Seed Business (LSBs) schemes supported to produce quality certified declared seeds (QDS)	115 (57.5% of planned) LSBs supported to produce QDS through training and quality foundation seed for production (Production was at different levels).
	120,000 farmers in 4,600 farmer groups, 120,000 households mentored on production, business and social issues by PSP.	44,200 farmers in at least 1,768 farmer groups were mentored on production, business and social issues.
Support to Market Linkage Infrastructure Servicing the oil Sector	2,500Km market access roads constructed	Rehabilitation of 1,035.42km of Batch A CARs in 81 project districts was still ongoing with an average performance of 72.4%. The procurement of consultations for Batch 2 (1,466km) are taking

Components	Planned Outputs	Achievement
		place as at 30th November, 2025
Project coordination and management	11 Vehicles and 162 motorcycles, Equipment procured, distributed and maintained M&E system established	Maintained vehicles and motorcycles for project implementation. M\$E system established and M&E activity conducted.

Source: Field Findings, MAAIF Project progress report 2024-2025, PBS and NOSP Design Reports



Rehabilitated 2.8Km Kiruli-Kisasa Road in Kiruli Subcounty, Masindi District.

Implementation constraint

Lengthy and inconclusive procurement processes slowed absorption, resulting in delayed implementation of several activities.

Conclusion

As of 30th November 2025, the project's cumulative physical performance stood at 45%, reflecting an improvement from the 42% recorded in May 2025. However, the project remained approximately 28 months behind schedule, mainly due to prolonged procurement delays that slowed the implementation of several planned activities

Recommendations

The MAAIF should strengthen procurement planning and execution.



3.1.5 The Project on Irrigation Scheme Development in Central and Eastern Uganda (1323)

Introduction

The Government of Uganda, through the MAAIF and with a grant from the Government of Japan, is implementing the Project on Irrigation Scheme Development in Central and Eastern Uganda (PISD). Initially, the grant was worth JPY 2.79 billion (US\$ 94 billion). However, due to the depreciation of the Japanese yen against the United States dollar, the grant amount was revised to JPY 2.250 billion (US\$ 75.85 billion). The summary profile of the project is presented in Table 3.1.7.

The project is designed to ensure a reliable supply of irrigation water to enhance rice production and productivity in the target communities of Kween and Bulambuli districts in Eastern Uganda, with future phases planned to expand to additional districts in the Central region. The project scope involves the development of an irrigation scheme within the Atari Basin. The first phase of PISD, implemented from 2014 to 2018, focused on feasibility studies, while the ongoing second phase is focused on the construction of the irrigation infrastructure.

Table 3.1.7: Basic data for the Project on Irrigation Scheme Development in Central and Eastern Uganda

Project goal	To increase production and productivity of rice in targeted communities through development of irrigation facilities.
Total project cost	US\$ 105.85 billion (JICA Grant Aid JP¥ ¹³ 2,250,800,000 billion - approximately US\$ 75.85 billion and US\$ 30 billion as GoU Counterpart funding)
Starting date	July 2018
Contract Signing Date	19th March 2024
Actual starting date	4th October 2024
Original end date	June 2022
Revised end date	31st December 2026

Source: PISD monthly progress report – November 2025

Financial Performance

As of 30th November 2025, the project had cumulatively received US\$ 25.53 billion, representing 24.12% of the total project cost. Of this amount, the development partner contributed US\$ 20.09 billion, accounting for 26.5% of the total development partner budget, while the Government of Uganda released US\$ 5.44 billion, equivalent to 18.1% of its budget commitment, all of which had been fully expended.

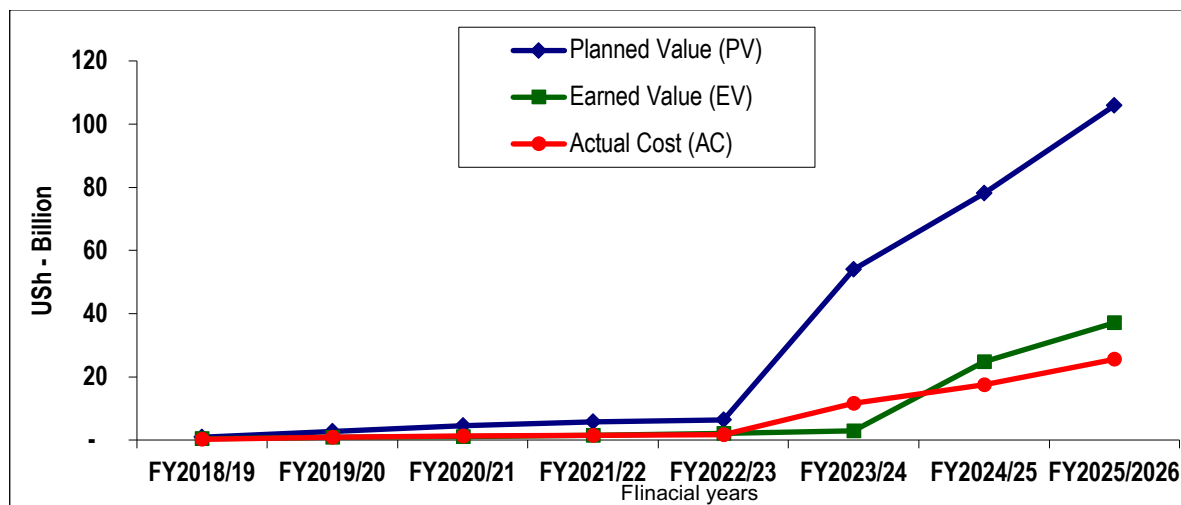
¹³ 1 JP¥ = US\$ 33.7

Physical performance

By 30th November 2025, overall project physical performance stood at 35%, showing a slight increase from 31% recorded during the previous monitoring in May 2025. The project remained behind schedule, with earned value below the planned value¹⁴. The slow progress was primarily due to delays in compensating Project Affected Persons (PAPs), which was left incomplete.

During the period under review, the project earned value exceeded the project actual cost ¹⁵ (Figure 3.1.4), this was attributed to pending payments to the contractor. This marks an improvement from the previous monitoring period, which reported earned value below actual cost that indicated inefficient resource utilization.

Figure 3.1.4: Performance of the PISD as at 30th November 2025



Source: Authors' analysis of PISD data

The overall performance of the planned outputs is summarized below in Table 3.1.8.

Table 3.1.8: Performance of the PISD project as of 30th November 2025

Planned Outputs	Achievements
Policies, laws, guidelines, plans, and strategies developed	The Atari irrigation water users' association was registered with Bulambuli District Local Government, and the by-laws of the Irrigation Water Users Association (IWUA) were approved by both Bulambuli and Kween district councils as well as MAAIF and explained to the farmers.
Land acquired by Government	Out of the planned 155 km/acres of land required for the Atari Land Scheme, 120.4 km/acres had been acquired by November 2025, representing 77.7% of the target. The total number of Project Affected Persons (PAPs) was 492, of whom 433 (88%) had been compensated while 59 (12%) PAPs were still pending compensation. However, the

¹⁴ PV = USh 105,851,960,000 billion, CPI = 0.35

¹⁵ EV = USh 37,104,096,000 billion, AC = USh 25,531,940,000 billion, CPI = 1.45



Planned Outputs	Achievements
	incomplete compensation of PAPs caused a delay in the establishment of trial farms at Atari.
Atari irrigation scheme constructed	<p>By November 2025, overall physical progress of the project in Bulambuli and Kween districts stood at 35%. Key milestones included the construction of secondary irrigation and drainage canals, culverts, the Bulambuli model farm, and headworks, along with the establishment of temporary access roads and support structures in Kween. However, the development of irrigation infrastructure, including access roads, canals, culverts, and headworks, was behind schedule, with ongoing earthworks and slow overall progress.</p> <p>Site preparation activities included slope stabilization, dewatering of foundation pits, excavation of access routes, removal of sludge soils, soil stabilization, and filling of drainage trenches. In addition, water pits were excavated.</p> <p>Works in Bulambuli are expected to be completed by 31 March 2026. Pending activities included the headworks, lining of secondary canals, and drainage works. However, the drainage works were currently under contention due to unresolved disputes over rightful landowners who had not yet been compensated¹⁶.</p> <p>The main challenges encountered during implementation included the diversion of funds by subcontractors and flooding of the river in October, which disrupted construction activities for approximately two weeks. The flooding originated from the Kapchorwa district side.</p>
Infrastructure development and management,	<p>During this reporting period, farmers' groups in Kween and Bulambuli districts engaged in collaborative activities, including rice cultivation and participation in agricultural group activities focused on savings, credit, and labour exchange.</p> <p>The previous savings group was liquidated in December 2024, following the Harvesting Festival conducted in November 2024. A new savings group was subsequently formed, comprising 18 men and 31 women. Meetings are held weekly, with the women's group demonstrating higher levels of activity and participation compared to the men's group.</p> <p>Although the Irrigation Water Users Association (IWUA) was in place, water management continued to be handled individually by farmers, many of whom lacked basic water management skills. There were no coordinated efforts to maintain the irrigated areas, resulting in overgrown weeds and damaged canals in several locations.</p> <p>The Atari administration block was completed and is now fully operational serving as a vital hub for scheme management and coordination.</p>
Creating an Enabling environment for	The project supported District Agricultural Engineers in Kween and Bulambuli districts through specialized training programs to enable them provide effective support to the

¹⁶ Compensation for plot 26 affected works along BD-4 (No.1+290 to No.2+000)

Planned Outputs	Achievements
Agriculture	<p>farmers of the Atari Irrigation Scheme.</p> <p>Support was provided to both central government and District Local Government (DLG) staff through capacity-building initiatives. This support included training sessions on water use and the sustainability of the irrigation scheme.</p> <p>Rice cultivation trainings were conducted targeting 100 Training of Trainers (ToTs). A total of 80 farmers successfully graduated in Atari, while 40 trainees are still undergoing training in Ngenge. Each graduated ToT is expected to train two additional farmers annually.</p> <p>Farmers were also provided with farming inputs and tools, benefiting a total of 160 individuals.</p>

Source: Field findings and project progress reports



Left: Head works at River Atari. Right: Construction of the access road and primary canal for the Atari Irrigation Scheme was progressing in Bulambuli district

Implementation constraint

Project performance was hindered as the contractor was unable to access certain portions of the intended work areas due to incomplete compensation for PAPs.

Conclusion

By November 2025, overall project progress showed modest improvement, reaching 35%. Key construction and site preparation activities were underway, and compensation of PAPs was largely completed at 88%. Despite these efforts, overall progress was still below expectations, highlighting the need for enhanced monitoring and accelerated implementation to meet project targets.

Recommendation

- i) The MAAIF should prioritise compensation of the pending PAPs.



3.1.6 Uganda Climate Smart Agricultural Transformation Project (1786)

Introduction

The Uganda Climate Smart Agricultural Transformation Project (UCSATP) is a six-year Government of Uganda (GoU) project implemented by Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) with a total project cost of USD 354.7 million (US\$ 1,354.954 billion¹⁷). The project development objective is to increase productivity, market access and resilience of four select value chains and to respond promptly and effectively to crisis or emergency. The value chains are: crop, livestock, fisheries and beneficial insects (bees and black soldier flies). The summary project profile is presented in Table 3.1.9.

Table 3.1.9: Basic data for the Uganda Climate Smart Agricultural Transformation Project

Collaborating agencies	National Agricultural Research Organization (NARO), National Animal Genetic Resources Center and Data Bank (NAGRC&DB), and Uganda National Meteorological Authority (UNMA), Ministry of Water and Environment (MWE), District Local Governments (DLGs)
Coverage	69 districts, including 7 Refugee and Host Districts (RHDs)
Project Components	Component 1: Strengthening Climate Smart Agricultural Research, Seed and Agro-climatic Information Systems; Component 2: Promoting Adoption of Climate Smart Agriculture Technologies and Practices; Component 3: Market Development and Linkages to Selected Value Chains; Component 4: Contingency Emergency Response; Component 5: Project Management, Coordination and Implementation
Total Project Cost	USD 354.7 million (USD 325 million IDA World Bank loan, USD25 million Grant from the Window for Host Communities (WHR) and USD 4.7 million GoU counterpart)
Approval date by the World Bank	22 nd December 2022
Declaration of project effectiveness	25 th June 2024
Date of first disbursement	23 rd October 2024
Project closure date	31 st December 2028

¹⁷ Exchange Rate Effective October 31, 2022: USD 1 = US\$ 3,820 and USD1 = SDR 0.78



Financial performance

The total project disbursements improved from to 14.50% by October 2025 from 7.57% on 31st April 2025, on account of scaling up of implementation of key activities

The cumulative development partner disbursement was USD 50.78 million (US\$ 193.979 billion) of which USD 10.85 million (US\$ 41.450 billion) or 21.36% was spent. This was low funds absorption. This was an improvement from the April 2025 position where disbursement was at 101.272 billion and expenditure was US\$ 25.786 billion. The planned expenditure for GoU counterpart funding for April to December 2025 was US\$ 513.184 million of which US\$ 691.530 million was released and expended by November 2025. This was good release and expenditure performance.

However, the releases in FY 2025/26 were for FY 2024/25 activities, mainly for supervision of capital works and contract salaries. By November 2025, the DLGs were still engaged in spending the resources received for FY 2024/25 on completing spill over activities for that year. The activities for FY 2025/26 were not implemented as no funds had been disbursed for that year. The project was at high risk of not being completed by the project end date as the disbursements (14.50%) were far behind time progress (45.45%).

The cumulative project earned value improved from US\$ 114.373 billion in May 2025 to US\$ 168.337 billion in October 2025. However, the project earned value remained below the planned value (US\$ 777.378 billion) due to low fund absorption associated with delayed procurements and implementation. The project was thus behind schedule (Figure 3.1.5). The project earned value was above the actual cost¹⁸ due to two reasons a) pending payments to suppliers; b) execution of many activities borrowing funds from existing programmes in DLGs, NARO and NAGRC&DB.

Physical performance

Fair physical progress was made in achievement of planned outputs at 31.11% in October 2025 compared to 15% in May 2025. The improvement was attributable to: a) enhanced coordination and implementation capacity through recruitment of key project staff for the national and regional coordination units b) improved disbursements and procurements and c) implementation of key scheduled activities outputs as indicated in Annex 1. Fifty-four procurements valued at US\$ 350.8 billion were to varying stages of execution with 18 contracts worth US\$ 8.77 billion having been completed or undergoing implementation.

By November 2025, fair progress was made in the rehabilitation of access roads/road chokes. For example, in Nakasongola district, physical progress for Kyalusaka-Nakataka-Mumpanga road (6.25km) and Kitaleeba-Rukooge road (4.2km) was at 87%. Trainings for value chain actors and site identification and Environmental and Social Impact Assessments (ESIAs) for priority roads, watering points, fish ponds, district laboratories and irrigation

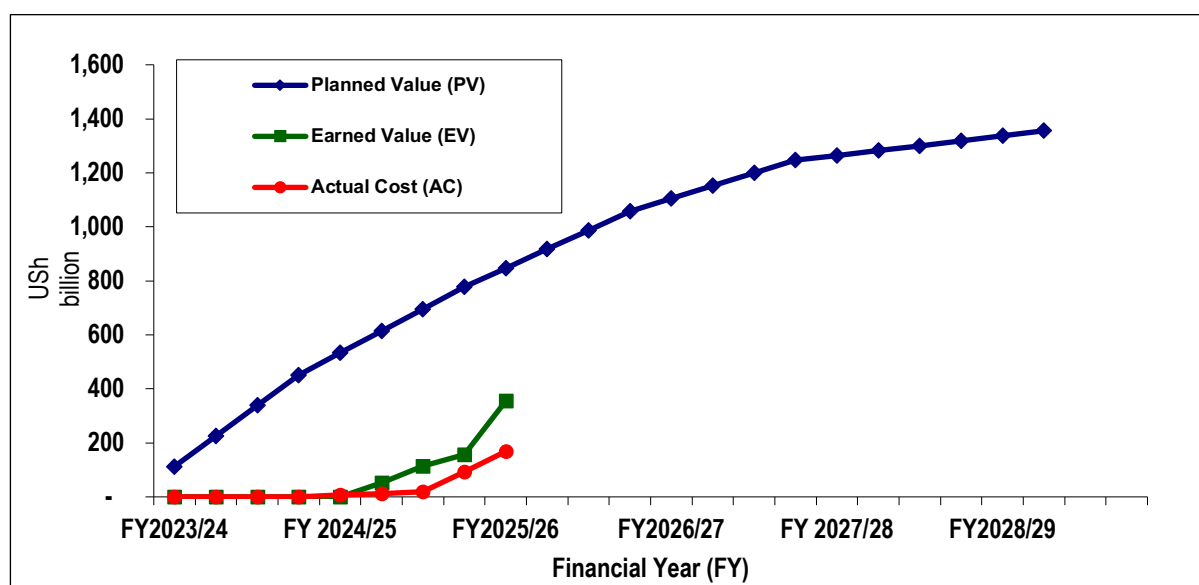
¹⁸ Cost Performance Index¹⁸ of 2.64 in November 2025; having improved from CPI = 8.47 in May 2025.



facilities where at advanced stages or completed in Kikuube, Butambala, Sheema, Kazo, Mitooma and Gomba districts. The farmers that would benefit from irrigation facilities and pasture technologies were selected and verified. Farmer groups were supported to formalize their group leadership and registration, constitution, accounting and business documentation.

However, the project was behind schedule at 31.11% progress compared to 45.45%-time progress. The value for the delivered outputs¹⁹ was lower than the planned outputs by November 2025 (Figure 3.1.5).

Figure 3.1.5: Performance of the Uganda Climate Smart Agricultural Transformation Project by 31st October 2025



Source: Field Findings; MAAIF Progress Reports

The low performance was associated with delayed disbursements, staff inadequacy, delayed procurement of capital intensive outputs and slow development of the e-voucher system. Key among these outputs were the e-voucher system, matching grants for 6000 beneficiaries and construction of various infrastructures. The response to pay co-funding by project beneficiaries was low as the 20% funding contribution was deemed too high and unaffordable. For example, in Gomba district, 59 (29%) out of the 201 groups that were formed had co-funded for the project.

The failure by MAAIF and DLGs to provide inputs to farmers that had co-funded, during the rain seasons led to some farmers withdrawing funds from their accounts and diverting it to other causes. The project design of providing one bull to a group of 30 members in the beef value chain was not appreciated by the farmers, as it would spread diseases when moved from one farm to another for breeding purposes. In the crop value chain, the focus on supporting a one-acre model was considered not profitable.

¹⁹ Schedule variance (SV) = US\$ 472.197 billion (-) in November 2025; an improvement from the May 2025 figure of US\$ 620.911 billion (-)



Implementation constraints

- i) Slow project implementation due to delayed and intermittent disbursements to partners
- ii) Delayed commencement of construction works due to late procurements associated with inadequate staff capacity and weak internal controls in MAAIF
- iii) Low application/uptake of matching grants due to high co-funding requirements for the beneficiaries, especially those in the dairy value chain.
- iv) Poor and untimely communication by MAAIF of critical project information through informal channels; most official information was shared through WhatsApp and could not be validated.

Conclusion

There was an improvement in the project physical performance to 31.11% in October 2025 from 15% by 31st April 2025. This was primarily due to improved disbursements, completion of some key procurements and delivery of scheduled activities. However, the project was behind schedule. The value of delivered outputs was below the planned value pointing to a risk of likely non-completion of all outputs by the project end date. Staffing inadequacies both at central and local government level continued to constrain project implementation, including delayed procurements and accountability and reporting.

Recommendations

The MAAIF, NARO, NAGRC&DB and DLGs should strengthen staff capacity and internal controls (timely approvals, communication, procurements, monitoring and supervision, accountability) to improve implementation efficiency.



3.2 Digital Transformation Programme

The focus under this programme was on two projects: 1) Uganda Digital Acceleration Project (UDAP) and 2) National Backbone Infrastructure-Phase V (NBI PV).

3.2.1 Uganda Digital Acceleration Project -1615

Introduction

The Government of Uganda, through the National Information Technology Authority (NITA-U), with support from the World Bank, is implementing the Uganda Digital Acceleration Project (UDAP). The five-year project's main objective is to expand access to high-speed internet in selected areas, improve the efficiency of digital service delivery in specific public sectors, and strengthen digital inclusion for selected Refugee Host Communities (RHC) and districts. The World Bank cleared the USD 200 million (Approximately USh.733 billion²⁰) multi-year project in May 2021 of which USD 60 million is a grant. However, the necessary approvals from the Government of Uganda (GoU) were delayed, and the project became effective in May 2023, with the expected financing closure date of 30th May 2026.

The key expected outputs under the four projects component are:

Expanding digital connectivity in selected areas: 500 km of optic fibre cables laid, 2000 sites connected to the National Backbone Infrastructure (NBI) through last mile connectivity, Connectivity studies informing downstream activities undertaken (E-waste management study, the mobile broadband deployment study, and last-mile connectivity studies), and 828 wireless internet (WIFI) hot spots deployed. Others are: an additional 100Gigabits of bandwidth purchased, 50 masts deployed in underserved and RHD, existing national data centre infrastructure upgraded, a third data centre established, Metropolitan Area Network (MAN) centre upgraded, four policies developed, and three cyber laws reviewed.

Enabling digital transformation of the Government: Unified Messaging and Collaboration System (UMCS) rolled out to 150 Ministries, 50,000 UMCS licenses procured, UG-HUB enhanced, e-citizen portal and mobile application rolled out with 10 additional services, 2,000 ICT devices for the Local Governments (LGs) procured, Electronic Government Procurement (E-GP) system enhanced and rolled out to 319 entities, and national Computer Emergency Response Team (CERT) forensic lab enhanced.

Promoting digital inclusion of host and refugee communities: 24 telecentres established in RHDs, two e-waste centres established in RHDs, 700km of fibre optic network extended in 13 RHDs, and Internet Protocol (IP) core network equipment deployed.

Project management: Recruitment of the Project Implementation Unit (PIU) staff, two 250KVA generators procured, seven vehicles procured,

²⁰ USD 1 = USh. 3,665



laptops for the PIU team procured, 2 multipurpose printers for office use procured, NITA-U office access control system fully installed.

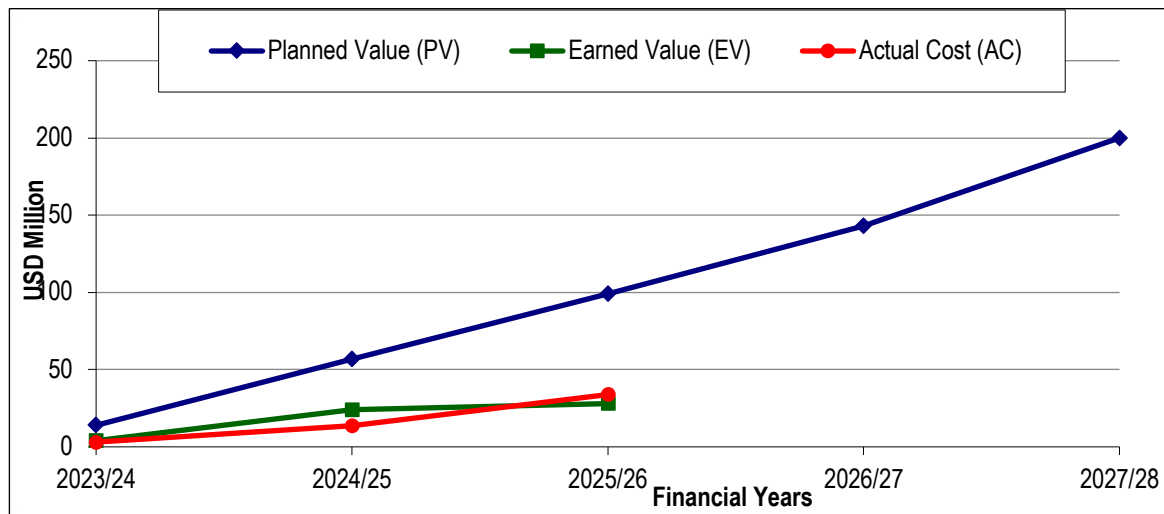
Financial Performance

By 16th November 2025, a total of USD 66.321million had been disbursed compared to USD 44.185 million in May 2025 and a total of USD 33.841million (51% of the disbursed funds) was spent. This was an improvement from the USD 21.097 million absorption by April 2025. The cumulative earned value was below the actual cost, at USD 28 million. This was due to delayed commencement of the procurements for the project.

Physical Performance

The overall project's physical performance was at 14% in November 2025, an improvement from 12% in May 2025. Cumulatively, a total of 71 procurements (amounting to USD 66.65m representing 32.8% of the total project cost) across the four components had been initiated. A total of 22 procurements were completed while the pending 49 were at varying levels of progress. The project was operating below the planned budget²¹ and was behind schedule²² with a cost variance indicating more money spent compared to the value of work done (Figure 3.2.1).

Figure 3.2.1 The UDAP performance by 30th November 2025



Source: NITA-U, Project PAD, UDAP progress reports.

It should be noted that the project was undergoing restructuring in view of the remaining time, rationalization of NITA-U, and the proposed transfer of the NBI to Uganda Telecom which had been objected to by the World Bank. The progress under each component is presented in Table 3.2.1.

²¹ The Cost Performance Index (CPI)=0.83

²² Schedule performance index (SPI)=0.28

**Table 3.2.1: UDAP Physical Performance by 30th November 2025**

Component	Scope	Achieved
1	Expanding digital connectivity in selected areas.	Two contracts were signed for the procurement of additional 20 Gbit/s per year for the duration of the project. A Combined Evaluation report (CER) for the upgrade of the existing National Data Centre Infrastructure was approved by the contracts committee and submitted to the World Bank for review. To upgrade the existing MAN Centre, comments were received on the Technical Evaluation Report (TER).
2	Enabling digital transformation of the Government,	<p>The development and implementation of the Public Key Infrastructure (PKI) was at contract signing stage. The setup of the new User Acceptance Testing (UAT) environment based on cybernetics, deployment of the DevOps²³ tools and monitoring/Observatory tools was completed. The DevOps – Setting up/upgrade and migration of all product artifacts for the New UAT Environment was ongoing.</p> <p>A total of 1000 laptops were procured and delivered. The development of an institutional and governance framework for cybersecurity and CERTs was ongoing.</p> <p>A concept note to develop and implement Data Protection and Privacy capacity building program was developed awaiting World Bank approval.</p>
3	Promoting digital inclusion of host and refugee communities,	The access enabler study was completed, the final report was submitted, approved and disseminated. To establish Twenty-four (24) telecentres in the thirteen refugee host districts to enable the easy access to e-Government services, a revised concept for retrofitting of the eight (8) existing sites for telecentre in the RHDs was being finalised for submission to World Bank for approval. The ESIA were completed pending a decision from the scheduled second restructuring in February 2026. The establishment of Service Uganda Centres in Mbarara, Gulu and Tororo was in the initial stages with the identification of sites completed and finalization of designs on going.

²³ DevOps is a software engineering methodology that integrates software development (Dev) and information technology (IT) operations (Ops) to shorten the systems development lifecycle and provide continuous delivery of high-quality software



Component	Scope	Achieved
4	Project management.	The recruitment of key staff was completed; the 36 laptops, one tablet, and the seven project cars were procured and delivered. The change management study was completed and strategy developed by the consultant.

Source: Field findings, NITA-U

The following activities were put on hold by the World Bank until the finalization of the project restructuring. They include: extension of the National Backbone Infrastructure to 12 RHDs, NBI Last Mile connectivity extension to 2,000 sites, procurement of the 50 masts, establishment of the Third Data Centre, extension of the National Backbone Infrastructure to 20 Major towns and update of the OFC Metro Networks, and the review and development of four policies, one framework and other Cyber laws in collaboration with the MoICT&NG.

Implementation Constraint

1. Delayed commencement and slow implementation of outputs due to administrative review and an outstanding objection to the transfer of the NBI to Uganda Telecom by the World Bank.

Conclusion

The overall project performance was poor (14%), and the project was behind schedule, with a Scheduled Performance Index (0.28) indicating that at this pace, the project is likely to face schedule²⁴ and cost overruns²⁵. This is attributed partly to the delayed approval of financing where the project started two years after it was approved by the World Bank, yet the closure date has remained the same. All activities aligned to grant funding and NBI expansion had stalled.

Recommendation

1. The NITA-U should speed up the implementation of the project activities and closely follow-up on the restructuring process to ensure achievement of targets in the remaining time.

3.2.2 The National Backbone Infrastructure Phase V Project (NBI-PV)

Introduction

The National Information Technology Authority (NITA-U) is implementing the National Backbone Infrastructure (NBI) Phase V project as one of the two projects under the wider Government Network (GOVNET) intervention. The project's main aim is to bridge the critical infrastructure gaps across the country by extending the NBI to provide internet-enabled services to the unserved and underserved parts of Uganda. The turnkey project is funded through a loan worth ₴ 1,049,999,568 (approximately USD 150²⁶ million or

²⁴ TCPI=0.07

²⁵ USD 241,722,528.57

²⁶ Exchange rate of USD 1 to ₴ 7.1



US\$ 549.750 billion) from the EXIM Bank of China. The project did not have GoU counterpart funding.

The four-year project became effective on 16th September 2024 with a financing end date of 18th September 2028. The project is an Engineering, Procurement, Contract (EPC) with a start date of 9th December 2024 and an end date of 8th December 2028. The project is internally supervised by NITA-U.

Table 3.2.2: National Backbone Infrastructure (NBI) Phase V Project Summary

Project Name	National Backbone Infrastructure (NBI) Phase V
Funding agencies	The Export and Import Bank (EXIM) of the People's Republic of China
Employer	The Government of Uganda represented by the National IT Authority (NITA-U)
Supervising Consultant	NITA-U (Project Management Team, Directorate of Technical Services)
EPC contractor	China International Telecommunication Construction Co-operation (CITCC)
Project commencement date	9 th December 2024
Initial expected completion date	8 th December 2028
Project duration	Four years (48 Months)
Contract value	¥ 1,049,999,568 (Approximately USD 150 million)
Defects liability	12 months
Scope of works	<p>a) Expansion of the Backbone</p> <ul style="list-style-type: none"> i. Extend 5,845.75 km of Optical Fibre Cable covering an additional 63 Districts across the Country. ii. Build 21 NBI Transmission sites across the Country. iii. Extend last-mile connectivity to 2,800 sites across the country iv. Expand the public Wi-Fi coverage by an additional 1,754 devices across the country. v. Installation of solar power at all new NBI Transmission sites. vi. Upgrade the Network Monitoring System (NMS) and Environmental Management System (EMS) for the entire network. vii. Segments of the entire NBI upgraded to at least 60Gbps protected rings. <p>b) Data Centre built in Entebbe to upgrade the existing Primary Data Centre and achieve Tier III Government Cloud Infrastructure; there is a need to output the Design and it's in plan.</p> <p>c) Purchase of service access equipment for Special Interest Groups/Target User Groups to access e-Government services</p>

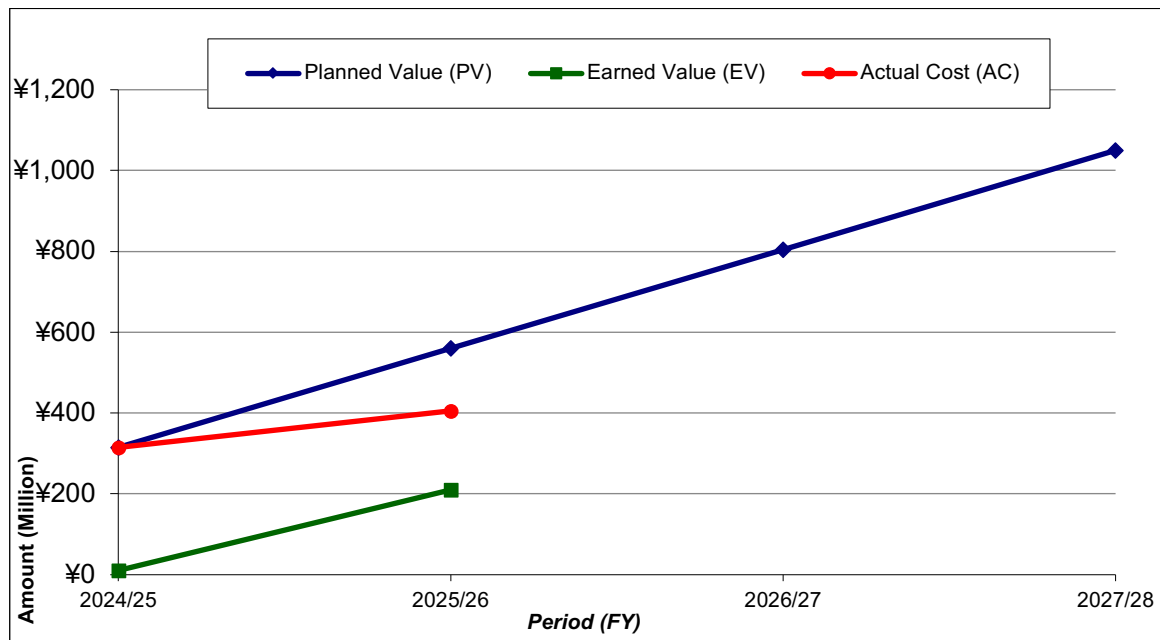
Source: NITA-U (Phase V) project Work plan

Financial performance

The overall budget for the project is ¥ 1,049,999,568 of which ¥ 314,999,870.4 (30%) was disbursed to the contractor as an advance payment on signing the agreement, ¥52,499,978.4 (5%) was paid on submission of the inception report, and ¥38,014,734.5, equivalent to 28% was paid on verification of the value of equipment shipped and delivered. The overall amount paid by 30th November 2025 was ¥ 405,514,583 representing 38% absorption of the loan. This was an improvement from 30% absorption in May 2025.

The cumulative earned value was less than both the actual cost and planned value (figure 3.2.2). This was due to the advance payment of 30% which is yet to be fully recovered from the work completed as the project progresses.

Figure 3.2.2 The NBI Phase V performance by 30th November 2025



Source: NITA-U

Physical performance

By 30th November 2025, implementation was on going. Physical progress was estimated at 20%, compared to less than 1% in April 2025 against a time progress of 23% indicating that the project was behind schedule²⁷. Routes and site survey of 3401.360km (94% of the target) of the NBI extension was completed, of which 2534.512km were reviewed and signed off. The remaining sections, which are along unpaved roads without designated road reserves (Patongo-Agago, Patongo- Kotido, Kotido – Abim, Kotido-Moroto, Ishasha Border-Katunguru, Soroti-Serere, Soroti-Amuria and Manafwa-Bududa) were reviewed by NITA-U, and the fibre Contractor was engaged to update the designs for sign-off and implementation. Additionally, 1,200km (53%) of the targeted routes for last-mile connectivity

²⁷ SPI = 0.38



were successfully surveyed, and the designs were produced for review and approval.

Additionally, a total of 13,157 concrete poles had been erected along twenty (20) routes, which are geographically spread out across the country, pending cable stringing and connectivity. The last-mile survey was completed for 1,038 MDAs of the targeted 2800 (1,364 km), and the design documents were produced for these sites. The NBI Transport Network Equipment (TNE) was delivered and installed at thirty (30)²⁸ existing transmission stations. The power systems' upgrade was completed in 28 sites (93% of the targeted 30) to accommodate the upgraded equipment. This upgrade had boosted capacity and speed from 40G to 60G, and 100G at the core rings.



Pole erection along Gulu-Kitgum road

The construction of 13 new transmission sites has been finalised, including Kayunga, Iganga, Kamuli, Buliisa, Ntungamo, Ibanda, Kagadi, Kiboga, Mubende, Mityana, Pakwach, Nakapiripirit and Kisoro. Civil work defects were identified at the sites of Ntungamo and Kisoro where the roofs were leaking. The construction works for the remaining 8 sites, including Katakwi, Kitgum, Patongo, Kapchorwa, Kotido, Sembabule, Rukungiri and Gulu was at varying stages of progress.

²⁸ **Existing Transmission Station:** Kampala, Mukono, Jinja, Busia, Tororo, Mbale, Kumi, Soroti, Lira, Gulu, Moroto, Moyo, Arua, Koboko, Nebbi, Mpondwe, Masindi, Karuma, Luwero, Nakasongola, Kyenjojo, Kasese, Mbarara, Masaka, Mutukula, Kabale, Bushenyi, Fort Portal, Elegu, and Hoima.

Under phase 5 of the NBI, the capacity of the existing 18 Internet Protocol (IP) hubs across the country, which were previously 1 Gigabit, was to be upgraded to 10 Gigabit to accommodate the growing demands. In addition to this, 45 new IP hubs are planned to be established under the Project. The equipment for all 18²⁹ existing IP Hubs was installed and upgraded to 10 Gigabits. The process for integrating these IP Hubs on the network was ongoing and expected to be completed by December 2025. Six (6) new IP hubs had been established in the Districts of Isingiro, Kiruhura, Kakumiro, Kibale, Mayuge and Namayingo, respectively.



Left: A new transmission site at Kamuli DLG installed with CCTV camera. **Right:** 100G capacity switch installed at Bukedea IP hub aggregation site

The Network Cloud Engine-IP (NCE-IP) was set up to integrate and enhance real-time monitoring, management, control, and analysis of the entire health of the NBI Network. This will enable automated provisioning and management of network services, real-time visualization of the entire network, from physical connections to traffic routes, for ease of operation and maintenance. For the sustainability of the newly established and upgraded IP hubs, NITA-U proposes to commercialise this infrastructure.

To facilitate expansion of the public Wi-Fi coverage, engagements were completed with key stakeholders, including the Ministry of Health, the Ministry of Education and Sports, the Uganda Wildlife Authority, and Kampala Capital City Authority (KCCA). Subsequently, a total of 70 potential Wi-Fi hotspot sites in all the regions had been surveyed by the end October 2025, with the establishment of hotspots pending the delivery of equipment.

²⁹ **Existing IP hubs:** Bukedea, Lugazi, Bugiri, Napak, Wakiso, Mpigi, Kalungu, Dokolo, Adjumani, Lwengo, Sheema, Rubirizi, Lyantonde, Kyegegwa, Kamwenge, Maracha, Yumbe, and Kiryandongo



Under the upgrade of the Network Monitoring System (NMS) and Environmental Management System (EMS) for the entire network, the NMS and EMS were successfully upgraded to the latest version, and the system was ready for use in all upgraded sites. The NMS and the EMS will ensure efficient monitoring, management and maintenance of the performance of the network to minimise downtime through fault detection, network component discovery and security.

Implementation Constraints

1. Inadequate counterpart funding to facilitate project supervision, equipment clearance, stakeholder awareness and sensitization, and purchase and installation of electricity transformers for the new 21 transmission sites being built.
2. Lack of designed roads in some locations affects placement of poles.

Conclusion

Overall physical progress stood at 20% by 30th November 2025, reflecting good implementation progress against a time progress of 23%. Significant milestones were achieved in route and site surveys, transmission site construction, network equipment installation, and capacity upgrades of existing infrastructure, laying a strong foundation for accelerated rollout in subsequent periods. The completion of surveys for most backbone routes, erection of concrete poles, upgraded transmission equipment, and advancement of IP hubs and network management systems demonstrate tangible progress toward the project's core objectives.

The absence of Government of Uganda counterpart funding for effective supervision and the constraints posed by undesignated road reserves should be addressed quickly in the context of the rationalisation of NITA-U in 2027 and avoidance of substandard work by the contractor.

Recommendations

1. **The NITA-U** should continue engaging with the Ministry of Works and Transport for coordinated erection of poles in the road reserves where there are no ready road designs.
2. **The MoFPED** should allocate counterpart funding to strengthen project oversight, ensure timely execution, and maintain the quality of deliverables.



3.3 Human Capital Development

3.3.1 Education Projects

This section presents the performance of five projects within the Education Sector. Of these, three projects focus on Skills Development, while two target interventions in Secondary Education.

1. Business, Technical, and Vocational Education and Training Support Project- Phase II (1433).

Introduction

The Second Phase of the Business, Technical, and Vocational Education and Training Support Project (BTVET-II) aim to enhance access to quality BTVET in Uganda. The project is jointly financed by the Islamic Development Bank (USD 45 million) and the Government of Uganda (GoU), whose contribution increased from USD 6.14 million to USD 11.50 million, bringing the total investment to USD 56.50 million.

The loan was approved on 16th February 2020, the loan agreement was signed on 19th April 2020, and it became effective on 26th July 2020. The project's implementation period was extended from 1st March 2025 to 31st December 2026 following restructuring. The project is operationalised in five components as outlined in Table 3.3.1

Table 3.3.1: Summary of Project Components and Financing for Business, Technical, and Vocational Education and Training Support - Phase II

Component	Scope	Loan (USD-M)	GoU (USD-M)	Total (USD-M)
1. Improving Access to BTVET	Construction of the Skills MoES-SDHQ in Kyambogo; Expansion of 9 Technical Institutes (TIs) – Moyo, Minakulu, Moroto, Nalwire, Nkoko, Kitovu, Lutunku, Kabale & Birembo – including classrooms, workshops, labs, dormitories, sickbays, staff housing, and related equipment and services.	35.891	9.185	45.076
2. Improving Quality of Service Delivery	Enhancing teaching and learning through ICT infrastructure, curriculum review, instructional materials, and advanced instructor training (PhDs and Master's).	2.875	0.523	3.398
3. BTVET Institutional & Management Capacity Building	Governance and management training, support to TVET-MIS, and programme accreditation for the 9 TIs.	0.440	–	0.440
4. Project Management	Project coordination costs, study visits, and audit services.	1.713	1.234	2.947
5. Base Costs	Physical and financial contingencies (approx. 10%).	4.081	0.558	4.639
Grand Total		45.000	11.5	56.5

Source: IsDB Project Appraisal Documents, 2020



Financial Performance

As of 30th November 2025, cumulative disbursements were USD 26.89 million (47.6% of the total approved financing of USD 56.50 million), up from USD 22.95 million in May 2025. This represents an overall increase of 17.2% in cumulative disbursements over the six months.

Regarding financing performance, IsDB disbursements increased from USD 18.91 million to USD 22.77 million, an increment of USD 3.86 million (20.4%) over the period. However, GoU disbursements increased marginally from USD 4.04 million to USD 4.12 million, an increase of USD 0.08 million (1.9%), reflecting inadequate release of counterpart funding. Funds disbursement remains disproportionately low relative to the elapsed implementation period of 66 out of 78 months (85%), reflecting ongoing challenges in absorption and execution.

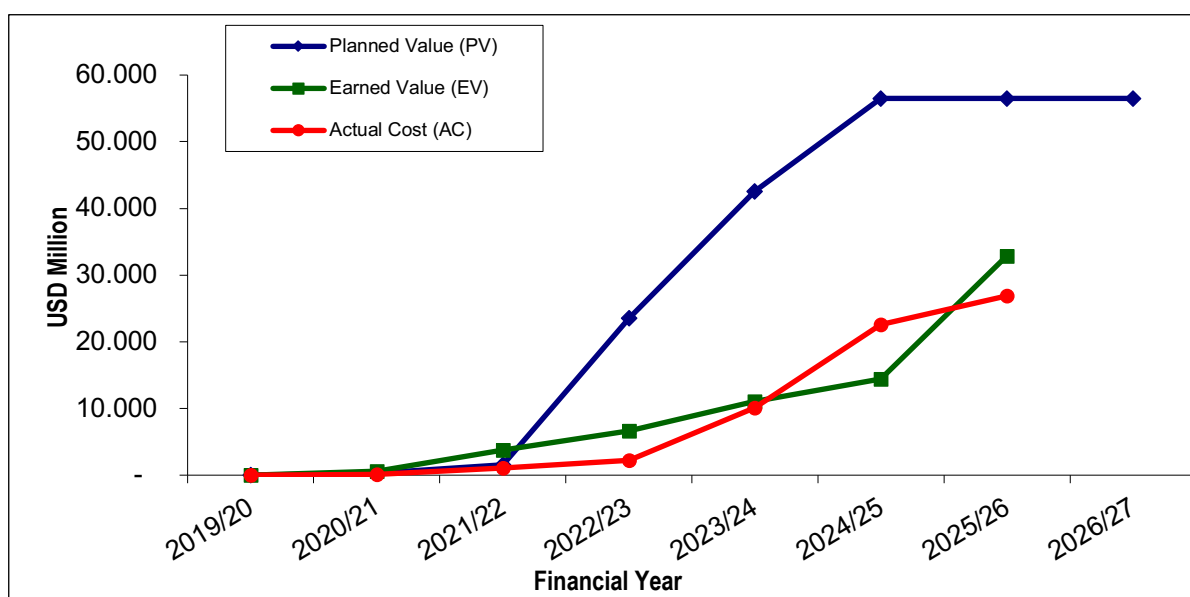
The project operated below its approved budget, indicating that the value of work delivered exceeded actual expenditure at the time of monitoring (Figure 3.3.1). This variance was primarily attributable to the pending settlement of certified works, particularly under the GoU-funded components.

Physical performance

Overall project performance improved to 60% as of 30th November, up from 25% in May 2025, largely driven by notable progress on major civil works, particularly the construction of the MoES Skills Development Headquarters and the expansion of the nine Technical Institutes.

Despite this improvement, the project remains behind schedule³⁰. This is because the first three years were devoted to preparatory activities, including the procurement of contractors and consultants and prolonged development of structural designs, particularly for the MoES Skills Development Headquarters, which delayed the commencement of civil works. Figure 3.3.1 illustrates the project's performance.

Figure 3.3.1: Performance of the Business, Technical, and Vocational Education and Training Support - Phase II Project as of 30th November 2025



Source: Compiled from BTVET-II Project Reports 2025

³⁰ Schedule Performance Index (SPI) was 0.58 = <1 “Behind schedule

Detailed performance by component is provided below.

Component 1: Enhancing Access to BTVET:

Construction of the Skills Development Headquarters improved to 55% by 30th November 2025, up from 33.5% in May 2025.

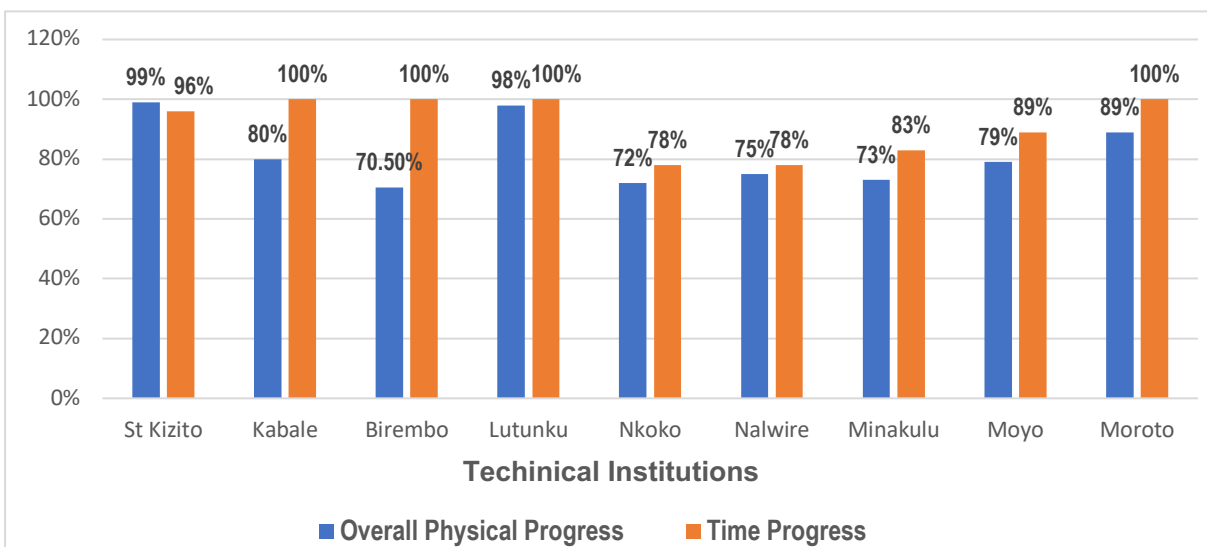
This performance aligns with the Extension of Time (EOT) target of 55%, indicating that the project is on schedule according to the revised implementation plan. The expected completion date remains 30th July 2026.



Construction of the Skills Development Headquarters at 55% at Kyambogo

Overall performance of the expansion of the nine Technical Institutes improved to 83.1% by 30th November 2025, up from 51.9% in May 2025. Civil works progressed to varying levels across sites (Figure 3.3.2). Civil works at Nkoko, Nalwire, and Birembo TIs lagged behind schedule, primarily due to weak contractor capacity, attributed to inadequate due diligence during the selection of contractors.

Figure 3.3.2: Comparison of Physical, Planned, and Time Progress across BTVET Selected School Construction Sites (FY2024/25)



Source: Field Findings



Left-Right: Ongoing construction of the Administration Block and Staff house at Birembo Technical Institute, Kakumiro District.

Additionally, delays in securing timely deliveries of construction materials further constrained progress at some sites. In contrast, sites under Lot 5 (Lutunku/Kitovu), Lot 6 (Kabale), and Lot 3 (Moroto) were on or near schedule. Overall, the quality of work across all sites was satisfactory, supported by competent infrastructure consultancy teams and reinforced through regular supervision, as documented in monthly site reports.



Left-Right: Substantially completed Administration housing the ICT Laboratory, Library and Sick Bay; and Girls' Dormitory at St. Kizito Technical Institute, Kitovu, Masaka City.

Environment, Social, Health, and Safety Safeguards: Implementation of environmental, social, health, and safety safeguards across project sites was generally satisfactory, with evidence of improved integration of mitigation measures into civil works.

In addition to compliance with occupational safety requirements, contractors had commenced environmental enhancement measures, including grass and tree planting, establishment of surface drainage systems, paved walkways, and site landscaping, aimed at controlling erosion, improving stormwater management, and enhancing overall site safety and aesthetics.



All monitored sites had designated safety officers and sociologists, as well as functional grievance redress and conflict resolution mechanisms to address concerns from workers and surrounding communities. Personal Protective Equipment was provided to workers, although the consistency of usage varied.

Training supplies/equipment: Procurement of training supplies and equipment for the Technical Institutes, as well as furniture for the MoES Skills Development Headquarters, was delayed due to slow initiation of the procurement process.

Component 2: The consultant submitted draft training equipment lists and curriculum materials in February 2025 for ICT training equipment and curriculum review and development. However, the enactment of the TVET Act 2025, which transferred curriculum oversight to the Uganda Vocational and Technical Assessment Board and the TVET Council, temporarily halted further progress on curriculum-related activities. Despite this transition, procurement of training equipment, 30-seater buses, textbooks, and furniture was initiated in September 2025, with bid submission deadlines scheduled between November and December 2025.

Skills upgrading and Development registered good progress. All 32 selected scholars, comprising 5 PhD and 27 master's candidates³¹, completed their first year and progressed to subsequent years across 13 participating institutions in India, Kenya, Tanzania, and Uganda. Only 10 out of 27 Master's scholars completed their studies, while the remaining 17 are likely to delay for a year. Only one out of the five PhD scholars had completed, with the other four at various stages of research proposals and data collection. Some scholars reported delays due to slow supervision, particularly in national and regional training institutions.

Component 3: With regard to support for the Technical and Vocational Education and Training Management Information System (TVET-MIS), the MoES had already integrated the nine Technical Institutes into the TVET-MIS developed under the World Bank-funded Uganda Skills Development Project (USDP). Accreditation of training programmes, both national and international, remained contingent on the completion of core infrastructure, adequate staffing, and finalisation of curricula, which are prerequisites for formal assessment by the relevant accrediting bodies.

Institutional Governance and Management Training had not yet commenced. Bulk training for institutional boards, managers, and instructors/tutors will be conducted once significant progress is made in infrastructure execution and the supply/installation of equipment. The intervention targets 253 tutors, 126 administrators, and 126 board members through short courses by June 2026.

³¹ 40% of these were females



Implementation constraint

Inadequate GoU counterpart funding: Delays and shortfalls in the release of counterpart funds persisted, with only US\$ 3,476,503,377 provided against a required US\$ 14,852,334,610 in FY 2025/26, significantly constraining planned project activities and implementation progress.

Conclusion

While the BTVET project performance improved to 60% by November 2025, it was largely behind schedule. The underperformance in schedule execution was driven by slow progress in civil works, delayed procurement of training equipment and supplies, limited release of GoU funding, and sluggish advancement in curriculum development.

Recommendation

The MoFPED should ensure the timely release of counterpart funds through a clear disbursement schedule to prevent delays and support on-time project completion.

2. Uganda Learning Acceleration and Enhancement Program (ULEARN) (1995)

Introduction

The Uganda Learning Acceleration and Enhancement Program (ULEARN) is a five-year initiative implemented by the MoES, with key roles played by the Uganda National Examinations Board (UNEB) and the National Curriculum Development Centre (NCDC). The program is scheduled to run from 1st July 2025 to 30th May 2030, but has not yet become effective, as the Grant and Credit Financing Agreements have not been signed.

The program aims to improve teaching and learning in Early Grade Reading in target schools, enhance learning environments, and expand coverage of the Education Management Information System (EMIS) in Uganda. ULEARN is structured around three Results Areas supported by an Investment Project Financing component, which provides program management and technical assistance.

The total program cost is USD 430.90 million (US\$ 1,579.25 billion), financed through GPE grants (USD 247.6 million), IDA credit (USD 620 million), and a Government of Uganda counterpart contribution (USD 106.1 million). While the program clearly defines funding for the three Results Areas and the supporting Investment Project Financing, the GoU contribution is presented as a single aggregate amount and is not linked to specific Results Areas or financial years, which reduces clarity for annual planning and accountability.

Programme Deliverables

ULEARN will prioritize teacher training, rollout of Early Grade Reading, rehabilitation of traditional schools, provision of instructional materials, support for inclusive and special needs education, curriculum rollout, and



strengthening of education data systems. Implementation is nationwide across 177 districts, with targeted interventions covering 127 districts for Early Grade Reading, 72 districts for infrastructure improvements, 48 districts for inclusive education, 28 Teacher Training Institutions, and approximately 2,000 primary schools benefiting from climate-resilient upgrades.

The program is expected to benefit over eight million learners and 65,000 teachers, strengthening foundational learning outcomes, improving the quality and safety of learning environments, enhancing inclusion, and reinforcing education system management.

Financial Performance

The approved budget for FY 2025/26, is US\$ 47.26 billion (USD12.9 million), of which US\$ 46.14 billion (USD12.6 million, 97.6%) is external financing and US\$ 1.12 billion (USD 0.31 million, 2.4%) is GoU counterpart funding, mainly for policy support, data management services, and preparatory activities such as feasibility studies, land titling and training.

As of 30th November 2025, only US\$ 179 million (USD 0.05 million) in GoU funds was released for limited operational costs. No releases were made against the externally financed budget lines, which constitute the bulk of the program allocation. Consequently, there were no expenditures, indicating that financial execution had not yet commenced, which reflects delays in effectiveness.

Physical Progress

Physical performance for core project activities was at 0% as of the end of November 2025, as ULEARN had not transitioned from preparation to implementation. Although the Public Investment Plan indicated a start date of 1st July 2025, the Grant and Credit Financing Agreements had not been signed, and the programme had therefore not become effective.

While key preparatory actions, including safeguards compliance, stakeholder engagement, and institutional arrangements, were largely completed, the lack of programme effectiveness prevented the start of core interventions. As a result, major activities such as procurement for construction and rehabilitation works, instructional materials, expansion of the Education Management Information System, and large-scale teacher training had not commenced.

Implementation Constraint

Delayed program effectiveness caused by slow finalization and signing of the Grant and Credit Financing Agreements, which stalled disbursements and procurement, highlighting gaps in institutional capacity and readiness for program implementation.



Conclusion

As of 30th November 2025, ULEARN had not started because of delays in signing the Grant and Credit Financing Agreements, resulting in no disbursements or physical activities. While preparatory actions were largely completed, the slow start highlights gaps in institutional capacity and readiness. Prompt signing of the financing agreements is essential to begin implementation and deliver the intended benefits to learners, teachers, and schools.

Recommendation

The MFPED and the World Bank should fast-track the signing of the Grant and Credit Financing Agreements and completion of effectiveness conditions to enable the timely disbursement of funds and commencement of programme implementation.

3. Uganda Secondary Education Expansion Project (1665)

Introduction

The Uganda Secondary Education Expansion (USEEP) Project is implemented by the MoES with financing from the World Bank's International Development Association (IDA). The Project Development Objective (PDO) is to expand access to lower secondary education for underserved populations³² in targeted areas.

The total project cost is USD 171.6 million (US\$ 650.364³³ billion), of which USD 150 million (US\$ 568.5 billion) is provided by IDA. This includes USD 90 million loan (US\$ 341.1 billion) and USD 60 million grant (US\$ 227.4 billion) under the Refugee Sub-Window. The Government of Uganda (GoU)'s contribution is USD 21.6 million (US\$ 81.86 billion) as counterpart funding.

The project was approved on 23rd July 2020; however, it only became effective on 19th May 2022, reflecting a 22-month lag between approval and effectiveness. The original closing date of 31st December 2025 was extended by the World Bank to 31st March 2028 to provide sufficient time for completion of the remaining project activities. The project comprises four components, with the scope and cost distribution presented in Table 3.3.2.

Table 3.3.2: USEEP Project components and financing breakdown (USD million)

Component	Sub-Component	Scope	IDA Credit	IDA Grant	GoU	Total
Component 1: Expansion of Lower Secondary Education	1.1 Construction of New Schools and Facilities	Construction of 116 new schools (32 in Refugee-Hosting Districts (RHDs) and 84 in other targeted districts) and infrastructure	74.6	44.0	21.6	140.2

³² Underserved populations include communities hosting refugees, refugees, girls and people in the targeted areas with limited access to public lower secondary schools.

³³ USD 1 = US\$ 3,790



Component	Sub-Component	Scope	IDA Credit	IDA Grant	GoU	Total
		improvements in 61 existing schools within Refugee-Hosting Areas (RHAs).				
	1.2 Child Safety and Protection	Ensure the safety of 2.45 million children, especially girls, in line with national child protection and Gender-Based Violence (GBV) policies.	1.2	3.8	–	5.0
Component 2: Hosting Community and Refugee Education Support	2.1 Special Needs and Accelerated Education Programme (AEP)	Support AEP and Special Needs learning materials.	–	4.0	–	4.0
	2.2 Refugee Capitation Grants	Grants to 93 schools in RHAs based on refugee enrolment	–	4.5	–	4.5
	2.3 Certification of Prior Education	Certification for 29,951 refugees and 51,867 host community learners (ages 13–18)	–	0.9	–	0.9
Component 3: Teacher Support and Strategic Reforms	3.1 Teacher Professional Development	Continuous Professional Development (CPD) for 14,880 teachers and administrators across 100 clusters.	7.2	2.8	–	10.0
	3.2 Strategy and Policy Development	Technical Assistance for education policy, teacher management, and learning materials	2.0	–	–	2.0
Component 4: Project Management, Monitoring, and Evaluation	4.0 Project Implementation Support	Project management, Monitoring and Evaluation (M&E), supervision, verification, logistics, and capacity building.	5.0	–	–	5.0
Total			90.0	60.0	21.6	171.6

Source: USEEP Financing Agreement, 2022



Financial Performance

Cumulative disbursement as of 30th November 2025 was USD 46.3 million (30.9%), out of USD the 150 million loan and grant amount. This reflects a significant increase from the USD 23.8 million registered in May 2025, representing 94.5% increase over the period of 6 (six) months.

Project expenditure increased to USD 20.28 million³⁴ by 30th November 2025, up from USD 8.594 million in May 2025, representing over 100% increase in expenditure. This improvement was attributed to the commencement of construction works in 17 schools, which significantly accelerated funds utilisation during the period. However, despite recent expenditure improvements, cumulative absorption remains disproportionately low compared to the five years elapsed since project approval, reflecting sustained implementation challenges

Cumulative releases of counterpart funding amounted to USh 9.095 billion (USD 2.40 million), while USh 8.991 billion (USD 2.37 million) was reflected as cumulative expenditure in the Integrated Financial Management System (IFMS). However, the Project Coordination Unit (PCU) has no record of receiving these funds. It should be noted that the Government's counterpart contribution was intended to cover salaries for teachers recruited in the newly established schools as they became operational.

Actual expenditure exceeded the value of outputs delivered³⁵(Figure 3.3.4), resulting in an Estimated Cost at Completion (EAC) of USD 188.78 million. This represents a cost overrun of USD 38.78 million above the approved development partner financing envelope of USD 150 million. If the current cost inefficiencies and implementation constraints persist, the project is likely to require additional development partner resources of approximately USD 38.78 million to complete the remaining scope of work, posing a risk to value for money and the adequacy of development partner financing.

Physical Performance

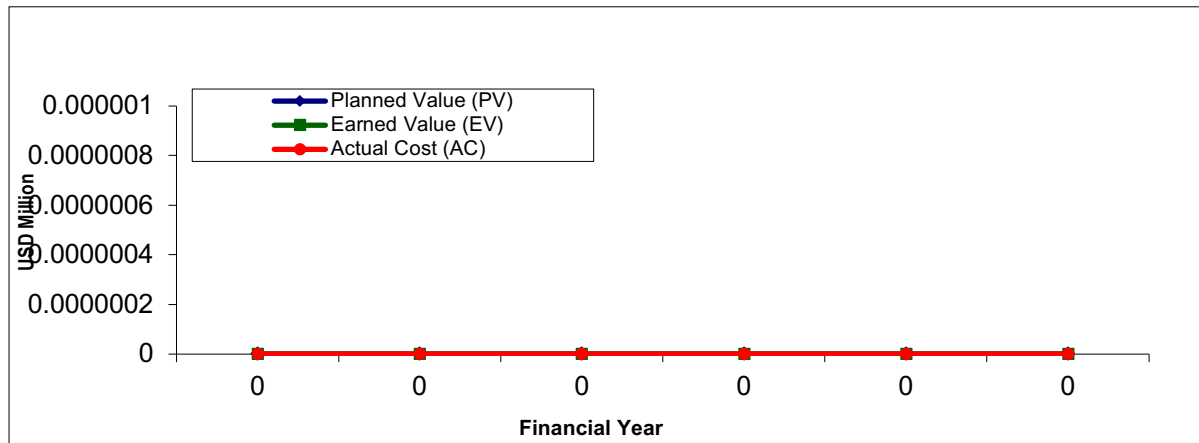
Physical performance improved from 25% in May 2025 to 28% in November 2025, representing 3% increase over six months. Overall, project implementation remains behind schedule³⁶, primarily due to lengthy World Bank approval timelines and slow procurement processes. These constraints continue to delay the full rollout of civil works and have had a pronounced impact on total project performance, particularly under Component 1, which accounts for 84.6% of total project financing. Figure 3.3.3 presents the project's physical performance trend.

³⁴ Of the cumulative expenditure, USD 12.17 million (USh 46.124 billion) was financed under the IDA Credit, while USD 8.11 million (USh 30.737 billion) was financed through the Grant arrangements

³⁵ Cost Variance (CV) of USD -4.17 million= project spent more money than the value of work done.

³⁶ Schedule Performance Index (SPI) of 0.11= behind schedule.

Figure 3.3.3: Performance of the Uganda Secondary Education Expansion Project as of May 2025



Source: Compiled from VE II Project Reports, MFPED IFMS & PBS

Detailed performance for the different Components is presented below.

Component 1: Construction of New Schools registered limited progress between May and November 2025, particularly in land titling and overall procurement readiness. As of 30th November 2025, a total of 163 out of 177 project sites had secured land titles (108 of 116 new school sites and 55 of 61 expansion school sites), compared to 154 sites in May 2025, reflecting an overall increase of nine additional titles. Consequently, 14 sites (8 new school sites and 6 expansion school sites) remain without land titles and were at various stages of title processing, which continued to constrain full readiness for civil works implementation.

Civil works for new schools were packaged into nine (9) batches under the small works procurement framework. Construction works commenced for only Batches I and III, while the remaining batches were at various stages of procurement, evaluation, or World Bank clearance (Table 3.3.3).



Left: ICT/Library block at 50% completion at Nangonde Seed Secondary School, Nangonde Subcounty, Namutumba District. Right: Administration block at 38% progress (ring beam level) at Akuoru Seed Secondary School, Bukedea Town Council, Bukedea District.



Left-Right: Ongoing construction of a science laboratory and classroom blocks at Nkondo Seed Secondary School, Nkondo Subcounty, Ibanda District, and classroom blocks at Budiidi Seed Secondary School, Budiidi Subcounty, Namayingo District.

Table 3.3.3: Summary Status of Civil Works Batches

Batch	Sites	Status (as of Nov 2025)
I	8	Under construction; 41% progress vs 63% time elapsed; one lot to be re-advertised
II	12	Evaluation cleared after 13 months; 10 sites recommended, 2 to be re-advertised
III	10	Under construction; 12% progress vs 30% time elapsed
IV	12	Evaluation completed, awaiting World Bank no-objection
V	12	Re-submitted to World Bank; no-objection pending
VI	12	Evaluation submitted; clearance pending in Systematic Tracking of Exchanges in Procurement (STEP) ³⁷
VII	12	Designs ready; STEP upload pending
VIII	12	Designs ready; STEP upload pending
IX	8	Designs ready; STEP upload pending

Source: Field findings and USEEP project Report November 2025.

Civil works for the 61 expansion schools were re-scoped following a detailed needs assessment by MoES, which concluded that only 58 schools required additional infrastructure support, with interventions tailored to actual functionality gaps. Overall implementation of the expansion schools was behind schedule, with progress largely limited to land titling, needs re-assessment, design preparation, and institutional readiness for Community-Driven Development (CDD)³⁸, pending key approvals required to trigger commencement of physical works.

Environmental safeguards: Environmental safeguards compliance improved but remained incomplete as of November 2025. Out of 116 new school sites, 54 sites had Environmental and Social Management Plans (ESMPs) prepared and submitted, of which 8 ESMPs had been approved and certified, representing a significant improvement compared to the previous reporting period, which registered only 15 draft ESMPs covering 44 sites. For expansion

³⁷ STEP is World Bank online procurement management system, used to plan, monitor, and approve all procurement activities under World Bank-financed projects.

³⁸ CDD is procurement approach commonly used in World Bank-financed projects where communities are directly involved in planning, procurement, and supervision of works.



schools, all 61 sites had draft ESMPs prepared, with 24 sites prioritised for submission within the reporting period.

Enforcement of Environmental, Social, Health, and Safety (ESHS) Safeguards at the 17 monitored sites was generally satisfactory, with contractors adhering to approved environmental mitigation measures, and no major environmental non-compliances were observed.

Social safeguards were effectively implemented, evidenced by functional grievance redress mechanisms at all sites. Health and safety measures, including the provision of Personal Protective Equipment (PPE) across all monitored sites, and the assignment of safety officers, were in place. Gender inclusion efforts were evident, however women's participation remained largely limited to support roles, with minimal engagement in technical construction activities.

Sustained improvement was registered under the Ensuring Safety and Protection of Children sub-component, with 253 out of 326 targeted schools (78%) actively implementing child-friendly interventions as of 30th November 2025. Key achievements included the completion and operationalization of a baseline survey on violence against children and re-entry of child mothers covering 326 targeted schools, orientation of 831 district technical officers and NGO staff, and training of 642 teachers and school administrators on school safety and child protection.

In addition, 274 schools developed and implemented School Improvement Plans incorporating at least two child-protection interventions, while 204 school clubs were established in 102 schools, promoting learner-led advocacy.

Community outreach and Go-Back-to-School campaigns were implemented through radio talk shows and community dialogues, which contributed to the re-enrolment of learners, particularly in refugee-hosting districts.

Component 2: Special Needs Education Support subcomponent advanced from procurement and contracting milestones achieved in May 2025 to full operational delivery of Phase I of the AEP by end of November 2025. Five AEP centres are now fully functional, with 47 teachers deployed and 553 learners enrolled. Preparatory processes for Phase II expansion to the remaining eight centres progressed to the World Bank clearance stage.

Performance under the Refugee Capitation Grants Programme remained unchanged between May and November 2025, following its integration into the Uganda Inter-Governmental Fiscal Transfers (UgIFT) Programme. As in the previous reporting period, no activities were implemented under this sub-component, and the associated funds continue to be earmarked for reallocation to support higher-priority interventions aligned with the Project Development Objective.



Certification of Prior Education registered continued progress, building on gains reported in May 2025. Whereas by May, the number of refugee academic documents translated, equated, and certified had increased from 244 to 564 (a 131% increase), implementation by November 2025 focused on consolidating certification processes, addressing World Bank feedback on the certification protocol, and advancing tools for recognition of undocumented learners. While the pace of document submissions has been constrained by delayed referrals from settlement-level partners, the sub-component remains active and outcome-oriented, continuing to reduce systemic barriers to refugee access to lower secondary education.

Overall, component 2 continued to register strong implementation pace and effective utilisation of the grant financing, with activities progressing largely as planned. Compared to other project components, it showed relatively higher implementation efficiency, despite broader procurement and approval delays affecting the project.

Component 3: Performance under Component 3 significantly improved between May and November 2025. Under Support to Teachers, training of school administrators increased from 4,027 reported in May to 6,457 out of 6,600 targeted administrators (98%) by September 2025, marking substantial progress in instructional leadership and school management capacity across all regions.

Similarly, the training of science teachers improved from 2,418 out of 3,300 (73.3%) in May to 3,254 teachers (99% of the target) by November 2025. This was delivered through four regional ICT-integration bootcamps that strengthened teachers' digital pedagogy. All 100 cluster centres were established and equipped, and ICT hardware, including laptops, projectors, printers, and networking equipment, was delivered to the centres and to 1,300 government-aided schools, consolidating the infrastructure backbone for continuous professional development.

In addition, blended CPD was strengthened through the deployment of a functional Learning Management System (LMS), supporting 3,336 active users, including 2,418 science teachers, and enabling self-paced learning. Lesson observations were scaled up from pilot status to 145 schools in Northern Uganda and 210 schools in Eastern Uganda, with 66% and 60% of observed teachers providing corrective feedback, indicating gradual improvement in classroom practice.

Under Support for Development of Key Secondary Education Improvement Strategies, the project consolidated earlier gains by advancing several priority policies through validation, stakeholder consultations, and internal approval processes. These included the Universal Primary and Secondary Education Policy, the National Curriculum, Assessment and Placement Policy, the Private Education and Training Policy, the National Teacher Retention Strategy, the Science Education Policy, and the National School Construction Strategy.



Implementation Constraints

- 1) Weak project sequencing and readiness constrained early implementation. Critical preparatory activities, including the timely recruitment of Project Coordination Unit staff, completion of priority designs, and the initiation of key procurements, were not adequately aligned with project effectiveness, resulting in a slow transition from approval to execution.
- 2) Inadequate site readiness delayed procurement of civil works under Component 1, mainly due to frequent site changes and delayed submission of land titles. This necessitated repeat site surveys, delayed finalisation of designs and Bills of Quantities, and led to contract re-advertisements.
- 3) Time lag induced unit cost escalation, stemming from the prolonged gap between project appraisal in 2019 and commencement of works procurement, pushed construction costs above appraisal estimates.

Conclusion

Overall project performance was poor as of November 2025, with physical progress improving marginally to 28% despite five years having elapsed since approval. While measurable improvements were registered under teacher training, refugee education support, policy development, and safeguards implementation, overall performance continued to be constrained by the slow execution of Component 1, which absorbs the largest share of project financing. The mismatch between financial commitments and physical delivery underscores persistent implementation inefficiencies.

Recommendations

The MoFPED should enforce strict adherence to DC guidelines to enforce mandatory completion of all preliminary activities before project approval and inclusion in the PIP to reduce downstream delays and cost escalations.

4. Vocational Education (VE) Project Phase II (1432)

Introduction

The MoES is implementing Phase II of the Vocational Education Project (VE-II) to expand and promote equitable access to quality Business, Technical, and Vocational Education and Training (BTJET). The project is financed by the OPEC (Organization of the Petroleum Exporting Countries) Fund for International Development (OFID) with a total budget of USD 16.71 million, comprising USD 14.3 million (85.6%) from OFID and USD 2.41 million (14.4%) from the Government of Uganda.

The project became effective on 3rd July 2017 and was originally scheduled to close on 31st December 2021. However, the closing date was extended to 31st December 2025. By November 2025, the project had completed 100 months,



representing 99 % of the planned 101-month implementation period. The project is structured into five key components. A detailed breakdown of project scope, budget allocations, and funding sources for each component is provided in Table 3.3.4.

Table 3.3.4: Summary of Project Components, Scope, and Budget

Component	Scope / Key Deliverables	Budget (USD Million)	
		OPEC Loan	GoU Counterpart
1: Civil Works	Expansion of 8 technical institutes from Phase I (Nawanyago, Basoga Nsadhu Memorial, Ogolai, Kilak Corner, Lokopio Hills, Sasiira, Buhimba & Lwengo), including priority workshops, multipurpose halls, student dormitories, staff housing, sickbays, and toilets.	10.180	1.260
2: Supply of Equipment & Tools	Additional items to Phase I provisions, including textbooks, furniture, transport, workshop and ICT equipment, bus, and vehicle.	1.480	1.150
3: Capacity Building	Enhancing institutional performance in hands-on pedagogical and management skills.	1.140	-
4: Design & Supervision of Civil Works	Design, and supervision of all civil works.	0.720	-
5: Support to Project Management	Support to Project Coordination Unit (PCU) costs, Knowledge development & visits/meetings.	0.780	
Total		16.71	

Source: OFID Project Appraisal Document, 2016

Financial Performance

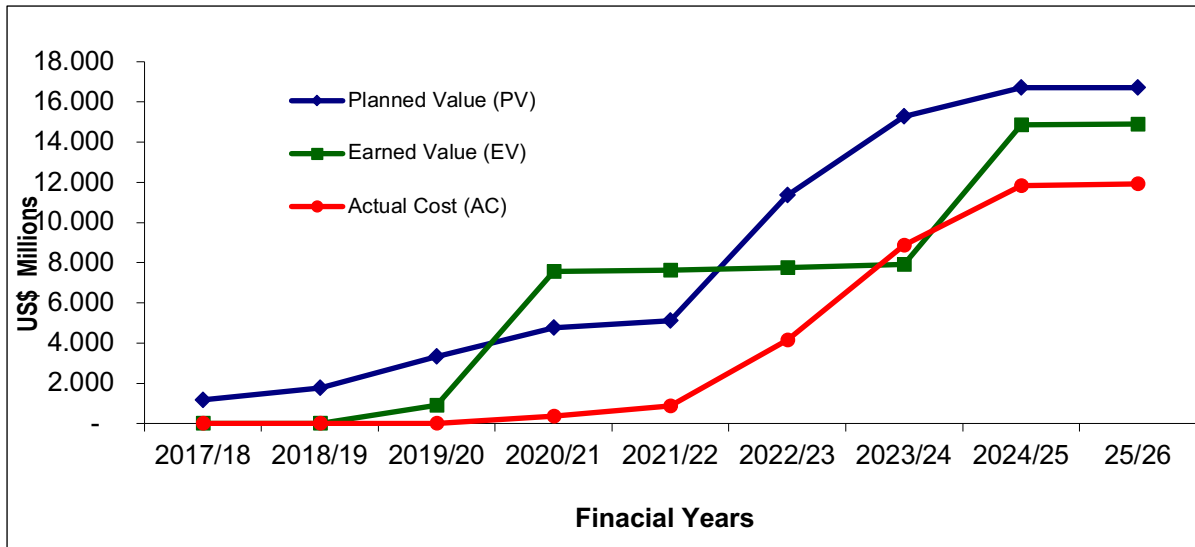
As of 30th November 2025, OFID disbursed USD 11 million of the approved financing of USD 16.71 million. This was an improvement from USD 9.61 million (67.2%) in May 2025. Despite this improvement, the project continued to experience absorption challenges. With approximately 99% of the planned implementation period having elapsed, the level of disbursement remained disproportionately low, exposing the project to a high risk of under-absorption at closure. This increases the likelihood of unutilized funds and reduced value for money at project completion.

The value of work delivered exceeded actual payments made, largely due to outstanding settlements of certified works, particularly at Ogolai, Kilak, Lokopio, and Lwengo Technical Institutes.

Physical performance

Cumulative physical performance progressed to 90% by the end of November 2025, representing a modest increase from 88.8% in May 2025. This indicates improvement in the implementation of previously delayed sites of Ogolai,

Lokopio, Kilak Corner, and Lwengo Technical Institutes. The project was also still behind schedule³⁹ relative to the time elapsed (Figure 3.3.4).



Source: Compiled from VE II Project Reports and MFPED-IFMS 2017/18-2024/25

Figure 3.3.4: Performance of the Vocational Education (VE II) Project as of 30th November 2025

Detailed performance by Component is presented below:

Component 1: Civil Works

Overall, progress across all sites was 90% up from 88% in May 2025, with most construction sites completed and handed over. Construction at Nawanyago, Basoga Nsadhu Memorial, Sasiira, Buhimba, Kilak Corner, and Ogolai Technical Institutes were fully completed and operational. Defect liability periods were concluded for all except Kilak Corner and Ogolai, which were still under monitoring.



Left to Right: A boys’ dormitory and a new automotive workshop at Ogolai TI

³⁹ Schedule Performance Index of 0.89; SPI <1 “Behind schedule”



However, Lokopio Hills and Lwengo Technical Institutes remained behind schedule, achieving 85% and 70% completion, respectively, but both were projected to finish by December 2025.



Left to right: Ongoing completion works for the multipurpose hall and the four-unit staff house at Lwengo Technical Institute in Lwengo District.

Component 2: Supply of Equipment and Tools, Including Transport, Workshop & ICT Equipment, Textbooks, and Institutional Furniture

Performance under this component averaged 87.5%. Contracts for the supply of textbooks, institutional furniture, ICT equipment, 30-seater buses, and tractors for all eight Technical Institutes were fully executed. For Nawanyago TI, a separate contract for an additional tractor was signed and awaits inspection and payment. The only outstanding procurements were motor vehicles, which require approval from the Solicitor General, and workshop equipment, which must wait for an additional US\$ 800 million supplementary allocations from MoFPED.

Component 3: Capacity Building.

Capacity-building activities were organized into two thematic areas, Institutional Management and Skills and Institutional Capacity Building, covering Training of Trainers and management training for tutors and TVET managers.

Although the Project Resource Centre was fully completed, capacity-building interventions advanced slowly. By November 2025, only the industrial attachment for instructors in Refrigeration and Air Conditioning had been conducted, leaving attachments in eight other trade areas outstanding. A total of 14 out of 19 planned training activities (73.6%) had been completed. Overall, while foundational structures for training were in place, significant delays persisted in implementing the remaining skills-upgrading and institutional management activities.



Component 4: Design and Supervision of Civil Works

This component supports the design and supervision of civil works and equipment installation. Pan Modern Consults, together with Fielding Nair International, continued supervising works at Lokopio Hills, Kilak Corner, and Ogolai Technical Institutes. An addendum for extended supervision at Lwengo and additional works at Sasiira was approved by the MoES Contracts Committee and is pending submission to the Solicitor General.

Implementation Constraints

1. Delays in procurement of Workshop Equipment: The procurement process was stalled after the OPEC Fund rejected submissions due to procedural non-compliance, delaying the delivery of equipment needed for practical training.

Conclusion

By November 2025, the VE-II project had achieved 90% of its physical targets, slightly behind the 99% of time elapsed, indicating that the DLP will extend beyond the project period. The key outstanding activity is the procurement of workshop equipment for all Technical Institutes, which will require supplementary funding. To fully realize the project's outcomes, remaining activities must be urgently fast-tracked before the 31st of December 2025 closure.

Recommendation

1. The MFPED should fast track provision of supplementary funding for the procurement of workshop equipment for all the Tis

5. Vocational Education and Training (VET) Project

Introduction

The Vocational Education and Training (VET) Project was implemented by the MoES to expand equitable access to quality Technical and Vocational Education and Training through the construction and equipping of five Technical Institutes (TIs) in Amelo (Adjumani), Bukedea, Bukomero (Kiboga), Lyantonde, and Nyamango (Kyenjojo). The Project was financed through a Saudi Fund for Development (SFD) loan of Saudi Riyal (SAR) 45 million (approximately USD 12 million), supplemented by USD 1.33 million in GoU counterpart funding.

The Project was approved in 2010 with an expected completion of June 2016; however, it underwent multiple extensions due to weak contractor capacity and disruptions caused by the COVID-19 pandemic. Consequently, only Nyamango Technical Institute was completed in November 2017, while the remaining four institutes stalled at various stages of progress. Overall, the project spanned 15 years of implementation, a duration that exposed persistent weaknesses in contract management and supervision.

Following the termination of two successive contractors, the MoES procured new contractors in April 2024 to complete outstanding works at Amelo,



Bukomero, and Bukedea TIs, leading to the resumption of construction works in May 2024. The revised project completion deadline was set for 30th June 2025, with the reporting period extended to October 2025 to facilitate the finalisation of outstanding obligations and defects liability activities.

Financial Performance

As of 30th November 2025, cumulative loan disbursement increased to SAR 43.56 million (USD 11.62 million), representing 96.8%, up from SAR 43.29 million (USD 11.54 million) reported in May 2025. This increase of 0.6% resulted from the processing of previously certified payments. The undisbursed balance of SAR 1.44 million (USD 0.38 million) was being processed to pay the final certificate for Amelo Technical Institute, and to settle retention payments due to contractors for Bukomero and Bukedea Technical Institutes. In addition, the full USD 1.33 million in GoU counterpart funding was also disbursed. However, USD 38,000 cost overrun occurred under project management, largely attributed to the extended 15-year implementation period.

Whereas most project funds had been absorbed by November, the extended implementation period significantly increased overall costs, reduced value for money, and delayed the realization of project benefits. Price escalations over the 15 years also resulted in the exclusion of some originally planned facilities, further diminishing the project's intended impact. Consequently, the project performed poorly in terms of efficiency⁴⁰ (Figure 3. 3.), highlighting the need for stronger contractor due diligence and better contract management in future externally financed TVET projects.

Physical Performance

Overall physical performance of the VET project improved to 98%, from 92% in May 2025. By November 2025, Amelo, Bukomero, and Bukedea TIs had achieved practical completion, with only Defects Liability activities and minor snag rectification remaining.

Core infrastructure across all three sites, including administration blocks, workshops, students' dormitories, kitchens, water and sanitation facilities, and external works, was completed. However, full operational readiness had not yet been achieved.



Completed Administration Block at Amelo Technical Institute in Adjuman District.

⁴⁰ Cost Variance (CV) of -848,460=Actual expenditure exceeded the value of outputs delivered (cost overrun).

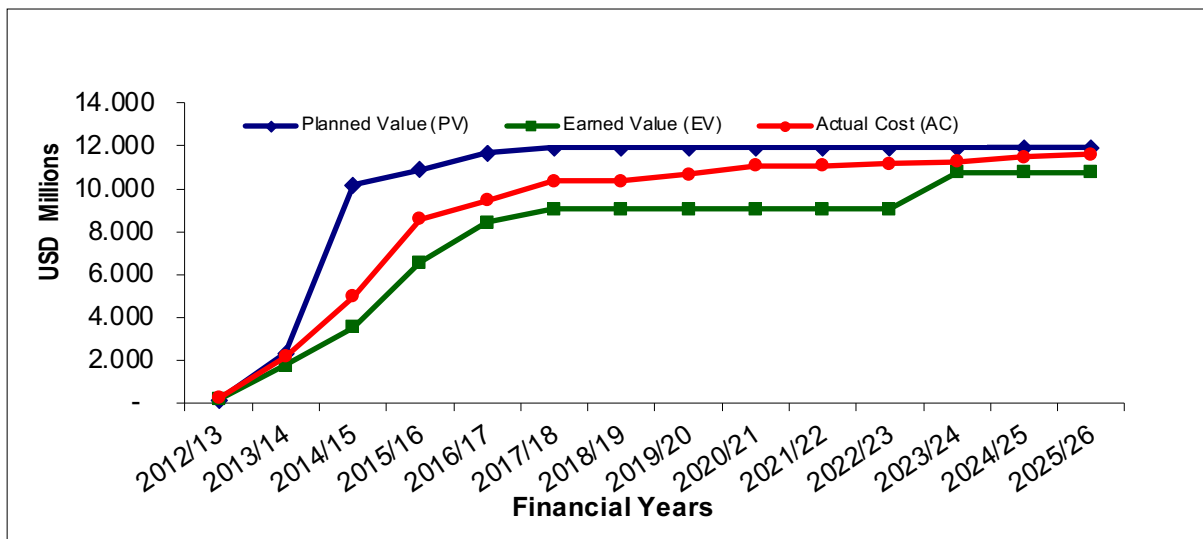
End-user training for workshop equipment was completed at Bukomero, it was ongoing at Bukedea and pending at Amelo as of November 2025.

In addition, several key facilities originally envisaged in the project design, including multipurpose halls, girls' dormitories, additional workshops, and staff accommodation, were omitted due to budget constraints arising from price escalations during design and procurement. These omissions limit the institutes' ability to operate at full capacity. They reduce enrolment potential, especially for female learners, and weaken instructor attraction and retention. As a result, the TIs cannot yet deliver the full training experience originally intended.

Overall, the VET Project experienced persistent delays for most of its implementation period. For over 15 years, progress remained slower than planned⁴¹, with key activities consistently taking longer than originally scheduled (Figure 3.3.5) mainly due to repeated contractor failures, weak project management.

This demonstrates the need for rigorous contractor due diligence and strict control of project timelines, to avoid prolonged inefficiencies in future projects.

Figure 3.3.5: Performance of the Vocational Education and Training (VET) Project as of November 2025



Source: Compiled from Project Reports

Lessons Learnt

- 1) Comprehensive contractor due diligence is essential. The failure and termination of two successive contractors highlight the need for robust pre-qualification, including thorough assessment of financial capacity, technical competence, past performance, and delivery capability.
- 2) Effective contract management and supervision are critical. Prolonged implementation revealed gaps in oversight, slow decision-making, and

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weak enforcement of contractual obligations. Timely corrective actions could have prevented extended delays and repeated re-procurement.

- 3) Adherence to timelines protects value for money. The 15-year delay exposed the project to price escalation, leading to the omission of key facilities and reduced functionality. Timely implementation is necessary to avoid cost inflation and compromised outputs.

Conclusion

The VET Project achieved 98% physical progress by November 2025, up from 92% in May; however, these gains were overshadowed by persistent delays, repeated contractor failures, weak supervision, and 15-years of implementation that far exceeded the original five-year plan. The extended timeline increased costs triggered a cost overrun under project management and forced the omission of essential facilities due to price escalation, reducing value for money and limiting operational readiness. Although core infrastructure was delivered, overall efficiency remained poor. This underscores the need for stronger contractor due diligence, better contract management, and timely decision-making to ensure future TVET projects are delivered on schedule and achieve their intended outcomes.

3.3.2 Gender and Social Protection Sub-Programme

This section presents the performance of one externally funded project under the gender and social protection sub-programme.

1. Generating Growth Opportunities and Productivity for Women Enterprises (GROW) Project

Introduction

The Generating Growth Opportunities and Productivity for Women Enterprises (GROW) Project aims to boost access to entrepreneurial services, empowering women entrepreneurs to expand their businesses in targeted regions, including both host and refugee districts. Funded by a USD 217 million IDA grant from the World Bank, it covers all districts, municipalities, and cities across Uganda. The project agreement was signed on 30th September 2022, and it became effective on 20th January 2023. The project is scheduled to conclude by 31st December 2027.

The project aims to benefit over 60,000 women-owned enterprises, including 3,000 refugee-owned businesses. It also targets 280,000 women entrepreneurs and employees, including 42,000 refugees, 14,000 members of host communities, and 1.6 million indirect beneficiaries. The project is implemented by both the Ministry of Gender, Labour, and Social Development (MGLSD) and the Private Sector Foundation Uganda (PSFU) through four components namely: i) Support for Women's Empowerment and Enterprise Development Services; ii) Access to finance for women entrepreneurs; iii) Enabling Infrastructure and Facilities for Women Enterprise Growth and Transition and iv) Programme management, Evidence Generation and Policy Innovation.



Financial Performance

By the end of September 2025, the project had disbursed USD 59.59⁴² million (27.46%) of the USD 217 million budget, an equivalent of Ush 819,609,000,000. This marked a slight increase from the 20% disbursement level observed in May 2025. Although overall disbursements remained relatively low compared with total funding, expenditure efficiency was good, as evidenced by a high absorption rate. (Table 3.3.7). The low disbursement levels were partly due to the delayed approval of the FY2025/26 work plan and the absence of construction activities that would have triggered disbursements.

At the level of implementing entities, funds were efficiently utilised. The MGLSD withdrew USD 20 million and spent USD 14.66 million, achieving an absorption rate of 73.3%, while PSFU received USD 39.59 million, of which USD 28.21 million was utilised, corresponding to a 71.2% absorption rate.

Table 3.3.7: Financial Performance of the GROW Project as of 30th September 2025

Components	Budget Allocation (USD Million)	Cumulative Disbursement (USD Million)	% Disbursement	Cumulative Expenditure	% Absorption
1	42.00	13.03	31.0%	8.79	20.92%
2	90.00	27.74	30.8%	20.56	22.84%
3	70.00	12.96	18.5%	4.58	6.54%
4	15.00	5.86	39.0%	8.95	59.67%
Total	217.00	59.59	27.4%	42.87	71.9%

Source: GROW Progress Report November 2025

Physical Performance

By November 2025, the project's progress was fair, having increased to 50%, up from 40% in May 2025. The project showed good cost productivity⁴³ but was behind schedule⁴⁴. Actual costs consistently remained below the value of completed work, reflecting effective cost control (Figure 3.3.1). However, earned value remained below the planned value, primarily due to procurement delays and underperformance against deadlines. While staying within budget, the slow progress increased schedule variance. Continued delays could lead to future cost issues if corrective actions are delayed. Overall, the project is cost-efficient but delayed, necessitating management focus on schedule realignment without compromising current cost benefits.

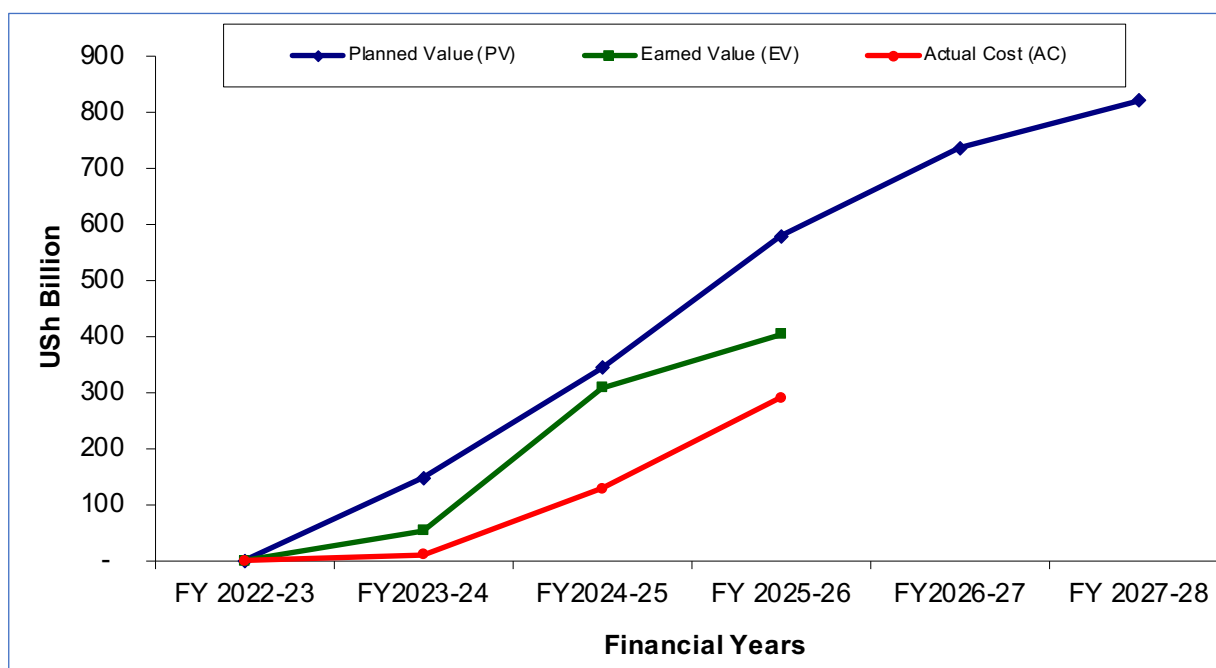
⁴² Equivalent of USh 225,071,430,000

⁴³ Cost Performance Index of 1.39

⁴⁴ Schedule Performance Index of 0.70



Figure 3.3.6 Performance of the GROW Project by November 2025



Source: GROW Project Documents and Field Findings

Performance varied across the selected indicators, with some registering good performance while others were off track (Table 3.3.8)

Table 3.3.8: Performance of selected project indicators as of 30th November 2025

Indicator	Disaggregates	Project Target	Actual		FY 2025/26 (Year 3)		Remarks
			FY2023/24 (Year 1)	FY 2024/25 (Year 2)	Target	Achieved	
Beneficiaries reached with nonfinancial entrepreneurial services (Number)	Total	280,000	25,953	68,539	180,000	93,135	Performance on track
	Women in RHDs	42,000	2,349	5,933	27,000	7,735	
	Refugee women	14,000	1,213	3,015	9,000	3,627	
Beneficiaries reached with financial services (Number)	Total	28,750	0	2,958	8,500	2,958	Performance offtrack
	Women in RHDs	4,300	0	159	1,275	159	
	Refugee women	1,438	0	6	425	6	
Total project beneficiaries (Number)	Total	1,600,000	114,114	314,789	800,000	423,090	On track
	Women in RHDs	240,000	10,335	26,804	120,000	34,786	
	Refugee women	80,000	6,065	10,280	40,000	18,165	
Value of credit provided to women enterprises (USD)	Total	USD 110,000,000	0	20,952,740	33,000,000	20,952,740	Off track
	RHD	USD 12,000,000	0	724,971	3,600,000	724,971	
	Refugee-owned enterprises	0	0	10,647	1,000,000	10,647	

Source: GROW Implementation Report, November 2025

The detailed component performance is outlined below.



i) Component 1: Support for Women Empowerment and Enterprise Development Services

This component focuses on empowering women through enterprise development by providing technical training, life skills, digital education, and business advisory services. Key activities include establishing Women Entrepreneurs Platforms (WEPs), addressing socio-cultural barriers, and enhancing business skills.

Establishing Women Entrepreneurs Platforms (WEPs)

The WEPs consist of a multi-stakeholder network of women entrepreneurs, associations, and sector leaders. They form the basis for delivering a range of services through the Project. Additionally, they provide women entrepreneurs, whether new, start-ups, or experienced, with valuable opportunities to improve their skills, grow their business networks, find sector-specific mentors, access markets and infrastructure, and foster an environment that supports women-owned businesses. By November 2025, the Ministry, in collaboration with Uganda Women Entrepreneurs Association Limited (UWEAL), had established 107 WEPs across Central, Eastern, and Western Uganda. This included six WEPs in refugee settlements in Kiryandongo, Kyangwali, Rwamwanja, Kyaka, Nakivale, and Oruchinga, as well as one WEP in the Kawempe division of Kampala City for urban refugees. Overall, the number of women entrepreneurs participating in WEP activities across the Western, Eastern, and Central regions increased from 22,947 in May 2025 to 42,167 in October 2025, representing 70.3% of the project's third year (FY 25/26) target of 60,000 women entrepreneurs.

Addressing Socio-cultural Barriers

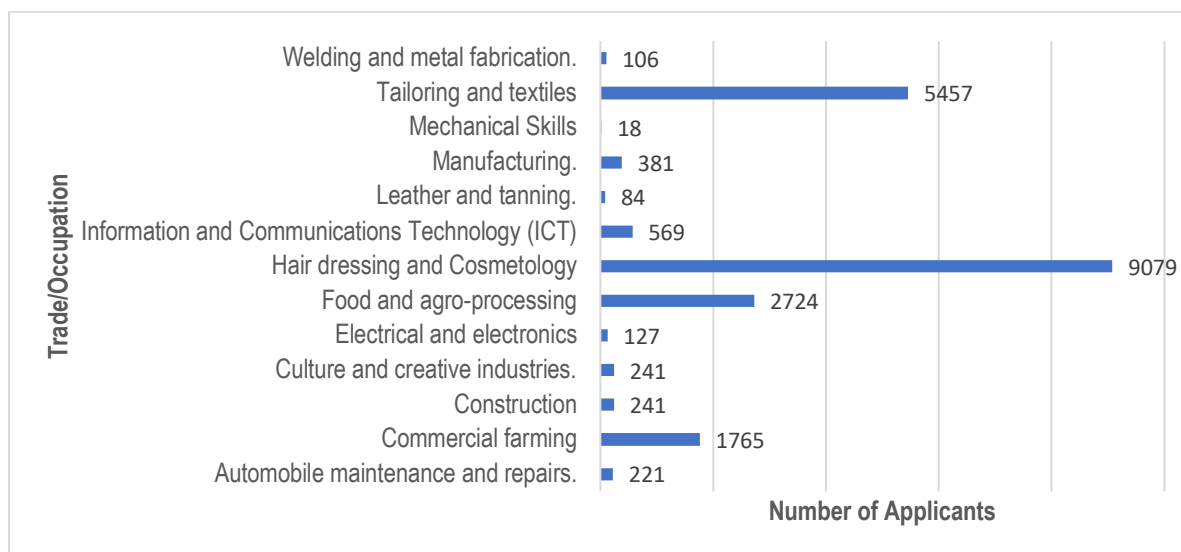
In May and October 2025, the Ministry collaborated with UWONET and CARE International to enhance the capacity of Women's Economic Programs and NGOs. This aimed to promote women's economic empowerment and prevent violence against women. UWONET finalised and validated a rapid assessment on social norms impacting women's enterprise growth in Central and Northern Uganda. Additionally, supporting tools, including a GBV referral pathway, a male engagement strategy, and a social norms transformation training manual, are currently being developed and reviewed internally.

Enhancing Business Skills

Makerere University Business School and ENTERPRISE Uganda trained 6,341 women entrepreneurs, reaching 63.4% of the 10,000-target for the year. The recruitment, contracting, and onboarding of Business Advisors with trade- and sector-specific expertise have been completed. As part of the work placement program, Memoranda of Understanding were signed with 35 host enterprises across key sectors, including value addition in agriculture, baking, confectionery, leisure, hospitality, construction, fabrication, and tailoring. Demand from beneficiaries far exceeded available placements, with 29,626 applications received nationwide (see figure 3.2).



Figure 3.3.7: Applicants under the work placement/ Apprenticeship programme



Source: GROW Implementation Report, November 2025

To date, a total of 4,976 beneficiaries from Kampala, Mukono, Wakiso and Isingiro districts have been oriented under the Women Entrepreneurship Work Placement Program in the trades of baking, hairdressing, catering, and tailoring. Of these, 177 were refugees (86) from Kampala and 91 from Isingiro district.

The orientation prepared them for their work placement/apprenticeship by equipping them with knowledge of program objectives, workplace ethics, safety, and professional conduct. Following the orientation, the beneficiaries were successfully matched with host enterprises that align with their respective trades and are now awaiting the commencement of the hands-on learning process for which funds were approved and are being processed.

Collaboration with the Ministry of Education and Sports to develop Assessment and Training Packages and facilitate certification was progressing well. However, finalisation was temporarily delayed due to institutional transitions at the Uganda Vocational and Technical Assessment Board.

ii) Component 2: Access to Finance for Women Entrepreneurs

The component aims to address financial barriers faced by women-led businesses by providing grants and loans to facilitate growth from micro to small and medium-sized enterprises. It includes two main initiatives:

- Business expansion grants ranging from USD 5,000 to USD 30,000 for women looking to enter male-dominated sectors like technology or construction or expand into social enterprises or climate change-related ventures.
- The GROW Financing Facility (GFF) supports women entrepreneurs, including refugees and those in refugee-hosting districts (RHDs), to access loans from financial institutions to scale their businesses and enhance productivity.



By November 2025, six shortlisted firms had been invited to submit detailed proposals for managing the grant competitions, with contract award anticipated by January 2026 and the grant competition scheduled for launch in February 2026. Robust eligibility criteria have been defined to safeguard institutional integrity, ensure adequate operational capacity, uphold financial and legal compliance, and facilitate effective utilisation of grant resources within the 2024 to 2027 implementation timeframe.

Under the GROW Financing Facility, six financial institutions were disbursing loans: Centenary Bank, DFCU Bank, Equity Bank Uganda, Finance Trust Bank, Post Bank Uganda, and Stanbic Bank Uganda. By 30 June 2025, these banks had disbursed a total of US\$20,955,598 (USH 73,344,593,450) to 2,958 women entrepreneurs. This marked an increase from 2,459 beneficiaries recorded in March 2025. A total of 114 Districts and 8 Cities had GROW loan borrowers by June 2025.

To further expand outreach, the GROW Awards Committee approved adding three tier two financial institutions: Opportunity Bank, UGAFODE, and Pride Bank, along with five SACCOs: KOCH GOMA AROVA Producers, EBO SACCO, ASA Microfinance, CBS PEWOSA, and Koboko United SACCO. No objections have been raised against the Tier Two institutions, but approval for the SACCOs remains pending. These additions are expected to improve access to GROW loans for refugees, refugee-hosting districts, and other underserved regions.

A sectoral analysis of loan disbursement indicated reasonable alignment with the Tenfold Growth Strategy, which accelerates economic growth through key sectors, including Agro-Industrialisation, Tourism, Mineral Development, and the Science and Technology (S&T) agenda. The majority of borrowers were engaged in trade and commerce (42.2%), followed by agriculture and agribusiness (27.9%), and construction and engineering (9.2%). This distribution reflected women's active participation in key economic sectors, though the dominance of trade suggests limited sectoral diversification (Refer 3.3.9).

Table 3.3.9: Number of Loans by Sector

Sector	Centenary Bank	DFCU Bank	Equity Bank	Finance Trust Bank	Post Bank	Stanbic	Total	%
Trade & Commerce	501	86	88	374	192	6	1,247	42.2%
Agriculture & Agribusiness value chain	277	54	20	226	247		824	27.9%
Construction & Engineering	52	23	34	97	65	1	272	9.2%
Business & Professional services	74	20		47	106	4	251	8.5%
Tourism and Hospitality & Creatives	67	9	11	2	33	2	124	4.2%
Education & Health (Community & Social Services)	32	9	9	2	18		70	2.4%
Beauty & Cosmetology/Parlor & Wellness	48	5	2		20		75	2.5%
Manufacturing	19	7	2	4	17		49	1.7%
Transport & Logistics	25	6	1	1	11		44	1.5%
ICT for business	2						2	0.1%
Total	1,097	219	167	753	709	13	2,958	100.0

Source: GROW Performance Report, November 2025



The beneficiaries' perspective on the loan was positive, indicating that it was having an impact on their businesses; however, they called for improved service delivery during loan execution (Box 1.0).

Box 1.0: Beneficiary Perspective of the Loan

Rebecca Gloria's Tailoring Business in Rwampara District

Rebecca became aware of the GROW project through a Uganda Women Entrepreneurs Association Limited (UWEAL) training session on the project. In November 2024, she applied to Post Bank for a UGX 60,000,000 loan to expand her tailoring enterprise by acquiring additional operating space.

However, the bank approved only US\$ 5,000,000, citing limitations in the collateral presented, which consisted of an untitled residential house and plantation assets. She was advised that a registered land title was required to access a higher loan amount. Although she was informed that the loan had a two-year tenor, the final loan agreement stipulated a repayment period of only ten months, significantly altering the financing terms. By October 2025, Rebecca had paid back the loan.



Rebecca's Tailoring Shop in Rwampara District

iii) **Component 3: Enabling Infrastructure and Facilities for Women Enterprise Growth and Transition**

This component aims to support women-led micro and small enterprises by investing in infrastructure that addresses gender-specific barriers, such as limited access to shared facilities and childcare services.

Multi-Purpose Service and Production Facilities to Boost Women's Enterprise Productivity

By November 2025, the preliminary designs and cost estimates for the Women's Entrepreneurship Training Centre and the Multipurpose Women's Enterprise and Productivity Centre were finalised and approved by the World Bank. The Uganda National Cultural Centre was confirmed as the preferred location. Early market engagement activities were carried out, and the procurement process for a design-and-build contractor is ongoing, with a goal to award the contract by April 2026.



Enabling Access to Gender Inclusive Workplace Infrastructure

Under a gender-inclusive workplace infrastructure, evaluations of proposals were completed, and due diligence was ongoing for selected beneficiaries. Ten pilot Common User Production Facilities, covering diverse value chains, were prepared for grant agreements to target productivity, value addition, and market access for women entrepreneurs, including vulnerable groups. Progress was also made on integrating childcare solutions through revised manuals, market-based childcare assessments, and ongoing development of national childcare standards, strengthening the enabling environment for women's enterprise growth.

iv) Component 4: Programme Management and Policy Innovation

This component focuses on enhancing the capacity of government institutions to provide a coordinated, high-quality support package for targeted beneficiaries. It also promotes policy innovation and evidence gathering on barriers to women's economic empowerment. The Project Implementation Teams (PITs) at MGLSD and PSFU are fully staffed with all specialists in place. Both the Project Steering Committee (PSC) and the Project Technical Committee are active, regularly meeting to oversee and review project progress. Under Policy Innovation and Evidence Generation, an individual consultant was engaged to develop national guidelines and standards for the establishment and management of childcare facilities for children under 3 years, and the study is ongoing. The Ministry finalized the appointment of the Evidence Advisory Panel to guide and support the research agenda for GROW, which is chaired by the Permanent Secretary/Secretary to the Treasury. The procurement process for firms to undertake policy studies in areas of taxation of women enterprises, and female labour participation and productivity in selected economic sectors is ongoing.

Implementation Constraints

1. Protracted procurement cycles, delayed contract execution, and slow internal and external approval processes have resulted in lagging disbursements and underachievement of planned outputs.
2. Limited Sectoral Diversification; Loan distribution remained concentrated in trade and commerce, limiting diversification into higher-productivity sectors.

Conclusion

The GROW Project remains well aligned with national priorities under the Human Capital Development Programme. Nevertheless, overall implementation effectiveness is moderated by persistent schedule delays and lagging infrastructure investments, which have constrained performance on access-to-finance and credit volume indicators. Without decisive corrective action, these delays pose a risk to the timely achievement of intended outcomes within the stipulated project time frame despite the project's sound cost efficiency.



Recommendations

1. The MGLSD should prioritise schedule realignment as a key management goal, focusing on speeding up procurement, contract execution, and approvals for Components 2 and 3 to address delayed disbursements and outputs.
2. The MGLSD and PSFU should guide implementation to promote sectoral diversification by aligning finance, skills development, and mentorship with higher productivity sectors like agro-processing, manufacturing, and construction. This approach aims to strengthen economic transformation.

3.3.3 Health Projects

This section presents the performance of seven externally funded projects under the health sector that contribute to the performance of the Human Capital Development (HCD) programme.

1. East Africa's Centres of Excellence for Skills and Tertiary Education in Biomedical Sciences – AfDB Support to Uganda Cancer Institute Project (1345)

Introduction

The key project development goal is to transform the Uganda Cancer Institute (UCI) from a modest specialised health facility to a higher institute providing leadership in postgraduate education, clinical training, research, and clinical services to cater for the growing oncology demands.

The project also aims to address the crucial labour market shortages in highly skilled professionals in the oncology sciences and cancer management in Uganda, and the East African Community (EAC) region in general. The project is jointly funded by a loan from the African Development Bank (AfDB) and the Government of Uganda (Table 3.3.10).

The project has two components, namely:

- i) Establishing Centres of Excellence in Biomedical Sciences with the key aim of expanding and improving infrastructure; and providing equipment at the Uganda Cancer Institute (UCI), thereby turning it into a Centre of Excellence in cancer research, care and management in the region.
- ii) Support to the EAC regional integration agenda in higher education and labour mobility to respond to labour market needs.

Table 3.3.10: Basic project data for AfDB support to Uganda Cancer Institute Project

Coverage	Kampala (Uganda Cancer Institute), equipping of satellite Regional Cancer Centres
Lead agency	Uganda Cancer Institute (UCI)
Source of financing	African Development Bank and Government of Uganda
Total project cost	UA 22.5 million (USD 31,500,000) – Loan



Coverage	Kampala (Uganda Cancer Institute), equipping of satellite Regional Cancer Centres
	UA 13.5 million (USD 23,100,000) – Loan additional financing
	UA 2.25 million (USD 3,850,000.00) – Counterpart UA 2.68 million (USD 4,585,778.00)- Counterpart-Additional financing
Project implementation period	1st January 2016 to 31st December 2024
Date signed	26th October 2015
Date loan declared effective	1st February 2016
Project closing dates	Original closing date: 31st December 2019; First revised closing date: 31st December 2021; Second revision: June 2023; Third revision: June 2024; Fourth revision: June 2025; Fifth revision in line with additional financing, June 2026

Source: Uganda Cancer Institute.

The planned deliverables for the project include:

- a) Works (construction of the Multipurpose Building for Cancer Treatment and Research) completed.
- b) Equipment and furniture for laboratories, training facilities procured and installed.
- c) Equipment and furniture for cancer diagnosis and care; a Linear Accelerator (LINAC) procured and installed.
- d) Information and Communication Technology (ICT) equipment for training and telemedicine procured and installed.
- e) Research undertaken.
- f) Equipment for outreach centres (Arua, Mayuge, Jinja) procured and installed.
- g) Motor vehicles (four SUVs, one pickup, one van, and one mobile van) procured and installed.
- h) Training for in-post staff undertaken.
- i) Scholarships for postgraduate training in cancer provided.

Financial Performance

As of 30th November 2025, the total loan disbursement rate was at 57%⁴⁵, unchanged from May 2025, while counterpart funding was (51%)⁴⁶. (Table 3.3.11). The expenditure was allocated as follows: 45% to civil works for the multipurpose building and training facilities, 23% to equipment, and 32% to consultancy services.

⁴⁵ The disbursement rate includes the additional financing signed in May 2025

⁴⁶ The GoU counterpart includes the GOU commitments under the additional financing signed in May 2025



Table 3.3.11: Financial performance of for AfDB Support to Uganda Cancer Institute Project

ITEM	ADF		GOU	
	UA	US\$	USh	US\$
Loan Amount	36,000,000.00	50,400,000.00	27,352,500,000	7,433,939.64
Disbursement to Date	20,342,250.00	28,479,150.00	14,052,500,000	3,545,923.19
Undisbursed Balance	15,657,750.00	21,920,850.00	13,300,000,000	3,888,016.45
% Disbursement	57	57	51	48

Source: Uganda Cancer Institute.

The project experienced cost overruns⁴⁷ in the initial years (Figure 3.3.8). This was driven by increases in manufacturing, freight, and operating costs; escalation in construction material prices; and changes in specifications for procured equipment, including the MRI. As a result, the original financing proved insufficient to complete the remaining works.

To address this shortfall, additional financing of UA 13.5 million (US\$ 66.996 billion) was approved by the funder in November 2023. The corresponding financing agreement between the funder and the Government of Uganda was signed on 15 May 2025, committing US\$ 66.996 billion from the funder and US\$ 13.300 billion from the GoU. Disbursements under this additional financing had not commenced by 30 November 2025, as the UCI only met the disbursement conditions on 10 November 2025, after which a request for the first disbursement was submitted to the Bank.

Physical Performance

As of 30 November 2025, overall project performance remained at 69%, unchanged from May 2025. Although the additional financing agreement was executed on 15 May 2025 with implementation expected to commence in July 2025, this did not occur. The UCI subsequently met the disbursement conditions on 10 November 2025 and submitted a request for the first disbursement to the Bank. The key outstanding activities were the completion of the Multipurpose Building for Cancer Treatment and Research and the procurement, delivery, and installation of the remaining equipment.

Prior to November 2025, the following achievements were achieved. Implementation of the civil works for the construction of Level 2 of the Multipurpose Building for Cancer Treatment and Research under the new contract was fully completed. Preliminary works for installing conduits for ICT equipment in the theatre, bone marrow treatment, and laboratory rooms were also completed, although final installation of the ICT equipment was pending the full completion of related civil works.

Procurement of equipment for the outreach centres in Arua and Mayuge was fully implemented, with all items under Lot 1 and Lot 2 delivered, received, installed, and commissioned. Initial delays in the installation, training, and

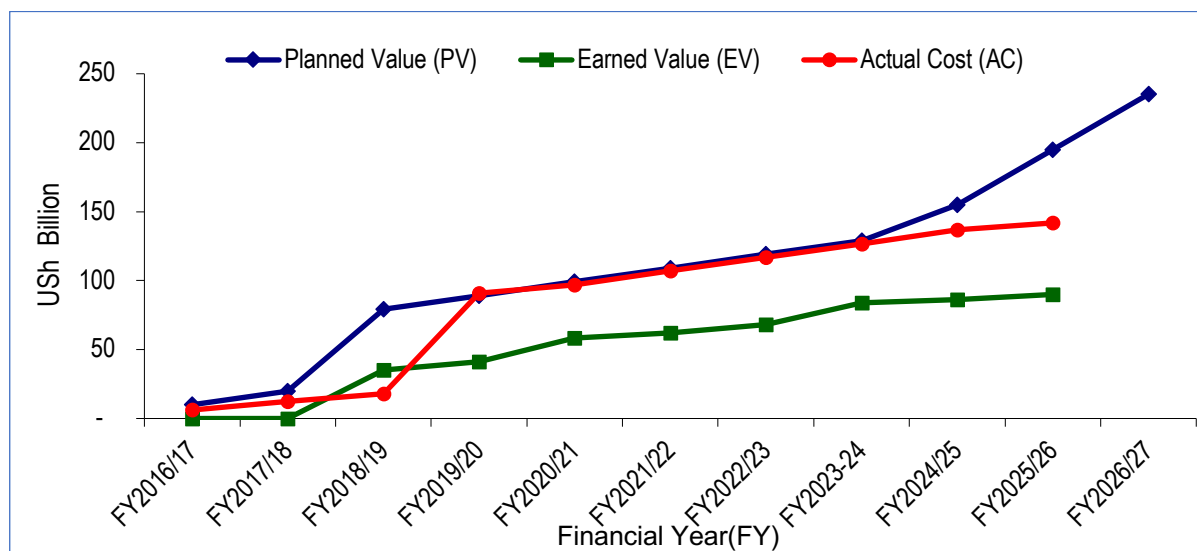
⁴⁷ The Cost Performance Index was 0.56.

commissioning of Lot 2 due to site readiness were resolved. Lot 1 was delivered by Sagewood Ltd, while Lot 2 was delivered by Jos Hansen and Soehne Ltd.

In terms of capacity building, the project supported 197 long-term trainees at master's, PhD, and fellowship levels. Eleven fellows were trained under three fellowship programmes, and an additional 25 fellows completed training in Paediatric Oncology, Medical Oncology, and Haematology. Furthermore, 201 trainees were supported to attend short courses and cancer-related seminars in areas such as Oncology Nursing, Radiology and Imaging in Cancer, Clinic Master, and Paediatric Oncology. These trainings were delivered in collaboration with international partners, including the Seattle Cancer Care Alliance, Fred Hutchinson Cancer Research Centre, Baylor College of Medicine, Clinic Master, and the Radiological Society of North America.

Procurement of the MRI equipment was ongoing following approval by the Solicitor General, while approval for the procurement of laboratory furniture was still pending.

Figure 3.3.8: Performance of AfDB support to Uganda Cancer Institute Project as of November 2025



Source: Author analysis based on AfDB support to UCI Project data

Implementation Constraint

Delayed commencement of works financed under the additional funding. This was due to late attainment of the effectiveness conditions required to trigger the first disbursement.

Conclusion

Overall, the Uganda Cancer Institute (UCI) Project demonstrated fair performance, achieving an overall completion level of 69% as of November 2025. The Schedule Performance Index (SPI) was below 1.0, reflecting schedule slippage. The delayed start of works under additional financing eroded schedule efficiency. Although major cost overruns were not yet evident under additional financing, the delay in achieving effectiveness resulted in



charges on undisbursed funds and inefficiencies associated with equipment already delivered to site but not operationalized due to site unpreparedness. These factors signal early cost-effectiveness risks if implementation is not rapidly accelerated. It is critical that the project activities are fast tracked to redeem the lost time given that a couple of equipment is already onsite awaiting site readiness.

Recommendation

The UCI should fast-track implementation of the pending works following the fulfilment of disbursement conditions in November 2025. Preparatory activities should be prioritised as UCI awaits funds from the bank.

2. Global Fund for HIV/TB and Malaria Project (220)

Introduction

The Global Fund is a partnership with governments, civil society, technical agencies, the private sector, and people affected by HIV/AIDS, tuberculosis, and malaria. Project implementation is designed to accelerate the end of AIDS, tuberculosis, and malaria as epidemics. The project is jointly funded by grants from the Global Fund and GoU counterpart for the period between 1st January 2024 to 31st December 2026. The summary of basic project data is presented below (Table 3.3.12).

Table 3.3.12: Basic project data for Global Fund for HIV/TB and Malaria

Project objectives	<ul style="list-style-type: none"> i). To reduce TB incidence by 20/100,000 from 199 in 2022 to 179/100,000 population by 2026. ii). To increase productivity, inclusiveness, and well-being of the population through ending HIV/AIDS as an epidemic by 2030. iii). By 2025, to reduce malaria infection by 50%, morbidity by 50% and malaria-related mortality by 75% of the 2019 levels.
Project cost ⁴⁸	USD 520,695,257 equivalent to (US\$ 1,932,300,098,727)
Cost for Components	Malaria: USD 217,056,092; COVID-19: USD 94,784,269; HIV: USD 246,220,613; TB: USD 54,418,552.
Counterpart funding	USD 3,000,000
Coverage	Countrywide
Lead agency	Ministry of Health (MoH)

Source: Authors' compilation, field findings

The project scope has four components, namely: a) Uganda's Response to HIV; b) Uganda's Strategy for the Acceleration towards the Elimination of Malaria; c) Uganda's Response to Tuberculosis (TB); and d) COVID-19 Response Mechanism Interventions.

⁴⁸ The project cost includes the USD 3 million as GoU counterpart funding. The conversion exchange rate is 3711 for each USD.

Financial Performance

As of 30th November 2025, a total of US\$ 875.473 billion (52%) was disbursed⁴⁹ and US\$ 501.275 billion spent⁵⁰. (Table 3.3.13). Most of the expenditure was on direct disbursements to suppliers offshore for most grants, except for the TB grant, where 53% of the expenditure was made in the country.

Table 3.3.13: Financial performance of Global Fund for HIV/TB and Malaria as of 30th November 2025

Grant Category	Re-prioritised ⁵¹ Budget (Ush)	Disbursement	Expenditure	% Disbursement	% Spent
TB grant	201,702,494,889	89,709,557,544	38,787,388,249	44	43
HIV grant	800,555,408,202	336,020,916,372	208,733,780,226	42	62
Malaria grant	691,011,905,868	290,089,202,654	203,414,883,601	42	70
COVID-19	351,744,422,259	159,653,446,019	50,339,422,289	45	32
Total	1,693,269,808,959	875,473,122,590	501,275,474,365	52	57

Source: MoH Global Fund progress report

Physical Performance

The performance of the Global Fund for HIV, Malaria and TB as of 30th November 2025 was in the fair performance category as observed in May 2025. This was attributed to slowdown in implementation of grant activities occasioned by the reprioritization exercise following the announcement of the 12% reduction in the grant allocation and limited capacity of some contractors to timely complete the civil works particularly under the medicine's stores.

As of 30th November 2025, some key project components remained behind schedule while others were on schedule⁵² (Figure 3.3.9). Those that were on schedule mainly related to medicines and health supplies procurement, warehousing and distribution. The components under COVID-19 including medicines stores, incinerators were behind schedule that necessitated extension of the component closure date from December 2025 to June 2026.



L-R: Medicine store under construction at Bukwo General Hospital in Bukwo District; at Rhino Camp HCIV in Madi-Okollo District under Global Fund Support

⁴⁹ The disbursement excludes the US\$ 73,745,215 disbursed to The Aids Support Organisation (TASO) based on the exchange rate of 3,711.

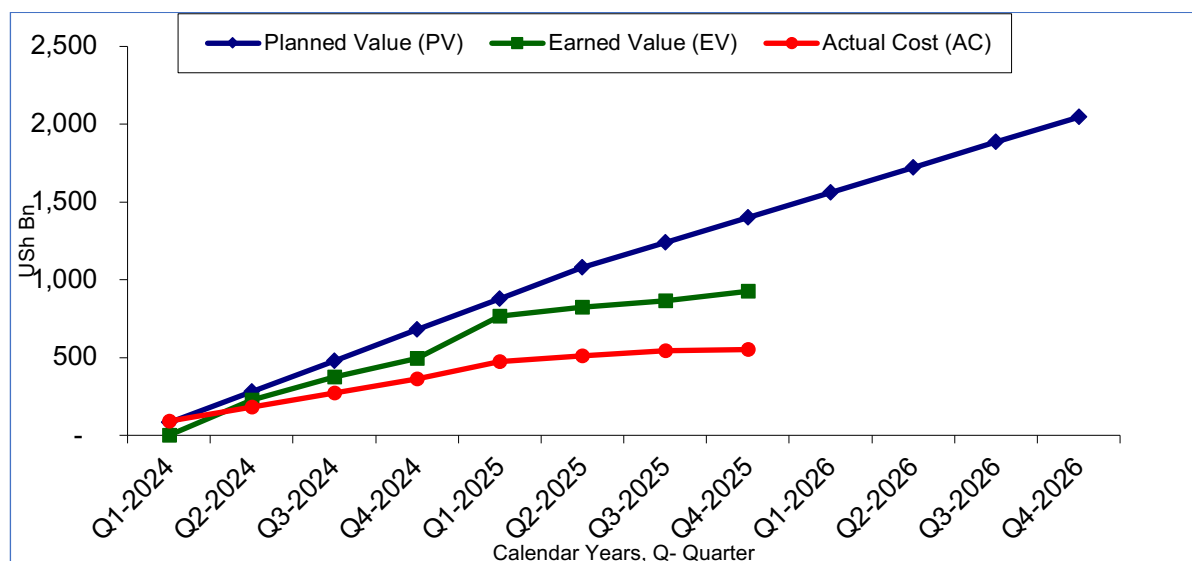
⁵⁰ This includes the funds advanced to offshore suppliers of commodities that were yet to be delivered in country.

⁵¹ The initial grant amounts as recorded in Table 3.3.3 reduced by 12% following the US reduction in funding among other changes in the global financing landscape.

⁵² The Schedule Performance Index (SPI) was 0.66.



The project earned slightly more value⁵³ compared to the actual costs for the period under review. This was attributed to some civil works that had advanced yet to be paid, and placement of orders for offshore commodities for HIV, TB and Malaria.



Source: Author analysis based on Global Fund project data

Some of the key achievements as of 30th November 2025, included; Enhanced case management skills in health facilities across Soroti, Bukedea, Katakwi, Kapelebyong, Amuria, Serere, Ngora, Kalaki, and Kumi Districts on Malaria, TB, HIV; Case investigation of Multi Drug Resistant Tuberculosis (MDR-TB) patients completed; Comprehensive Prevention of Mother To Child Transmission(PMTCT) service delivery trainings in Teso, Bugisu, Mukono, and Wakiso regions; Conducted orientation of Health workers and other stakeholders on TB screening at POEs (Points of Entry); Equipped health assistants, facility in-charges, and reporting focal persons with knowledge on index linking, testing, treating, and environmental management in the Training of Trainers (TOT) for Health Assistants and Facility Staff. Disseminated Indoor Residual Spraying (IRS) knowledge down to the sub-county level in West Nile and Mid North Districts on the Cascade Training at Sub-Counties for IRS. Provided hands-on guidance to improve service delivery in Kigezi Sub-Region on Facility-Based Mentorship on Improving Antenatal Care Quality, TB, and HIV.

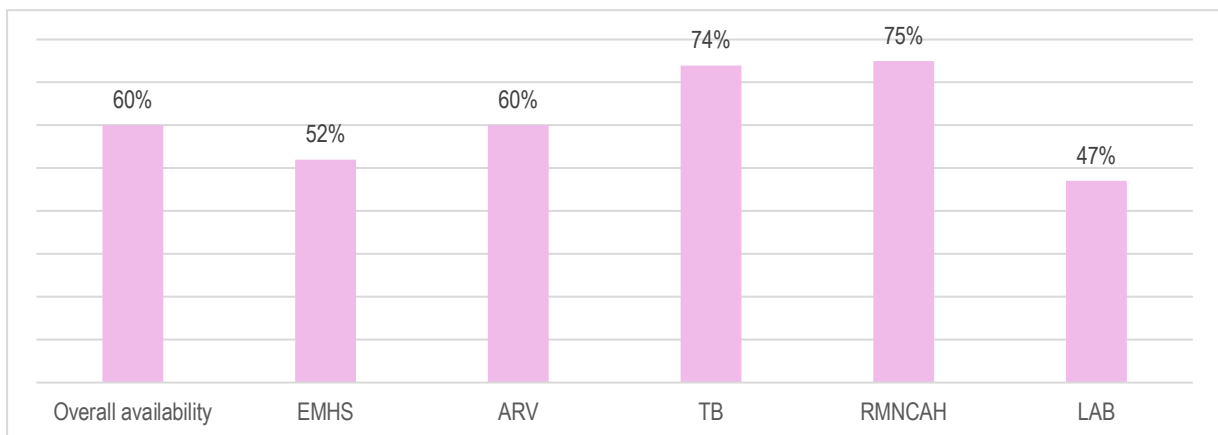
In relation to infrastructure development, the medicines stores attained an average 70% completion. The piping of oxygen to critical wards that was ongoing by May 2025 was completed by November 2025. The construction of regional incinerators in Lira, Mbarara, Gulu, Mukono and Fort Portal Referral Hospitals under the COVID-19 funding that were previously lagging, had achieved substantial completion (**Table 3.3.12**). Civil works averaged 95% improving from 87% as of May 2025. The installation of the equipment for the

⁵³ The project recorded a positive cost variance of US\$ 374.505 billion.

incinerator, however, continues to lag. The installation of the incinerator equipment remained slightly behind schedule. The installation of equipment, testing and commissioning remained unattained due to poor planning. The incinerators required stable power supply that was not available in the regions where these were established. The MoH was to procure the standby generator to support final testing and commissioning.

In relation to the availability of medicines and health supplies at the national level, overall availability of essential medicines and health supplies (EMHS), including laboratory (Lab) and 41 tracer medicines, was estimated at 60%. The highest availability was noted in reproductive, maternal, neonatal, child, and adolescent health (RMNCAH), while the lowest was in laboratory supplies. The availability of Anti-Retroviral Therapy (ARV), Tuberculosis (TB) (**Figure 3.3.10**). There was a noticeable improvement in medicine delivery after a deliberate effort by MoFPED to release operational funds to the NMS for timely distribution to facilities. Additional highlights of performance are presented in table **Annex 2**.

Figure 3.3.10: Availability of medicines, Health, and Lab supplies as of 30th November 2025



Source: MoH HMIS

Implementation Constraints

- i) Funding shortfalls occasioned by the 12% reduction in the allocated funds by the global fund.
- ii) Poor planning demonstrated by initial exclusion of the standby generator to support operationalization of the incinerator.
- iii) Limited monitoring, supervision and inspection for civil works. The clerk of works recruited to supervise works especially for medicines stores were absent at 90% of the facilities visited.
- iv) Limited capacity of some contractors occasioned by poor contractor selection. This is sometimes occasioned by undue influence from politicians who own the bidding firms.
- v) Lack of clear cooperation framework for health financing, leading to duplication of efforts. Several interventions supported by global fund were receiving financing from other partners.



Conclusion

As of 30th November 2025, the Global Fund–support to HIV, TB, Malaria and COVID-19 Project in Uganda demonstrated fair overall performance, with results slightly changing from May 2025. The project’s fair performance reflects adequate financial control but suboptimal schedule execution. Implementation progress was constrained by a 12% reduction in grant allocation, which necessitated reprioritization and slowed execution of works across most of the components. While medicines and health supplies procurement, warehousing, and distribution remained largely on track, delays persisted in civil works follow-on activities especially equipment installation, testing, and commissioning of incinerators due to planning gaps (notably the late provision for standby power) and weak supervision arrangements. There is therefore needed to maintain or improve performance to ensure that the project is delivered under budget given the reductions in funding occasioned by changes in the global health financing landscape. This could involve increased supervision, monitoring and control to minimize reworks and optimize the available resources.

Recommendations

- i) The MoH should fast track the full rollout of integration framework for health care provision as a mitigation measure to reduced funding for HIV, Malaria and TB among others.
- ii) The MoH in collaboration with MoFPED should strengthen capacity of the health sector planners to support increased efficiency and effectiveness.
- iii) The MoH, and sub programme MDALGs should strengthen monitoring, supervision and inspection.
- iv) The MoH Infrastructure Department should prevail on the contractors, especially those constructing the medicines stores, to fast-track project activities to meet the June 2026 extended deadline for the investments funded under the COVID-19 funding.
- v) MoFPED, in partnership with the MoH, should institute a clear cooperation framework for health financing, to minimize the duplication of efforts to achieve value for money.

3. Rehabilitation and Construction of General Hospitals – Refurbishing and Equipping of Busolwe General Hospital (Project 1243)

Introduction

The Government of the Republic of Uganda received funding of USD 17,374,378.81 from the Kingdom of Spain under the Debt-Swap Program towards the Improvement of the Delivery of Health Care Services through improvement of the Kawolo and Busolwe General Hospitals only.

The planned project outputs concerning the civil works included hospital Wards renovation, some extensions, new wings construction, as well as the improvement of the Water Supply and Sewerage and an upgrade to the power supply. At the same time, it included supply of Medical Equipment and an ambulance as transport and ambulatory services.



The overall project objective is to contribute to delivery of the Uganda National Minimum Healthcare Package (UNMHCP) through refurbishment, expansion and equipping of Kawolo and Busolwe Hospitals.

All scoped civil works at Kawolo Hospital, including the perimeter wall and medical gas installations, medical equipment, and furniture, were completed in FY 2019/20 at a total cost of USD 11,546,085.296, of which USD 911,273.18 was counterpart funding. Thus, the analysis under this project focuses on the component of refurbishment and equipping of Busolwe General Hospital.

The refurbishment works at Busolwe General Hospital (GH) were undertaken by two contractors: Excel Construction Company for the refurbishment of the medical buildings, and the UPDF Engineering Brigade for the Junior staff quarters⁵⁴.

The scope of works included: refurbishment of the service block; construction of three VIP latrines; a kitchen; renovation of the hospital's old utility systems; a new casualty block; the mortuary; the main operating theatre; delivery suites; existing wards; three VIP latrines; the attendants' laundry; external works; and equipping of the hospital.

Financial Performance

The total debt swap amount was USD 17,374,378.81 of which USD 15.40 million was disbursed and USD 15.11 million (98%) absorbed as of November 2025. The total cost for refurbishing Busolwe Hospital amounted to USD 12,627,929.90 (US\$ 46,862,247,858.9)⁵⁵ of which USD 6,195,542 was a grant under the debt swap, while USD 6,432,388.26 was counterpart funding. The counterpart contribution includes USD 1,597,042.38 allocated specifically for the refurbishment of the staff quarters. The refurbishment was completed and funds paid to the UPDF engineering brigade.

The contract awarded to Excel Construction Company was valued at USD 7,367,822.17. As of 30th November 2025, the total amount certified for payment was USD 6,948,549.46 of which USD 6,677,829.06 had been paid representing 96%⁵⁶. The pending USD 270,720.40 off the original contract and USD 861,058.64 off the contract for additional works constrained the contractor's cashflows.

Physical Performance

The overall performance as of 30th November 2025 averaged at 90.5%. The execution of the original contract was at 100% improving from 99.5% in May 2025. The contract for additional works on the other hand was at 81% physical progress against the 94% planned progress. This improved from 0% in May 2025.

The project recorded improvement demonstrated by the Schedule Performance Index⁵⁷. The project demonstrated cost efficiency,

⁵⁴ The remodeling and rehabilitation of the senior staff quarters and the attendant boys' quarters which were initially excluded was issued as additional works to Ms Excel upon realization of a saving from the Debt Swap.

⁵⁵ The Exchange rate uses is US\$ 3711 per USD

⁵⁶ This includes USD 2,210,346.65 advance payment.

⁵⁷ The Schedule Performance Index was 0.67.



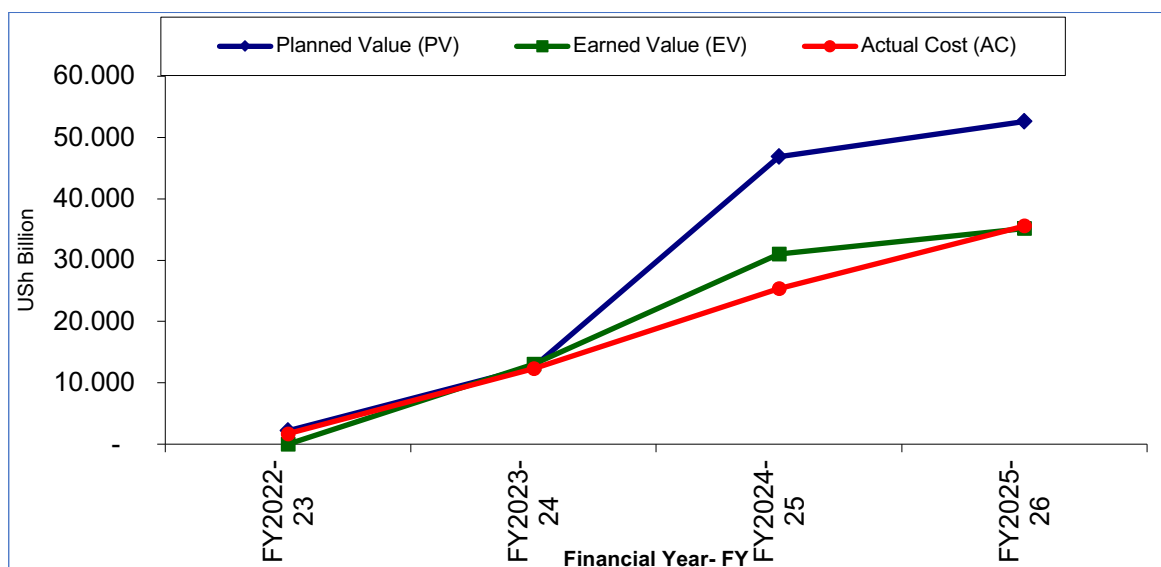
demonstrated by the Cost Performance Index (CPI)⁵⁸ (Figure 3.3.11). The key infrastructures were complete. These included the administration block, new casualty block, mortuary, existing wards, delivery suites, theatre, guardhouse, and incinerator tank shed, with water supply successfully installed. Some facilities were already in use. The quality of the completed work was good.

As of November 2025, the works under the contract for additional works were ongoing⁵⁹. The contractor was onsite although the delays in payments affected their cash flows. The delays in payment were attributed to bureaucracies within the Ministry of finance, Planning and Economic Development to transfer funds from the Trust Fund Account to the Operational Account despite all the approvals.



Staff quarters under construction as part of additional works at Busolwe General Hospital

Figure 3.3.11: Performance of Busolwe General Hospital Refurbishment Project as of November 2025



Source: Author’s analysis based on MoH project data

⁵⁸ The Cost Performance Index was 0.99.

⁵⁹ The senior staff houses were initially excluded from the project scope which could affect the functionality of the Hospital.



In relation to equipping, all (100%) the medical equipment was delivered, assembled and installed in the appropriate units. As of May 2025, some of the equipment, such as dental units, could not be installed due to missing parts however as of 30th November all the parts that were initially missing for the dental chair were delivered and installed. Despite full delivery and installation of the equipment, the Xray Wi-Fi detector was not functioning which affected its full functionality. It could however take a chest Xray. In addition, the ultrasound scanner was not functional due to software related constraints. As of 30th November 2025, the contractor logged the complaint to the manufacturer and efforts were underway to solve the problem.

Implementation Constraint

Delayed payments to the contractor affected their cash flows and implementation pace of the project.

Conclusion

As of 30th November 2025, the Busolwe General Hospital Refurbishment Project demonstrated good overall performance, characterized by near-complete financial absorption and substantial physical delivery. With good-quality infrastructure delivered and operationalized, and full delivery and installation of medical equipment achieved. The good performance notwithstanding, the planning weaknesses notably the late inclusion of senior staff quarters and bureaucratic payment delays under the additional works contract highlight systemic risks. Addressing these issues promptly is essential to close the remaining scope, protect SPI gains, and maintain CPI efficiency.

Recommendation

The MoFPED in collaboration with the MoH should timely release funds to support timely payment to the contractor.

4. Karamoja Infrastructure Development Project Phase II

Introduction

The Karamoja Infrastructure Development Project Phase II (KIDP II) is jointly financed by the Government of Italy, contributing EUR 10 million, and the Government of Uganda, providing EUR 2 million, over a five-year implementation period. The project is executed by the MoH in the Karamoja sub region.

The Project Development Objective (PDO) is to address critical infrastructure gaps within the local health system in the Karamoja Region, thereby strengthening service delivery and contributing to the attainment of Universal Health Coverage (UHC) in one of Uganda's most underserved regions.

Project implementation commenced on 1st August 2022 and is scheduled for completion by 6th October 2027. The financing agreement was signed on 19th August 2021. The project focuses on improving the availability, functionality, and quality of health infrastructure to enhance equitable access to essential



health services and improve health outcomes across the Karamoja sub-region.

The project comprises four components, namely: i) Civil works and ancillaries; ii) Consultancy services; iii) Procurement of medical and transport equipment iv) Project management.

The project's expected outputs are: i) health facilities improved through infrastructure and equipment investments in Karamoja and, ii) and Outreach activities strengthened through the tools and goods supply for the 9 districts⁶⁰ of the Karamoja Region. Planned activities for FY 2025-26 were: Construction and rehabilitation including equipment of different health facilities, monitoring and support supervision, coordination tasks including stakeholder engagements and project steering committee meeting, reporting, monitoring & evaluation and audit activities, ensuring compliance with environmental and social safeguards.

Financial Performance

The project cost is €12million (US\$ 49.5 billion⁶¹) of which €5 million (US\$ 20.6billion) had been disbursed by the funder as of 30th November 2025. During the FY 2025-26 the project budget was US\$ 9.184billion of which US\$ 21.8million (0.14%) was released and US\$ 12.75million (58%) spent by end of October 2025. Cumulatively US\$ 16.842 billion⁶² has been spent towards the project. The project spent more than the value of work done with a cost variance of US\$ 6.859 billion on account of advance payment for civil works which had not yet been recovered through interim payment certificates.

Physical Performance

The project's overall physical performance was fair at 34% achievement of set targets and was behind schedule (Figure 3.3.12). There were delays in project execution occasioned by inadequate capacity of the contractor to execute the project activities on time. The works were being supervised by M/S Creations - I.C.M Consultants Limited JV and the Clerk of works contracted by MoH. Prior to November 2025, the project procured two ambulances, three double cabin pickups, and 2 station wagons during FY2024/25. These were handed over during the project launch.

The monitoring however established that the quality of civil works was unsatisfactorily punctuated by curved walls and beams at staff house and OPD at Nayonayi HCIII, staff house at Apetolim HCIII, Staff house and OPD Loreng HCIII among others. In addition, the ramp at Nabilatuk HCIV Operating theatre had a step and likely to constrain use by the PWDs if not attended to. Some of the preliminary activities like site hoarding, construction of sanitary facilities for the site workers were not adhered to at Rupa HCII,

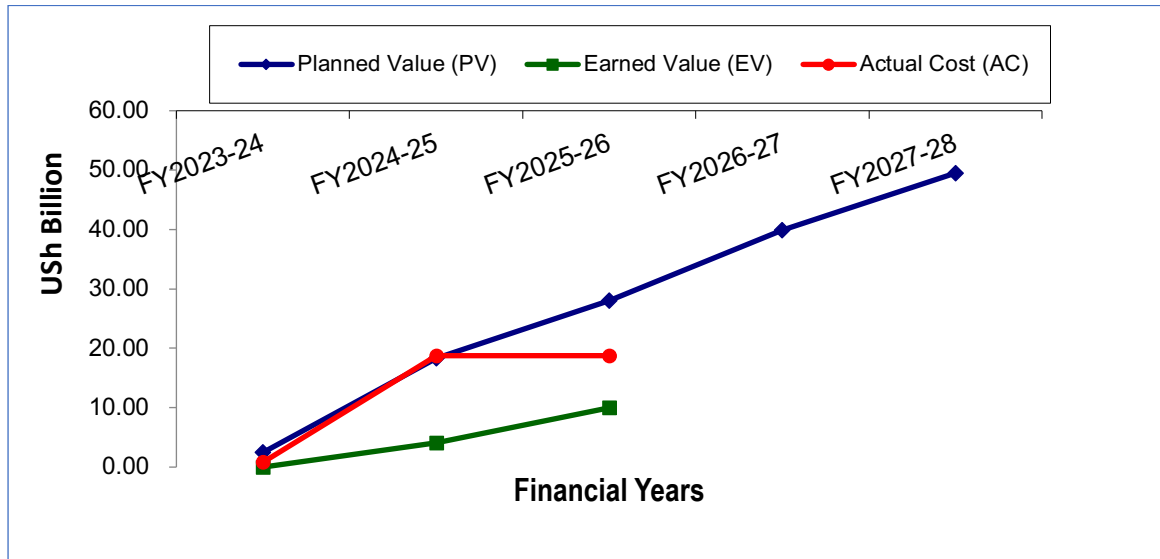
⁶⁰ Kotido District, Kaabong District, Karenga District, Nabilatuk District, Abim District, Moroto District, Napak District, Amudat District and Nakapiripirit District.

⁶¹ Exchange rate used €1=US\$ 4125

⁶² Excluding the funds spent before the effective date

Nayonayi HCII, leorengdwat HCIII and Apetolim HCIII, the site workers were sharing sanitary facilities with the patients.

Figure 3.3.12: Performance of Karamoja Infrastructure Development Project Phase II as End of November 2025



Source: Author’s analysis based on KIDPII Project data.

The project is cost-inefficient as reflected by cost performance index ⁶³. This was attributed to advance payment for the civil works. The project is behind schedule⁶⁴ by 1.82year implying that the project is unlikely to be completed on time. This was attributed to poor mobilization by the contractor leading to delayed execution of the planned works. There is need to speed up the progress of the civil works by employing competent personnel in right quantities and available the construction inputs on site. It was also observed that the project has no component of staff recruitment which may constrain functionalisation of newly constructed facilities.



Clockwise: Maternity ward at Rupa HCII (Moroto) Staff house at Lorengdwat HCIII (Nakapiripiti) Operating theatre at Nabilatuk HCIV and Maternity ward at Akuyam HCIII (Nakapiripiti District)

⁶³ CPI was 0.53

⁶⁴ SPI was 0.36



Challenges

- (i) Un satisfactory civil works evidence by curved walls, and beams, at Nayonai HCIII, Apetolim HCIII and Loreng HCIII were noted. It was further established that the contractor in Nabilatuk and Napak was not paying his personnel and the team did find any resident/site engineer at any of the sites in these districts.

Conclusion

The Karamoja Infrastructure Development Project Phase II showed fair performance but was significantly delayed and cost inefficient as of November 2025. With 34% physical progress and an estimated schedule performance Index of 0.36, the project lagged well behind schedule due to weak contractor mobilization and inadequate site staffing. These delays were largely attributable to weak contractor mobilization, inadequate site staffing, leading to slow execution of planned civil works. There is need for the contractor step mobilization of the required inputs for project and for MoH to review the sequencing of the other project components.

Recommendations

- i) The MoH and the supervising consultants should strengthen project supervision to ensure that the contractor adheres to all conditions of the contract and apply sanctions where need be.

5. Uganda COVID-19 Response and Emergency Preparedness Project (1768)

Introduction

The Government of Uganda received support from the World Bank to the tune of USD 195.57 million to implement the Uganda COVID-19 Response and Emergency Preparedness Project (UCREPP). The project aims at enhancing the country's ability to respond to the COVID-19 pandemic and other public health emergencies. The project became effective on 31st August 2020, and it was expected to end on 31st December 2024, however, it was extended to 30th June 2025. It was further extended up to 30th October 2025 to enable completion of outstanding works and other project closure activities. Initially the project was supposed to end on 31st December 2022.

The project was designed to benefit all the people of Uganda, specifically the suspected and confirmed COVID-19 cases, medical and emergency personnel, port of entry officials, medical and testing facilities, and other public health agencies engaged in the response. The project was later expanded to include other public health emergencies; it supported response to the Sudan Ebola fever and the introduction of the malaria vaccine. However, it received additional financing (AF), and its scope increased from three components to five components. They include.



Component 1: Case Detection, Confirmation, Contact Tracing, Recording and Reporting. This supports strengthening national disease surveillance capacity, including for climate-related diseases. Following the AF, it was expanded to enhance interventions in refugee-hosting communities and settlements, which remained vulnerable, given the constant threat of cross-border transmission (of COVID-19 and other diseases).

Planned outputs were: Completion of the Bio safety laboratory at Fort portal RRH, provision of operational funds for the Central Public Health Laboratory (CPHL) and the National Tuberculosis Reference Laboratory (NTRL); and operational funds for seven satellite laboratories.

Component 2: Strengthening Case Management and Psychosocial Support. This involves investing in critical care health infrastructure, procurement of equipment and medical supplies, strengthening health workers' capacity as well as psychosocial support for both health workers and patients.

Planned outputs included: construction and remodelling of Intensive Care Units (ICU) at Arua, Hoima, and Kabale; Construction of the neonatal Intensive Care Unit at Mbarara RRH; at Rwekubo HCIV, and Kisoro Hospital).

Component 3: Implementation Management; and Monitoring and Evaluation. This component constitutes project management as well as monitoring and evaluation aspects of implementation.

Component 4: Vaccination Acquisition and Deployment. This was concerned with the procurement and deployment of COVID-19 vaccines, including immunisation sundries to enable the country to end its protracted lockdown of the economy resulting from community-wide transmission of COVID-19.

Component 5: Strengthening Continuity of Essential Health Services. This component focuses on sustaining the continuity of health services which were disrupted by the COVID-19 pandemic due to nationwide lockdowns and travel bans. This supported a wide range of activities, including the upgrade of thirty-eight health facilities in refugee settlements, RHDs and non-refugee-hosting districts.

Others include strengthening emergency medical services; improving the availability of essential health commodities; strengthening community systems for continuity of essential health services; and supporting blood collection and blood storage equipment.

Financial Performance

Initially, the project was funded by the World Bank at USD 15.2 million, of which USD 2.7 million was from the Pandemic Emergency Financing Facility (PEFF), and USD 12.5 million was credit from the International Development Association (IDA). This was meant to be implemented under Components 1, 2 and 3.

In 2022, the project received additional financing (AF) of USD 180.3 million from the World Bank comprising USD 163.4 million as IDA grant and USD 16 million as trust funds from the Global Financing Facility for Women, Children and Adolescents (GFF). With this additional financing, two components were



brought on board, i.e. vaccine acquisition and deployment; and continuity of essential health services affected by the COVID-19 pandemic. The detailed financial performance by component is summarised in Table 3.3.5.

The overall expenditure improved from USD 156.3 million to USD 170.8 million. This was on account of completion of the ongoing civil works. Most of the funds (USD 89.6 million) were spent on procurement of the COVID-19 vaccines. (Table 3.3.14.)

Table 3.3.14: Project financial performance by component as of 30th November 2025

Component	Allocation million (USD)	Disbursement millions (USD)	Expenditure millions (USD)
Case Detection, Confirmation, Contact Tracing, Recording and Reporting	9.370	17.95	15.95
Strengthening COVID-19 Case Management and Psychosocial Support	22.950	24.51	21.24
Implementation, Management and Monitoring and Evaluation	4.100	11.41	13.07
Vaccination Acquisition and Deployment	137.150	89.31	88.31
Strengthening Continuity of Essential Health Services	22.	39.56	32.23
Total	195.570	182.72	170.8

Source: MoH Project Implementation Unit, field findings.

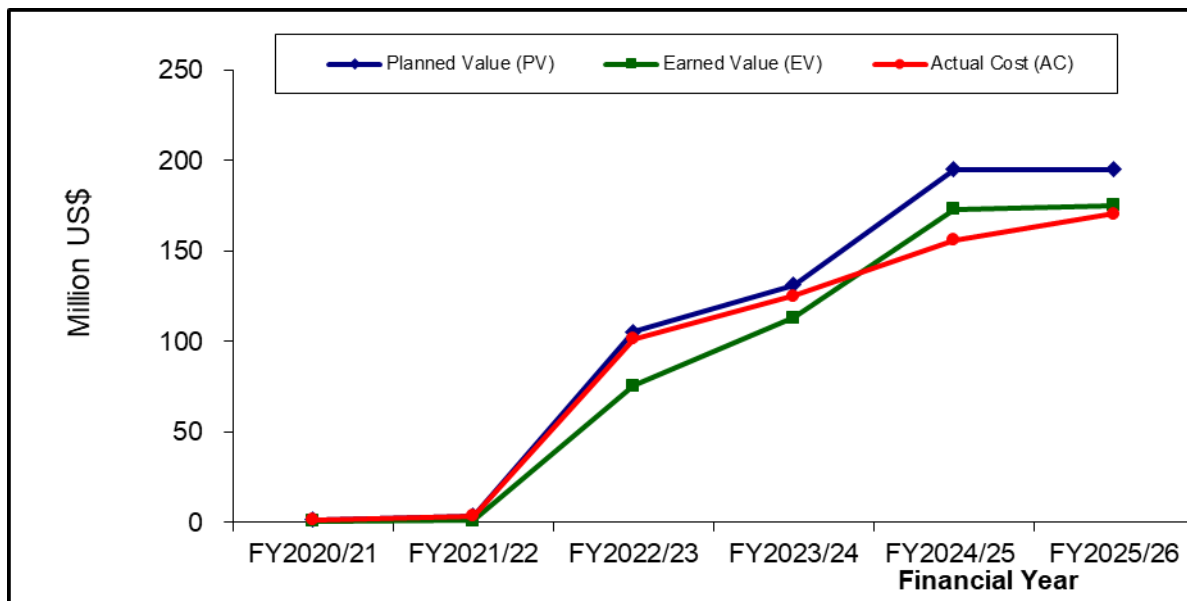
Physical Performance

Overall, the project performance as of November 2025 was very good at 90% achievement of the targets set. This was an improvement from 88.6% as of May 2025. The project was however effective in converting the resources to results as the Cost Performance Index (CPI)⁶⁵ was good. The project performance was in part affected by inadequate capacity of some of the contractors to execute planned works on time. The quality of civil works for the sites visited was however noted to be good.

In terms of gender equity, the infrastructure (ICU, NICUs, theatres, and maternity wards, among others) being developed are inclusive. They all have ramps and other assistive facilities to support access and use.

⁶⁵ CPI=1.03, SPI=0.9

Figure 3.3.13: Performance of Uganda COVID-19 Response and Emergency Preparedness Project as of November 2025



Source: Author analysis based on MoH Project data.

The detailed project performance by component is presented hereunder (Table 3.3.15).

Table 3.3.15: Performance of UCREPP by component as of 30th November 2025

Component	Implementation status
Component 1	By 30th November 2025, the component had good performance, achieving 94% of the set target up from 86% as of May 2025. Operational funds were provided for seven satellite laboratories (Mulago, Mbale, Mbarara, Fort Portal, Arua, Moroto, Lacor).
Component 2	By November 2025, the project under the component had achieved 98% of the set targets up from 83% in May 2025. Key achievements included substantial completion of the NICU at Mbarara RRH, Completion of ICU at Kabale RRH, completion of the Isolation unit at Kisoro GH and theatre at Busanza HCIV-Kisoro district. The construction of HDUs and operating theatres was substantially complete however it was noted that while the theatres had been equipped, the HDUs were not. In addition, absence of the necessary personnel and standby generators paused a risk to the functionality of these facilities.
Component 3	Achievements were 100%; they included Supporting national- and community-level meetings for sensitisation and awareness of COVID-19 prevention and management and other public health emergencies. The Project Implementation Unit (PIU) has continued to plan, manage, implement, and monitor interventions undertaken to ensure that the project development objectives are



Component	Implementation status
	<p>achieved. After June 2025, the contracts of most of the staff were not renewed or extended, the lean staff that remained continued with the closure activities and monitoring of ongoing works.</p>
<p>Component 4</p>	<p>The component performed at 87%; supported the nationwide deployment of vaccines, including in RHDs, with emphasis on strengthening critical areas such as vaccine delivery; and immunisation risk communication and community sensitisation; enhancing reporting; and immunisation data management. Additionally, UCREPP, in partnership with GAVI, facilitated the country to procure Performance, Quality, and Safety (PQS) listed cold chain equipment valued at USD 5.8 million.</p> <p>The MoH, in collaboration with NMS, progressively managed the waste disposal of expired and used vials of COVID-19 vaccines in the different phases. The project also supported the procurement of the cold chain equipment used in the introduction of the malaria vaccine.</p>
<p>Component 5</p>	<p>The performance good at 81% achievement of planned targets. This was an improvement from 62%. The component was behind schedule for the civil works at Rohoko HCIII, Kabazanya HCIII, and Rhino Camp HCIV. Works at Rohoko HC III had stalled for two months at the time of the monitoring exercise.</p> <p>It supported the strengthening of capacity to stimulate the demand for health services by sensitizing the population eligible for vaccinations and the delivery of comprehensive community-based health services.</p> <p>Supported the construction of the call and dispatch centres at Mbale RRH, Mbarara RRH and Lira RRH. The average physical performance for the call and dispatch centres was 95%. The call and dispatch centre of Mbarara experienced time overruns, a new contractor had taken it over to have the final work completed. That of Mbale stalled at 75% due to contractors' inadequate capacity to execute planned works.</p>



Clockwise: Call and dispatch centre at Mbarara RRH, Completed HDU at Padibe HCIV, substantially completed Isolation Unit at Kisoro General Hospital under UCREPP

Implementation Constraint

Delayed completion of civil works paused a significant risk as the project life has come to an end. This was mainly due to the inadequate capacity of the contractors especially at the Mbale call and dispatch centre, theatre at the Rhino Camp HCIV and for all planned works in Isingiro district.

Conclusion

Overall, the project achieved good physical performance (90%). It was significantly constrained by persistent time delays, particularly in the execution of civil works. These delays were largely driven by the limited capacity of some contractors, the World Bank's slow turnaround on restructuring requests, and the broader operational challenges that emerged in the post-COVID-19 context. As a result, several critical activities delayed to be completed within the project period. There is need for the government to identify resources to fund outstanding works after project closure.

Lessons learned

- i.) Good selection of contractors is a critical determinant of timely completion of project deliverables. The delays experienced in civil works highlighted the importance of thoroughly assessing contractor capacity during procurement.
- ii.) Long lead times in responding to requests from the GoU by the funder augments time overruns. Timely decision-making from development partners is essential. The slow turnaround on restructuring requests significantly affected implementation momentum.



6. Uganda Heart Institute Infrastructure Development Project (1526)

Introduction

The Uganda Heart Institute Infrastructure Development Project is funded by the Arab Bank for Economic Development in Africa (BADEA), the Saudi Fund for Development (SFD), the OPEC Fund for International Development, and the Government of Uganda, with a total financing of USD 75,668,801, over a period of five years.

The project development objective is to provide affordable cardiovascular treatment and care to all people in Uganda. The project commenced on 31st July 2019 and has an expected completion date of 31st December 2027 ⁶⁶. (Table 3.3.16).

The project comprises six components, namely: i) Civil works and ancillaries; ii) Consultancy services; iii) Procurement of furniture and equipment; iv) Project management; v) Project launch workshop; and vi) Auditing project account.

Table 3.3.16: Uganda Heart Institute Infrastructure Development Project basic data

Project Title		Construction and equipping of Uganda Heart Institute Project – UHIP	
Project location	Plots 18-24, Naguru, Kampala		
Financing agency and amounts	BADEA	USD 20 million	
	OPEC Fund	USD 20 million	
	SFD	USD 30 million	
	GoU	USD 5.6 million ⁶⁷	
Total project cost	USD 75,668801 ⁶⁸		
Executing agency	The Uganda Heart Institute		
Project Key Dates			
Funder	Date of Loan Signature	Date of Loan Effectiveness	Project Completion Date
OPEC Fund	3rd January 2023	9th February 2023	31st December 2027
BADEA	23rd May 2023	26th September 2023	
SFD	6th September 2023	30th October 2023	

Source: UHI Project Documents

The project's expected outputs are: i) Environmental Impact Survey conducted; ii) Consultant for civil works hired. iii) Bills of quantities drawn up and construction of the perimeter wall complete; and iv) State-of-the-art 250-bed modern heart facility constructed at Naguru, including the clinical block, research and training block, and the researchers' mess; and modern medical, non-medical equipment and furniture procured and installed.

⁶⁶ Although the different contract end dates were signed differently.

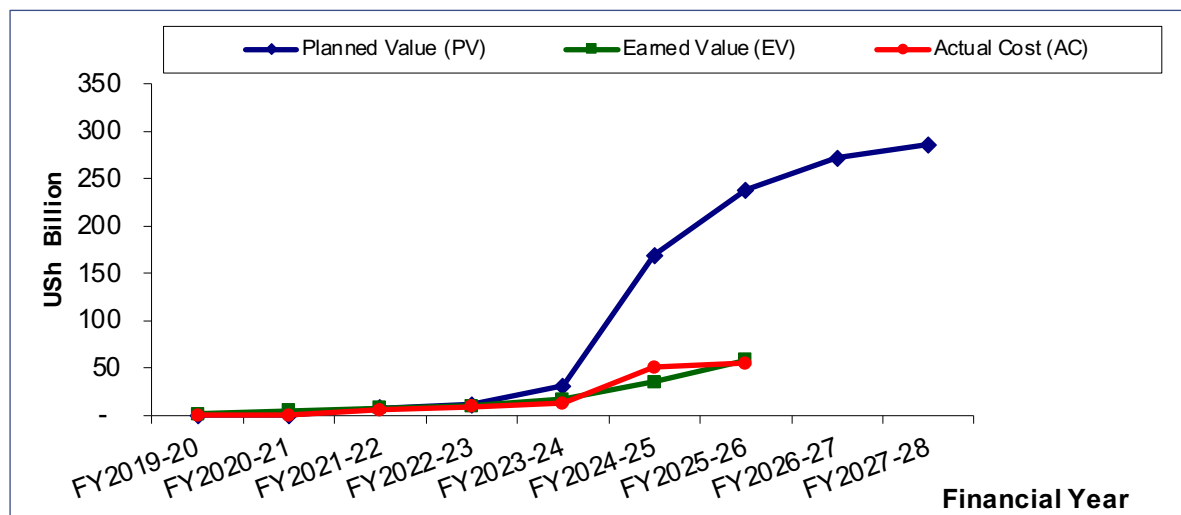
⁶⁷ USD 2.67million was money not in the Agreement but spent on the project before the effectiveness date.

⁶⁸ Average exchange used USh 3747 per 1USD

Financial Performance

The project cost is USD 75,668,801 (USh 286.182 billion). During the FY 2025/26, the project budget was USh 65.646 billion, of which USh 13.599 billion (20.7%) was released and USh 4.87 billion (44%) spent by the end of October 2025. Cumulatively US\$ 10.327 million has been released from the funders against the loan amount of US\$70 million. The Ugandan government spent USh 10.1 billion on preliminary works from FY 2019/20-FY2024/25, which were completed (Figure 3.3.14).

Figure 3.3.14 Performance of Uganda Heart Institute Infrastructure Development Project as End of November 2025



Source: Author's analysis based on UHI Project data.

Physical Performance

The project's overall physical performance was fair, achieving 20% of the set targets improving from 12% as of May 2025. The project has shown great progress in civil works, having achieved 22.5% physical works progress against the planned 28%. Works at Blocks A and B were progressing well, while internal finishing had commenced at Block C.

The main pending output is the construction of a state-of-the-art 250-bed modern heart facility at Naguru, including the clinical block, research and training block, and the researchers' mess, as well as the procurement and installation of modern medical and non-medical equipment and furniture. The civil works are being supervised by project consultants, who are also the project managers.

In terms of equipment, the Project Management Unit (PMU) had developed specifications and an equipment list. The PMU was at the point of seeking approval from the National Advisory Committee on Medical Equipment (NACME) for the equipment list.



L-R: Ongoing work at Block A and B at Uganda Heart Institute

Challenges

Inadequate allocation for a dedicated power lines to the UHI facility to enable seamless operation, which require additional costs of US\$ 2.6 billion. In addition, the Kampala Capital City Authority approved the neighbourhood plans around the H UHI facility; however, resources have not yet been earmarked to fund the construction of access roads.

Conclusion

The Project has made moderate progress, with overall physical performance improving 20%, although still below the set targets. Key preparatory and support components have been completed, and civil works have greatly improved. Limited funding releases and unresolved infrastructure gaps, particularly power supply and access roads, continue to constrain progress and pose risks to timely completion and full operationalization of the project.

Recommendations

- i) The Parliament of Uganda and MoFPED should make budgetary provision to cover the US\$ 2.6 billion shortfall for the dedicated power line, and resources should be allocated for the construction of access roads to ensure functionality of the facility.

1. Global Alliance for Vaccines Initiative Vaccines and Health Sector Development Plan Support Project (1436)

Introduction

The Global Alliance for Vaccines Initiative (GAVI) Health Strengthening Project in Uganda focuses on improving healthcare by increasing access to vaccines and essential medicines; strengthening healthcare systems; and supporting immunisation programmes. It aims to reduce child mortality and improve overall health outcomes in Uganda by collaborating with the Government and other partners to implement effective health interventions.



The project objectives in Uganda are aimed at: reducing the burden of vaccine-preventable diseases; improving health outcomes; and contributing to the country's broader efforts to achieve universal health coverage and sustainable development.

The total project cost for the current grant phase 1st January 2024 to 31st December 2028 is USD 310,697,927. The project is jointly funded by a grant from GAVI to the tune of USD 281,579,469 and USD 29,118,458 as Government of Uganda (GoU) counterpart funding.

The project has eight components, six of which are residual components rolled over from the previous grant. (Table 3.3.17). The planned project deliverables for the financial year 2025-26 included: The yellow fever vaccination campaign; Improving access and utilization of the measles rubella and DPT coverage, reduce zoonotic disease, undertake malaria vaccine introduction, undertake Human Papilloma Virus Immunisation and Hepatitis B vaccination.

Financial Performance

The total budget for FY 2025-26 was USD 93.421million of which. USD 72.6million (77.7%) was released and USD 68.878 million (94.8%) was spent by 30th November 2025 (Table 3.3.17). This was an improvement from the release and financial performance as of May⁶⁹ 2025.

Table 3.3.17: Financial performance of Global Alliance for Vaccine Initiative by 30th November 2025.

Grant	Budget Amount-(USD)	Disbursed Amount to the Country (USD)	Expenditure (USD)
Health System Strengthening (No Cost Extension)	3,334,043	3,334,043	3,334,043
COVID -19 Vaccine Delivery Support - Needs based funding	3,000,003	3,000,003	3,000,003
Measles Rubella Follow up Campaign	5,335,526	5,335,526	5,335,526
Rota Switch	552,317	552,317	552,317
Yellow Fever Campaign	20,459,862	20,459,862	19,332,402
COVID -19 Vaccine Delivery Support - Third Window	6,005,340	6,005,340	5,793,116
Health System Strengthening III	36,033,851	21,908,894	20,927,145
Equity Accelerator Funding	11,405,683	4,739,648	4,306,570
Performance Based Funding	2,912,000	2,912,000	2,848,611
Malaria Vaccine Introduction	981,187	981,187	606,436
Monkey Pox	935,724	935,724	43,003
Human Papillomavirus Vaccine (HPV)	592,092	592,092	96,649
Hepatitis B	1,874,174	1,874,174	631,814

Source: MoH Project Implementation Unit.

⁶⁹ Release performance was USD 34.987 million of which USD 30.989 million had been spent



The project was also efficient in the utilisation of the resources, as reflected by the CPI. The value earned was more than the actual costs partly because some implemented activities under the integrated days plus had not yet been fully paid for. It should be noted that the GOU incurred costs to support acquisition and transportation of the vaccines and cold chain equipment, under The UCREP project (Figure 3.xxx).

Physical Performance

As of November 2025, the overall physical performance was good at 77% of the set targets. This was an improvement from 68% as of May 2025. The project successfully implemented the malaria vaccine introduction campaign across the country, achieving 81% vaccine coverage for Malaria first dose, 49% for Malaria second dose and 33% malaria third dose.

Under the Health Strengthening Grant Phase III (HSS3) the project achieved 94% diphtheria-tetanus-pertussis third dose (DPT3) and 96% diphtheria-tetanus-pertussis first dose (DPT1) coverage. The grant also supported immunization strengthening for measles Rubella achieving 84% vaccination coverage.

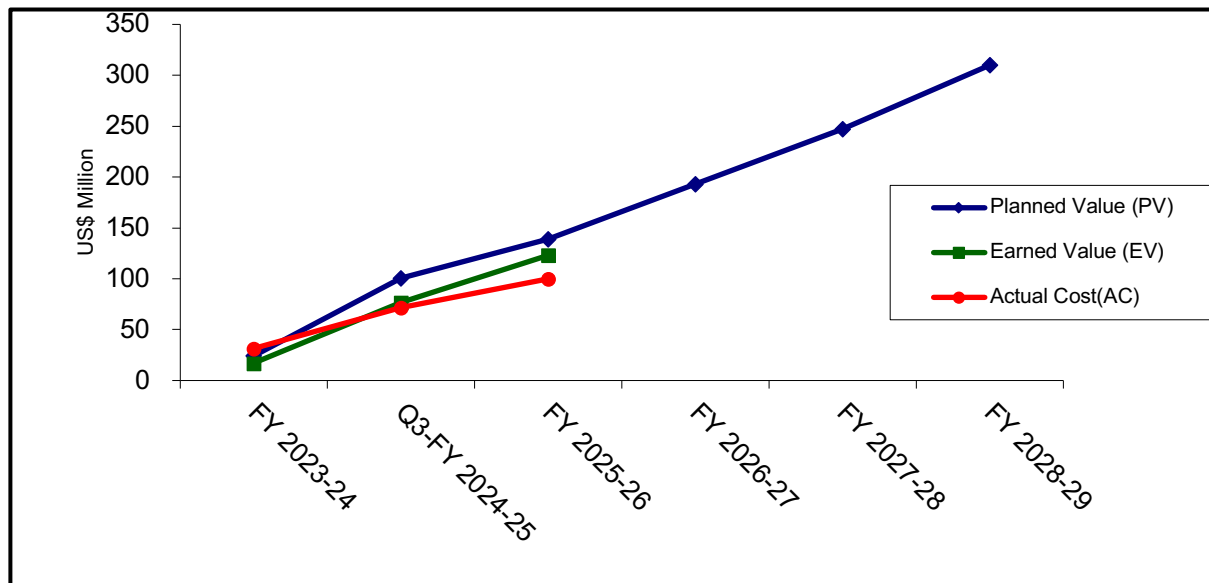
During the FY 2025/26, the project supported the yellow fever preventative campaign in Mubende and Jinja region with a goal increasing access to yellow fever immunization and eliminate Yellow Fever epidemics. By November 2025, this had been achieved at 93% of the set targets.

During the Integrated Child Health Days, Vaccination against HPV was under undertaken involving the switch activities of capacity building for health workers and social mobilization and as a result 86% of the health facilities were reached benefiting 25,501 health personnel.

Under the Equity Accelerator Fund (EAF), the project supported acceleration of the reduction of zoonotic diseases in 59 priority areas and supported community mobilization using the CSOs, as a result there was general improvement of immunisation services attributed to outreaches supported by EAF funds and Presence of CSOs to support mobilization.

The project was behind schedule by 3months, and this was attributed to the late start of implementation of the planned activities under Phase III of the Health Strengthening Project. The late start was due to delayed issuance of the decision letter from GAVI headquarters. The project achieved its targets for the residual activities under the components rolled over from the previous grant phase.

Figure 3.3.15: Performance of Global Alliance for Vaccines Initiative Vaccines and Health Sector Development Plan Support Project as of 30th November 2025



Source: Author analysis based on GAVI Project data.

Implementation Challenges

Delayed receipt of GoU counterpart funding, resulting partly from the variations in the accounting periods between UNICEF and GoU

Conclusion

The project performance was good. Although behind schedule, the project efficiently converted the available resources into results. The Malaria vaccine was introduced and rolled out to malaria endemic districts, Integrated Child Health Days were supported. It is critical that the government of Uganda, through MoH, front loads its counterpart obligations under the HSS3 grant to enable effective implementation of all project activities and redeem lost.

Recommendations

- i.) MoFPED should front load funds for vaccine acquisition to minimise disruptions during procurement of vaccines that results from variations in the accounting period between UNICEF and GoU
- ii.) MoH should fast-track all project activities to ensure that the time lost is redeemed during project implementation.



3.4 Integrated Transport and Infrastructure Services Programme

Introduction

The Integrated Transport and Infrastructure Services Programme (ITIS) aims to have a seamless, safe, inclusive and sustainable multi-modal transport system. The achievement of this overall objective is majorly contributed to by the following agencies: Ministry of Works and Transport, Uganda Railways Corporation (URC); Civil Aviation Authority (CAA); Kampala Capital City Authority (KCCA); Ministry of Lands Housings and Urban Development (MLHUD) and Local Governments (LGs).

Implementation of the ITIS is funded both by the Government of Uganda (GoU) and Development Partners (DP). The following DP are currently engaged in financing the ITIS programme: African Development Bank (AfDB); Islamic Development Bank (IDB); Japanese International Cooperation Agency (JICA); and International Development Association/World Bank (IDA/WB); OPEC fund;

A total of 19 projects under the ITIS were reviewed; and the findings are presented below:

Overall Status of Projects Implementation

The status of implementation of the projects is summarized on Table 3.4.1.

Table 3.4.1: Projects status of implementation

Status of Implementation	No. of Projects	Remark	Projects
Completed	2	Civil works completed and in DLP	Kapchorwa-Saum, Atiak – Moyo Afoji
Ongoing	15	Civil works ongoing	Busega Mpigi Expressway, Expansion of Entebbe International Airport, New Bukasa Port, Kampala Flyover, Kampala City Roads Rehab., Multinational Lake Vic., Luweero-Butanagulu, Moyo-Yumbe-Koboko, the North-Eastern Road-Corridor Project, Muyembe-Nakapiripirit road, Rwenkunya-Apac-Lira-Acholibur, Kisoro-Mgahinga Namagumba - Budadidiri - Nalugugu Road URC Capacity building Kyenjonjo (kihura) – Bwiza – Rwamwanja - kahungye
Procurement stage	2	Loan signed and effective, procurement of contractor ongoing	Kampala Jinja Expressway, Katine - Ochero
Total	19		

Source: Author's compilation



The performance of the 19 projects is presented hereafter.

3.4.1 Atiak-Moyo-Afoji: Atiak – Laropi (66km) – Lot 1 (0265)

Introduction

The upgrading of the Atiak-Laropi Road is part of the bigger Development Initiative for Northern Uganda (DINU) Programme that is funded by the European Union (85%) and the GoU (15%). The total project cost was estimated at US\$ 242.136 billion, of which US\$ 226.34 billion was to cater for the civil works component and US\$ 15.794 billion was for the supervision cost component. The project start date was 1st July 2003 and was expected to close on 30th June 2024, but this was revised to 5th August 2024.

The objective of the project is to provide a suitable and adequate road link between Atiak, Adjumani, Moyo, and the Sudan border, ensuring efficient and effective transport services. The project scope of works consists of upgrading the existing 66 km gravel road to paved standard and upgrading of 4.2 km of selected Adjumani town roads. A summary of the project information is presented in Table 3.4.2.

Table 3.4.2: Summary of Atiak-Laropi Road Project details and performance as of 31st October 2025

Funding Agency	Government of Uganda (15%) European Development Fund/European Union Delegation (85%)
Loan amount	USD 55.499 million (approximately US\$ 205.7 billion)
Date of effectiveness	13th January 2020
Original date of closure	5th August 2025 revised to 23rd May 2027
Loan time elapsed	78.8%
Loan disbursement	USD 33.378 million (60.1%)
Project time elapsed	128%
Works contract start date	1st June 2020
Works contract original end date	30th November 2022
Works contract revised end date	5th August 2024
Original contract period	30 months
Revised contract period	50.78 months
Contract time elapsed	65 months (as of 31st October 2025)
Status of land acquisition	A total of 527.88 acres (88.5%) out of 596.47 Acres was acquired

Source: Author's compilation, project documents

Financial Performance

The financial performance of the project was poor, at 66% absorption (USD 160 billion), against a planned 100% and was under budget⁷³ by 31st October 2025. This is because the project experienced delays in the payment of the IPCs as the value of works executed was at US\$ 217.6 billion (96.16%), of which US\$ 145 billion (66%) was paid. The contractor submitted claims for delayed payments amounting to USD 7,965,380 (US\$ 29.5 billion).

⁷³ CPI of 1.08

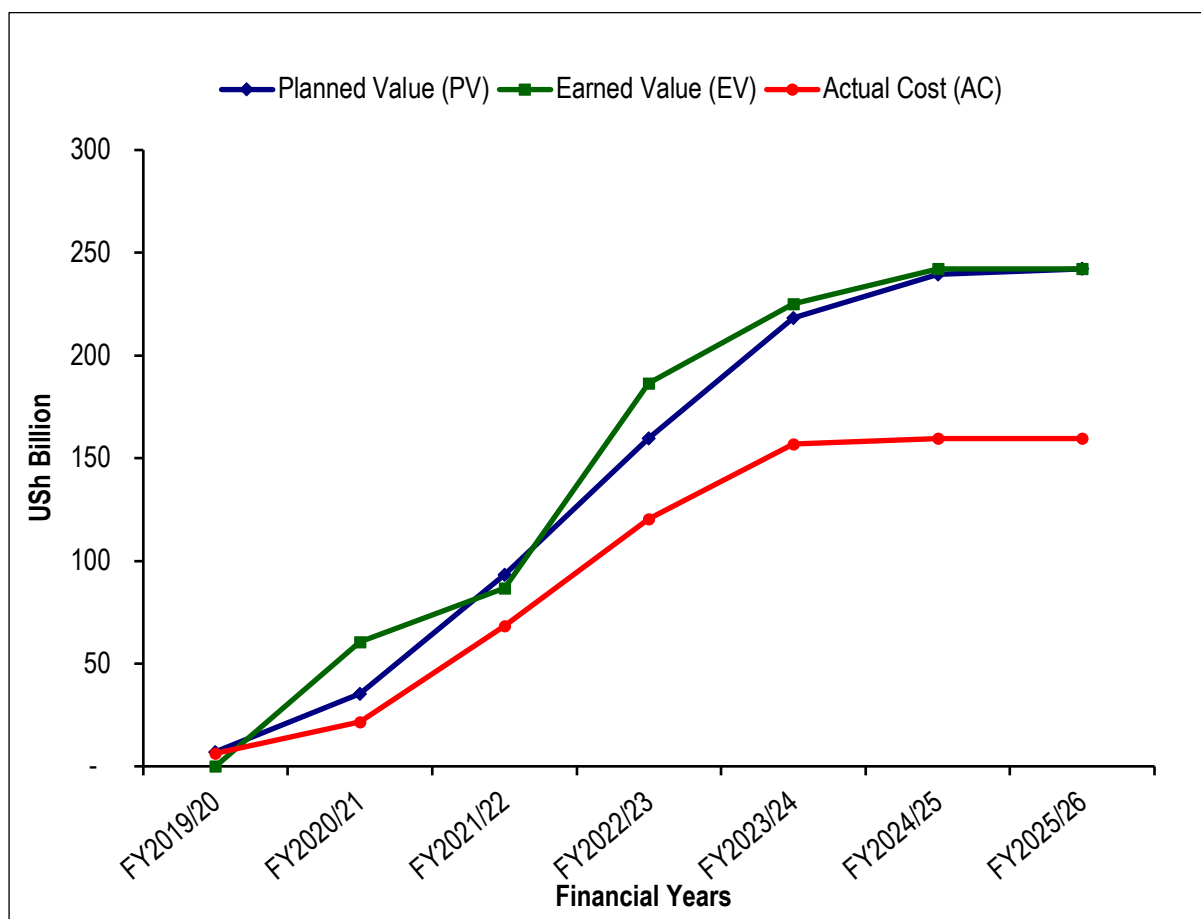


The cumulative loan amount disbursed stagnated at US\$ 123.6 billion (60.1%), since 31st March 2025, of which US\$ 120.3 billion was absorbed at a loan duration lapse of 78.8%. The loan disbursement performance was therefore lagging. On the other hand, the GoU had so far disbursed US\$ 79.594 billion of which US\$ 39.3 billion was expended. The expenditure was over the original budget because of the extension of time for the supervision contract to match the civil works contract period.

Physical Performance

Overall, the physical performance of the Atiak-Laropi Road Project was good. The project was substantially complete, and had been under the Defects Liability Period since 10th December 2024 for one year. The quality of work was satisfactory. However, disputes between the contractor and the employer over claims due to COVID-19 effects and the quarry license led to arbitration effective 10th February 2022. This has delayed the final closure of the project as payments have been delayed.

Figure 3.4.1 shows the performance of the Atiak_Laropi project.



Source: Author’s compilation, project monthly progress reports

Implementation Constraint

Disputes between the contractor and the employer over claims due to COVID-19 effects and the quarry license led to arbitration effective 10th February 2022



Conclusion

The project was substantially complete and in the Defects Liability Period. The financial performance of the Atiak-Laropi Road Project was within budget. The loan disbursement was fair, at 60.1%, with an absorption rate of 97.3%. However, delays in processing payments and approving Interim Payment Certificates (IPCs) resulted in contractor claims, and these were under arbitration. These disputes pose a risk of cost overruns that are delaying the final closure of the project.

Recommendation

The MoWT should expedite the dispute resolution with the contractor to ensure the successful completion of the project.

3.4.2 Kampala-Jinja Expressway Project (1278)

Introduction

The Kampala-Jinja Expressway (77 km) is part of the Northern Corridor Route (NCR), which starts from Mombasa and extends all the way to Burundi. The corridor is of strategic importance as it connects landlocked countries in the Great Lakes Region to the port of Mombasa at the sea. The Kampala-Jinja Road is among the busiest roads in Uganda, with an average daily traffic of over 25,000 vehicles on sections nearer to Kampala City. The road links Jinja to the Greater Kampala Metropolitan Area (GKMA).

The MoWT is seeking to partner with the private sector to design, build, finance, operate and maintain (DBFOM) a 97 km tolled expressway under a PPP arrangement. The project comprises the following components:

- (i) Section 1: Kampala Southern Bypass (20km new urban expressway between Namboole and Munyonyo);
- (ii) Section 2A: Kampala-Butabika (7km);
- (iii) Section 2B: Butabika-Namagunga (28km);
- (iv) Section 3: Namagunga-Jinja (37km).

The total project cost (TPC) was estimated at USD 1.4 billion, and the project was expected to start on 1st January 2014 and close on 30th June 2023. The project is funded by the GoU (USD 600 million, of which 42.86% will be provided under PPP) and an African Development Bank (AfDB) loan of USD 229.5 million (24% of the TPC). The loan was signed on 16th March 2021, with an effectiveness date of 5th July 2021 and an expiry date of 30th June 2027, for Phase 1 (covering sections 1, 2A, and 2B, totalling 55 km).

The analysis for this project focuses on Phase 1, i.e., the Kampala Southern Bypass (20 km), Kampala-Butabika (7 km), and Butabika-Namagunga (28 km).



Financial Performance

By the end of October 2025, the project's financial performance remained poor, similar to the status recorded in March 2025. The total loan disbursement was at USD 343,983.4, equivalent to 0.15% of the loan amount, despite 71.3% of the loan period having elapsed. In addition, financing under the public-private partnership arrangement had not been finalised, and consequently, no disbursements had been made under the PPP component.

The budget for right-of-way (RoW) acquisition was estimated at USh1.284 trillion, of which USh 502.924 billion (39.1%) was released and spent.

Physical Performance

As of October 2025, the project had recorded 0% physical progress, as civil works had not yet commenced. Procurement of the contractor was ongoing, with the Preferred Bidder designated on 28 November 2025 and negotiations initiated thereafter. Overall, project implementation was significantly behind schedule.

Implementation Constraint

Delays in procuring a private partner to undertake the PPP.

Conclusion

Overall project performance remained poor, with no civil works undertaken to date. The main constraint remained delays in finalising the procurement process to secure a private partner to co-finance project implementation. With 71.3% of the loan duration elapsed, it is critical for the Government of Uganda to address this constraint to enable the realisation of the project's intended economic and logistical benefits.

Recommendation

The MoWT and MoFPED should expedite the procurement process for the private partner under the public-private partnership arrangement for the construction of the Kampala Jinja Expressway.

3.4.3 Busega – Mpigi Expressway Project (1404)

Introduction

The Kampala-Mpigi Expressway is part of the Northern Corridor, leading from the port of Mombasa in Kenya to Uganda, Burundi, the eastern regions of the Democratic Republic of Congo (DRC), and Rwanda; it also carries some traffic from/to Western Tanzania. The existing road from Kibuye roundabout to Mpigi town has diminished capacity to carry existing traffic volumes resulting into high travel times, vehicle operating costs and high rate of accidents.

The project is jointly funded by the African Development Bank (AfDB) and Government of Uganda through a loan facility amounting to USD 188 million. The scope of the project involved the construction of a dual carriage expressway (26.905 km) with limited access, 21.3 km of link roads,



construction of 13 bridges, box culverts, and the installation of culverts and four (4) toll plazas. The total project cost was estimated at US\$ 547.543 billion. A summary of the project information is presented in Table 3.4.3.

Table 3.4.3: Summary of Busega-Mpigi Project Data as at end of October 2025

Date of Loan Signing	29 th December 2016
Effective Date of Loan	14 th February 2017
Original Closure Date of Loan	31 st December 2020
New Closure Date of Loan	31 st December 2030
Loan Amount	USD 188 million
Cumulative Disbursement of the loan as at End of March 2025	81%
Loan Duration Elapsed	63%
Original Contract Price	US\$ 547,543,072,124 including VAT
Contract Period	Initial: 30 Months (917 days) Revised: 44 Months (1345 days); then revised to 1805 days; current revision; 2017 days
Contract Start Date	22 nd November 2019
Construction Contract End Date	27 th May 2022
Revised Contract End Date	Revised- 29 th July 2023; Second revision – 31 st October 2024 Current revision – 31 st May 2025, Current revision – 30 th Jan. 2026
Contract Time Elapsed	72Months (as of 31 st October 2025) equivalent to 96%

Source: Field findings

Financial Performance

By the end of October 2025, the total approved budget of the project was US\$ 715.748 billion of which US\$ 525.182 billion (73.3%) was released and US\$ 427.976(81.5%) expended. The cumulative loan disbursement to the project stagnated at USD 121,930,384 (81%). However, the available loan funding was inadequate to cover the entire project scope. As such the contractor suspended works pending confirmation of availability of funding. The MoWT secured additional financing for the project in October 2025 through a parliamentary approval.

The cumulative total certified amount was US\$ 582.708 billions against the contract amount of US\$ 547.543 billions (an extra of US\$ 35.165). The cumulative financial progress for the certified works was estimated at 47.83% against a plan of 71.35%. The project had a total of 4222 approved PAPs, valued at US\$ 167,782,482,641 of which 2544 PAPs were paid a total of US\$ 109,950,467,291. The inadequate land compensation allocations to guarantee timely payments to PAPs affected timely acquisition of RoW. The project currently has an outstanding amount of US\$ 57,832,015,350 for RoW acquisition. Overall, the expenditure on the project was not commensurate to the value of the works⁷⁴.

⁷⁴ CPI = 0.71

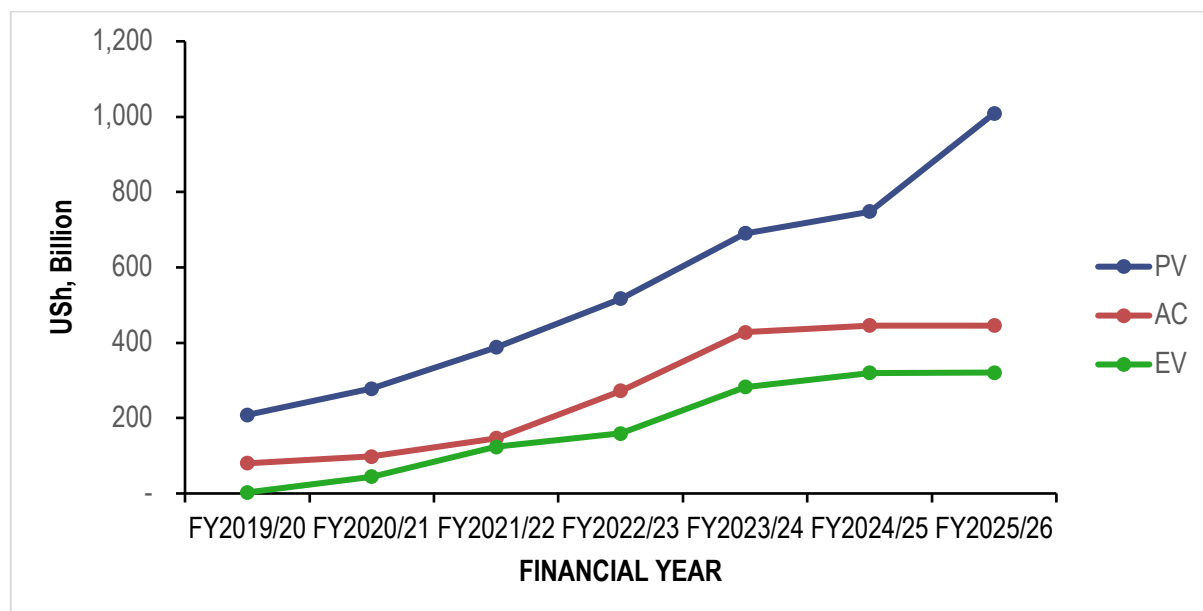


Physical Performance

There was a slight increase in progress from 46.15% in April 2025 to 46.46% by end of October 2025. The slight change in progress was due to suspension of the works by the contractor in August 2025 arising from the client’s delay to declare availability of financing to the project. The contractor was yet to resume works. The performance of the project is illustrated in Figure 3.4.2.

The progress of the RoW acquisition for the project was at 84.01% having increased from 76.5% as of end of April 2025. There was pending payment of US\$49.054 billion for the RoW acquisition for a total of 1465 PAPs. The delay in finalisation of the RoW acquisition was mainly due to inadequate financial allocation, disputes on compensation amounts by the PAPs, absentee landlords, dispute over ownership of land, and lack of proper documentation of proof of land ownership among the PAPs.

Figure 3.4.2: Performance of the Busega – Mpigi Expressway Project as of end of October 2025



Source: Performance Reports and PBS

Implementation Constraints

1. Delays in finalisation of the acquisition of the RoW;
2. Suspension of works by the contractor significantly affected progress of the project.

Conclusion

The performance of the project was poor. The contractor suspended the works due to delays in confirmation of availability of additional financing to cater for the remaining project scope and has not resumed works.



Recommendation

- i) The MoWT/MFPED should prioritise allocation of funding to the project for payment of the outstanding amount for the RoW.
- ii) The MoWT/MFPED should closely follow up on the negotiations for the acquisition of additional financing; and time extension of the loan duration with the project funder.

3.4.4 Entebbe Airport Rehabilitation Phase 1 (1373)

Introduction

The Upgrading and Expansion of Entebbe International Airport (EIA) is a project initiated by the Government of Uganda upon application for a loan from the Chinese Infrastructure Financing Institution (EXIM Bank). The project aims to provide adequate infrastructure and facilities at Entebbe International Airport to accommodate current and future traffic, upgrade facilities and infrastructure to modern systems for more efficient operations, offer convenient and relaxing facilities for airport users, and lay the groundwork for increased numerical and non-numerical revenues for the airport.

The original scope of works entailed: construction of the New Cargo Centre; construction of the New Passenger Terminal Building; strengthening of runway 17/35 and associated taxiways (A1, A2, A3 and A4); strengthening and expansion of Apron 1; expansion of Taxiway A (renamed B); strengthening of Apron 4; rehabilitation of Apron 2; strengthening of runway 12/30 and associated taxiways (J1, J2, J3 and H1); a water supply system (domestic and fire) and associated facilities; and the exploration design.

The additional scope of works included the construction of a guardhouse, a temporary cargo commercial centre, a police post and canine unit, new cold rooms, and the remodelling of existing rooms at the cargo centre. It also entailed the construction of an additional low-voltage switch room, sheds for waiting trucks, a new electrical substation, a reinforced concrete base, and the procurement of an additional 400 kVA generator. A summary of the project information is presented in Table 3.4.4.

Table 3.4.4: Summary of the EIA Project details and performance as of 31st October 2025

Financier	The Export-Import Bank of China (EXIM)
Date signed	31st March 2015
Effectiveness date	17th December 2015
Original closure	5th December 2022
New closure date	30 th June 2026
Loan amount	CNY 1,260,000,000 (US\$ 200,000,000)
Loan duration	Originally 64 months, revised to 111 months
Loan disbursement performance	USD 186,699,474 (93.3%) as at the end of October 2025
Original contract price	Civil works contract: USD 200,000,000, revised to USD 199,990,415
Contract start date	10th May 2016



Contract period	1,825 days (5 years)
Original completion date	9th May 2021
Revised contract period	3,338 days (30th June 2025)
Contract time elapsed	100% basing on 30th June 2025
Physical progress	Cumulatively achieved 100% against a planned of 100%

Source: Field findings

Financial Performance

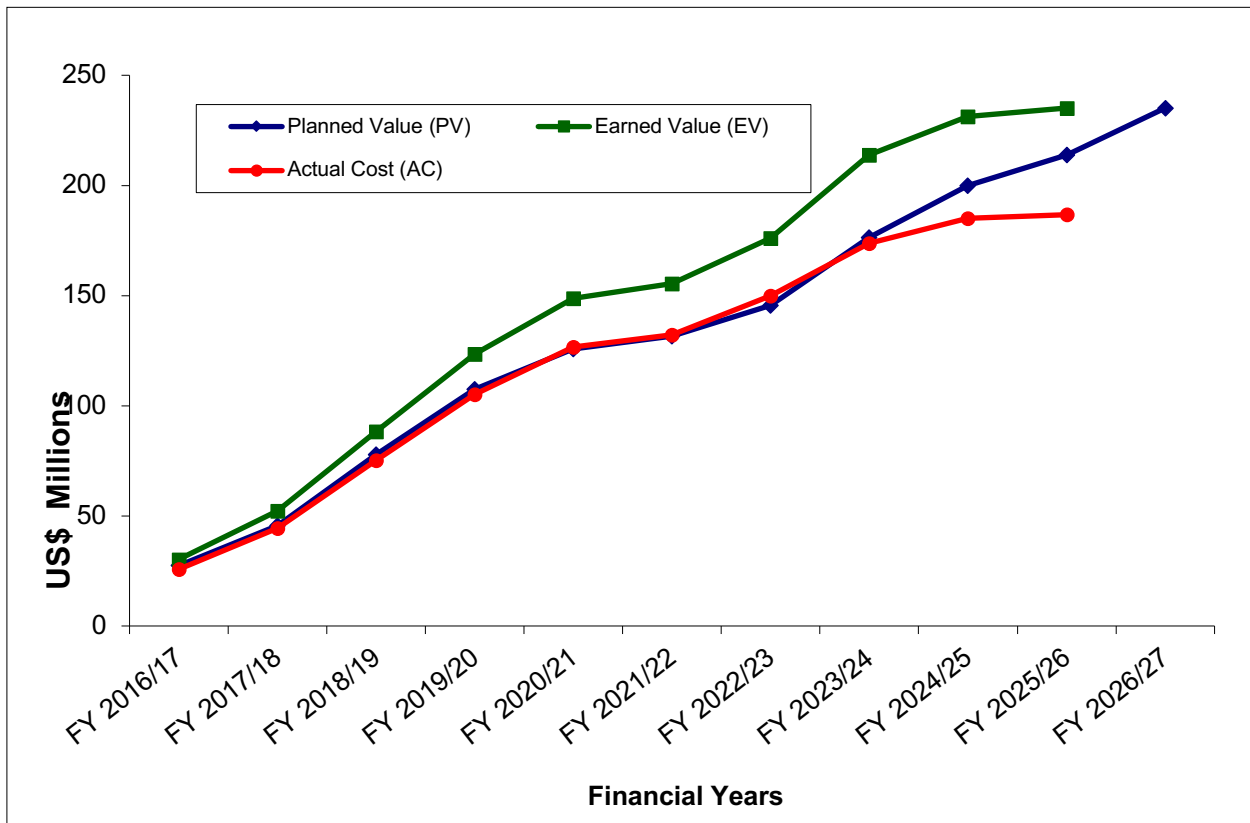
The loan's financial performance was good, with USD 186.699 million (representing 93.3% of the USD 200 million loan) disbursed by 31st October 2025, and fully utilised, despite 100% of the loan duration having elapsed.

The project incurred additional costs of USD 13.76 million from foreign exchange losses arising from differences between the contract (USD) and payment (CNY) currencies, as well as USD 2.11 million in interest due to delayed payments, increasing the total project cost to USD 215.86 million. By April 2025, certified works amounted to USD 196.78 million, remaining within the revised project cost. However, further cost escalation is expected due to anticipated price index adjustments associated with the proposed shift from the CEMAC to the Hong Kong index system, subject to approval by the Uganda Civil Aviation Authority. Consequently, the Estimated Cost at Completion is projected at USD 235.14 million, driven mainly by price index adjustments (USD 19.28 million), foreign exchange losses (USD 13.76 million), and interest on delayed payments (USD 2.11 million).

The Government of Uganda (GoU) was expected to finance these additional costs, In FY 2024/25, it had approved a budget of US\$ 49.5 billion, of which all was released in Q1 and US\$ 4.093 was expended.

Physical Performance

By 31st October 2025, all works were complete at 100%. This was an improvement from 98.38% physical progress in April 2025, where floor and ceiling works on the New Passenger Terminal were pending. However, the delayed procurement of functionality equipment such as EDS scanners and generators, still affected the operationalization and functionality of the project.

Figure 3.4.3: The performance of the EIA Project


Source: Monthly progress reports from FY 2016/17 to October 2025

Implementation Constraints

- i) Delays in procuring critical equipment, particularly Explosive Detection System (EDS) scanners and generators, which, although outside the contractor's scope, are essential for system integration, testing, and operationalization of the Passenger Terminal Building; unclear generator specifications have further disrupted planning and timelines.
- ii) Delayed approval of the Disputes Adjudication Board has left contractor claims for additional works on the CIP lounge unresolved, increasing the likelihood of arbitration and potential litigation.
- iii) Exchange rate fluctuations between the contract currency (USD) and the payment currency (RMB) have resulted in forex losses of USD 13.7 million, while delayed payments have accumulated interest of USD 2,112,756.60, exposing the project to contractual breaches and arbitration, alongside financial strain from unsettled relocation works by agencies.
- iv) Budget overruns have been driven by contractual cost adjustments on key inputs such as cement, steel, and fuel, compounded by the shift from CEMAC to Hong Kong price indices, leading to additional costs of USD 19.28 million.
- v) Limited harmonization among the Concession Building, Old Passenger Terminal Building, and New Passenger Terminal Building threatens the effective and integrated utilization of both new and existing airport infrastructure.



Conclusion

By 31st October 2025, the Entebbe International Airport Project had achieved 100% physical completion and 93.3% loan disbursement, with works of satisfactory quality and substantial completion. However, cost pressures from foreign exchange losses, interest on delayed payments, and price index adjustments increased the Estimated Cost at Completion and this is to be financed by the Government of Uganda. Although physical works were complete, operationalisation of the New Passenger Terminal was constrained by delays in procuring critical equipment and unresolved institutional issues, including pending dispute resolution arrangements. Overall, resolving outstanding procurement, financial, and contractual matters is essential to ensure full functionality and value for money.

Recommendations

- i) The UCAA should fast-track the procurement of EDS scanners and generators, ensuring timely system integration, testing, and commissioning.
- ii) The UCAA should prioritise the approval of the Disputes Adjudication Board to expedite dispute resolution.
- iii) MoFPED should expedite the disbursement of additional financing (USD 35 million) to clear outstanding claims and complete the remaining works.
- iv) The UCAA should approve cost adjustments based on the revised price indices to prevent further financial strain.
- v) The UCAA should fast-track planning and execution of the harmonization of the three buildings of Concession, Old Passenger Terminal Building and New Passenger Terminal Building for the realisation of improved serviceability at the airport.

3.4.5 Development of the New Bukasa Port Project (1284)

Introduction

Government of Uganda through Ministry of Works and Transport is constructing a modern high capacity Port at Bukasa on the shores of Lake Victoria. The estimated cost of project implementation for phase I and II is € 350 million (Equivalent to US\$ 1,400 billion). Currently phase I is ongoing with an estimated cost of €50 million. The funders of phase I are: European Export and Trade Bank (42.48%), Commerz bank (42.48%) and GoU (15.04%). The loan was signed on 24th April 2016, became effective on 27th September 2016 and the closure date is 15th May 2025.

The Port will be linked by trio-modal transport modes (water, rail and road). It will form part of the Central Corridor i.e. Bukasa-Mwanza-Musoma-Tanga-Dar-es-salaam, link Kisumu via Lake Victoria and Mombasa by rail.

Bukasa Port will be constructed on 400 hectare and will handle International Cargo transported by trio-modal (Ship-Rail-Road), act as a gateway for International traffic along the Central and Northern Corridors to facilitate



trade. The Port will serve as a logistics centre for assembling, storage and re-distribution of imports and exports

The main objective of developing Bukasa Port is to address the Country's rapidly growing traffic demands using the Central Corridor on Lake Victoria to Kenya and Tanzania, thereby reducing over-dependence on the Northern Corridor through improved mobility of traffic and cargo. This will promote regional integration and trade; transport corridor competition; reduce traffic on Northern Corridor, reduce road maintenance costs, cost of doing business and hence increase socio-economic development.

The scope of the project is structured into three phases:

Phase 1: Preparation Phase, that covers: construction of a 6km Kinawataka-Bukasa Road, preparation of master plan, preliminary design, resettlement action plan (RAP), Environmental and Social Impact Assessment (ESIA), swamp removal and reclamation work, ship simulation study, 3D model and animation and training. This Phase commenced in June 2016 for three years but was revised for a completion of 15th March 2024; and further to 31st May 2025.

Phase 2: Construction of Bukasa Port to capacity of 2.3 million tons per year, construction of shipyard and floating dock. This Phase was expected to commence in November 2019 for three years but was revised to be completed by June 2025.

Phase 3: Future extension of the Port to capacity of 5.2 million tons per year and to maximum peak of 7.5 million tons per year. This Phase is expected to be completed by 2030.

Financial Performance

The cumulative budget of the project was US\$ 560.242 billion of which US\$ 154.046 billion (27.5%) was released and US\$ 143.759 billion (93.3%) expended. The project suffered the challenge of inadequate counterpart allocation.

The estimated cost of phase one activities of the project was €50million of which the contract cumulatively invoiced €35.504 million (71.01%). The total amount disbursed for the works undertaken was €32.449 million (64.9%) against a loan duration lapse of 100%. The expenditure of the project was within budget and efficiently⁷⁵ utilising the resources. The absorption of the loan however was low compared to the timelines. This was attributed to slow progress of the phase 1 civil works.

⁷⁵ CPI = 1.73



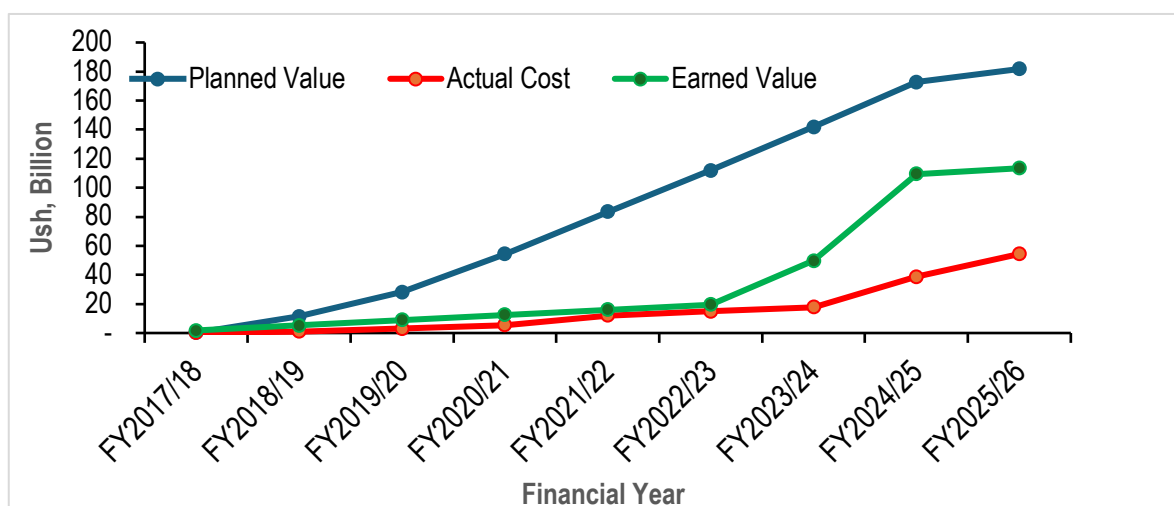
Physical Performance

The overall physical progress of the project increased from 18% to 41.25% between October 2024 and April 2025. The physical progress of the reclamation works increased from 15% to 31% while the swamp removal increased from 27.5% to 75%. Despite the increase the project was lagging⁷⁶.

Implementation of the Resettlement Action Plan (RAP) stagnated. The cumulative total PAPs were 2,402 of which 2205 qualified for compensation. The value of the land was estimated at USh 34.273 billion of which USh 29.32 billion was paid to 1665 PAPs. The delay to finalise the implementation of the Resettlement Action Plan (RAP) affected the pace of implementation of the works.

Additionally the implementation of Phase 2 which was supposed to have commenced did not take off. Figure 3.4.4 shows the performance of the project.

Figure 3.4.4: Performance of the Development of the New Bukasa Port Project as at End of October 2025



Source: PBS And Author’s Compilation



(L-R): Reclaimed swamp section within the project site



One of the yet to be compensated PAPs within the project site

⁷⁶ SPI = 0.47



Implementation Constraints

- i) Delay in payment of the outstanding US\$ 4.953 billion for land acquisition.
- ii) Delays in payment of pending invoices to the contractors

Conclusion

The performance of the implementation of phase 1 was poor. Despite the poor performance, there was an improvement in the progress, although the project was lagging by 58.75%. The poor project performance was majorly due to delays in finalising the implementation of RAP. The low pace of implementation of phase 1 activities will affect the commencement of phase 2 of the project.

Recommendation

- i) The MoWT should prioritise compensation of the pending PAPs.
- ii) The MoWT should enhance project monitoring to ensure completion of the project scope.
- iii) The MoWT should rescope Phase 2 and 3 into a new project.

3.4.6 Kampala Flyover Construction and Road Upgrading Project (1319)

Introduction

The Kampala Flyover Construction and Road Upgrading Project is part of the measures for improvement of traffic flow within the Greater Kampala Metropolitan Area (GKMA) funded by Japan International Co-operation Agency (JICA). The total estimated project cost is USD 380 million. The loan was phased into two with the amount made available for Phase 1 being USD 181.72 million (60.75% of project cost). The loan amount is split into two: USD 81.72 million (44.97%) and USD 100 million (55.03%) meant for Lot 1 and Lot 2, respectively.

Project implementation was divided into three (3) packages implemented in two lots namely: Lot 1 (Package 1 - Clock Tower Flyover and Package 2 - Nsambya Road) at USD 81.72 million (21.5% of project cost) and Lot 2 (Package 3 - Kitgum House Flyover) at US USD 289.28 million (78.5% of project cost). The design of Package 3 required significant modifications to harmonize with the railway viaduct for the SGR (Standard Gauge Railway) project. Consequently, the MoWT⁷⁷ proceeded with procurement of the contractor for Packages 1 and 2 under Lot 1 at a cost of USD 81.72 million (44.97% of Phase 1 Loan) that had no impacts from SGR under the Phase 1 of the loan. A summary of the project details is presented in Table 3.4.5.

The major works of the Lot 1 of the project consisted of the construction of bridges, road improvement, road widening, signalization of roundabouts, and underpass construction. It involves: Clock Tower Flyover (584m including a

⁷⁷ Then it was the Uganda National Roads Authority (UNRA) which commenced project implementation.



bridge of 366m), 2-Lane; Shoprite Pedestrian Bridge (92m); Clock Tower Pedestrian Bridge (229m); Kibuli Pedestrian Bridge (40m); Nsambya Underpass (360 m including and open cut box culvert of 132m), 4-Lane; New Clock Tower Square; Road Widening/Improvements (3,190m); and Junction Improvements (Shoprite, Clock Tower, Nsambya, Hospital and New Kibuli).

Table 3.4.5: Summary of the Kampala Flyover Construction and Road Upgrading Project details and performance as at 30th November 2025

Source of Funding	Japan International Co-operation Agency (JICA)
Approval date	3rd September 2015
Loan signature date	11 th September 2015
Date of effectiveness	26 th February 2016
Original date of closure	31 st August 2023
Revised date of closure	First - 26 th February 2024, Second - 26 th February 2027
Phase 1 Loan amount	USD 181.718 million
Disbursement Performance	41.5%
Lot 1 (Package 1 - Clock Tower Flyover and Package 2 - Nsambya Road)	
Original Contract Price	JPY 2,289,324,131, USD 43,638,836.52 and USh 61,563,272,275
Contract Start Date	4 th May 2019
Contract End Date (Original and Revised)	28 th December 2021 and 31 st August 2023
Defects Liability Period	20 th February 2025 to 20 th February 2026 (365 days)
Land acquisition	The number of PAPs paid was 147 (82.1%) out of 179 PAPs valued, 98% of Land Acquired
Lot 2 (Package 3 - Kitgum House Flyover)	
Estimated Project Cost	USD 289.28 million
Amount Available under Phase 1	USD 100 million (34.56 % of Estimated Cost)
Progress	Contract Not Yet Procured
Land acquisition	98% of Land Acquired

Source: Author's compilation, Project documents

Financial Performance

The disbursement performance of the Phase 1 loan increased by 3.5% from 38% in April 2025 to 41.5% against the loan lifetime of 88% as at 31st November 2025. A total of USD 75,464,317 had been disbursed by the bank. The financial progress of the Lot 1 works at the end of November 2025 was 86.96% against a planned 100%. The estimated cost of Lot 2 is USD 289.28 million of which USD 100 million (34.56%) is available under the Phase 1 of the loan. An estimated additional USD 200 million (66.6%) will be required for the Lot 2.

JICA had delayed to dispatch an appraisal mission for Lot 2 which had delayed the procurement of the Lot 2 contract. Therefore, the commencement of Lot 2 continues to be delayed and the exact additional amount required to complete the Lot 2 scope may not be ascertained until when the contractor has been procured.



Physical performance

The performance of the project was poor and had stagnated at 49%. This was attributed to the delayed commencement of Lot 2. However, as at 30th November 2025, the cumulative physical progress on Lot 1 had improved insignificantly from 99.98% in February 2025 to 100%. Currently Lot 1 is under the DLP which will be ending on 20th February 2026. The Lot 1 project was handed over by the MoWT to KCCA on February 20, 2025 for operation and maintenance; and was commissioned by the HE, the President of Uganda on March 5, 2025. Figure 3.4.5 shows the performance of the project over the years.

The construction of roadworks for the project and carriageway paving was complete with the road marking and the signage in place. The Clock Tower Flyover Bridge Works; Nsambya Underpass works; all the three (3) pedestrian bridges (Kibuli, Clock Tower and Shoprite); and construction works of all box culverts within the project area had been completed. The construction of Clock Tower monument and walkways, road and directional signage installation, installation of pedestrian guardrails, street lighting, installation of traffic lights, placing of utilities in the availed ducts, and land scaping had also been completed. The RAP implementation was at 98%.

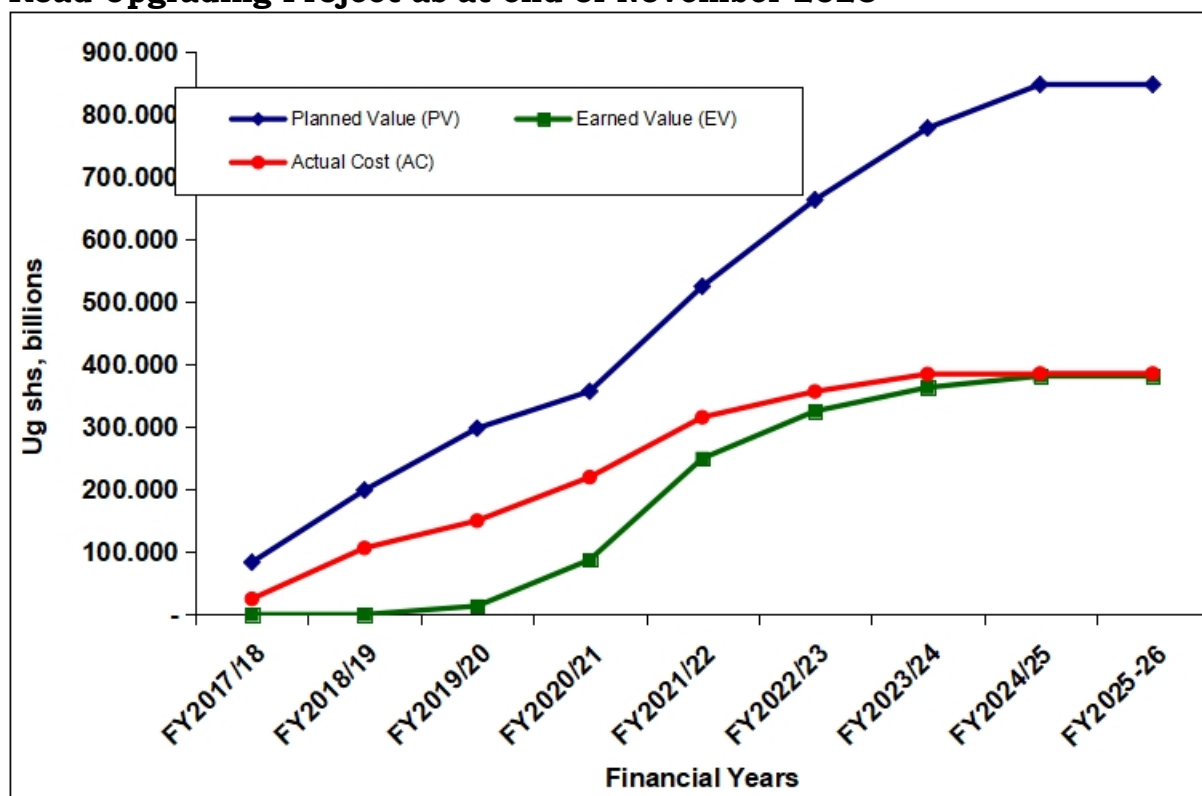
Following the full opening of the project to traffic at the end of December 2023, the traffic jams reduced at the Nsambya and Clock Tower junctions. Accidents reduced at the Clock Tower Junction following the operationalisation of the traffic signals. The functionality of the Lot 1 project was fully achieved after completion of all the roads works and pedestrian walking facilities; and installation of the traffic signage and signals.

Implementation constraint

The delayed commencement of Lot 2 works for which 55% of the Phase 1 loan amount is earmarked. This is significantly contributing to the poor performance of the Phase 1 loan.



Figure 3.4.5: Performance of the Kampala Flyover Construction and Road Upgrading Project as at end of November 2025



Source: Author’s compilation based on Monthly progress reports (FY 2018 to 2025/26)

Conclusion

The performance of the Phase 1 loan was poor at 49%. The Lot 1 works were completed and handed over to KCCA in February 2025. The poor performance of the project was attributed to the delayed commencement of the Lot 2, which is negatively affecting the performance of the loan resulting in the low disbursement performance (41.5%). The commencement of Lot 2 works continues to be delayed due to the delayed dispatch of the JICA appraisal mission. This has affected the determination of the exact additional amount required for Lot 2 completion, which may not be known until when the contractor has been procured.

Recommendation

The MFPED should engage the JICA to conclude the process for the approval and availability of Lot 2 additional financing in order to avoid delays of Lot 2 implementation on which the full functionality of Lot 1 is hinged.

3.4.7 Kampala City Roads Rehabilitation Project (1253)

Introduction

The Government of Uganda (GoU) received USD 288 million to be financed by the Bank Group (ADB: USD 224 million (77.8%) and ADF: USD 51 million (17.7%)), Global Environmental Fund (GEF): USD 2 million (0.7%) and GoU: USD 11 million (3.8%) towards the cost of the Kampala City Roads



Rehabilitation Project (KCRRP). The ADB and ADF loans were approved on the 13th November 2019, signed on 11th May 2021 and became effective on 7th July 2021 with an original end date of 31st December 2024 (42 months or 3.5 years) that was revised to 31st December 2027 (78 months or 6.5 years). Only the ADB and ADF loans have been signed and in effect.

The project was designed to ease congestion in the city of Kampala; support institutional and sector reforms for efficient urban mobility; reduce carbon emissions per capita; mitigate floods and improve resilience of the city. The development objective of the project was to accelerate Uganda's competitiveness by shoring up productivity gains from infrastructure development in Kampala and integrating the growth spill overs via efficient transportation networks to the rest of the country.

The KCRRP scope entails six components: civil works (USD 246.20 million); provision of scheduled eco-bus services (USD 12 million); Project Management (USD 14.95 million); women and youth skills and entrepreneurship development (USD 0.25 million); institutional capacity building (USD 3.6 million); strengthening of KCCA to manage and maintain the expanded road network; and compensation and resettlement (USD 11 million).

Financial Performance

The overall disbursement performance of the loans stagnated (from April 2025) at 37.5% as at the end of November 2025 against a credit time progress of 67.3%. The ADB and ADF had disbursed USD 90,826,646 (40.5%) and USD 18,666,048 (34.5%) respectively. The GoU had disbursed USD 202,935.15 (1.8%). A total of USD 101.981 million (35.41% of total project cost) contributed by ADB (83.44%), ADF (16.37%) and GoU (0.2%) had been released and expended on the project by the end of September 2025. No funds had been released and expended under the GEF grant. The GoU counterpart funding was utilised for the Resettlement Action Plan (RAP).

Physical performance

The overall performance of the project was good at 60.2% against a time progress of 67.35% as at the end of November 2025. However, this performance decreased from 80% in April 2025 due to the conclusion of the tendering of Mpererwe-Kiteezi-Kitti (10.7km) road upgrading works that was additional scope to the project. All the five (5) civil works road contracts that had commenced had an average physical progress that improved from 48.7% in April 2025 to 61.86% against a planned progress of 74.92% in November 2025. All the 12 contracts for supply of goods had commenced (eleven were completed and one was ongoing); and six (6) out of the nine (9) service contracts had been signed. The performance of the project is presented in Figure 3.4.6.

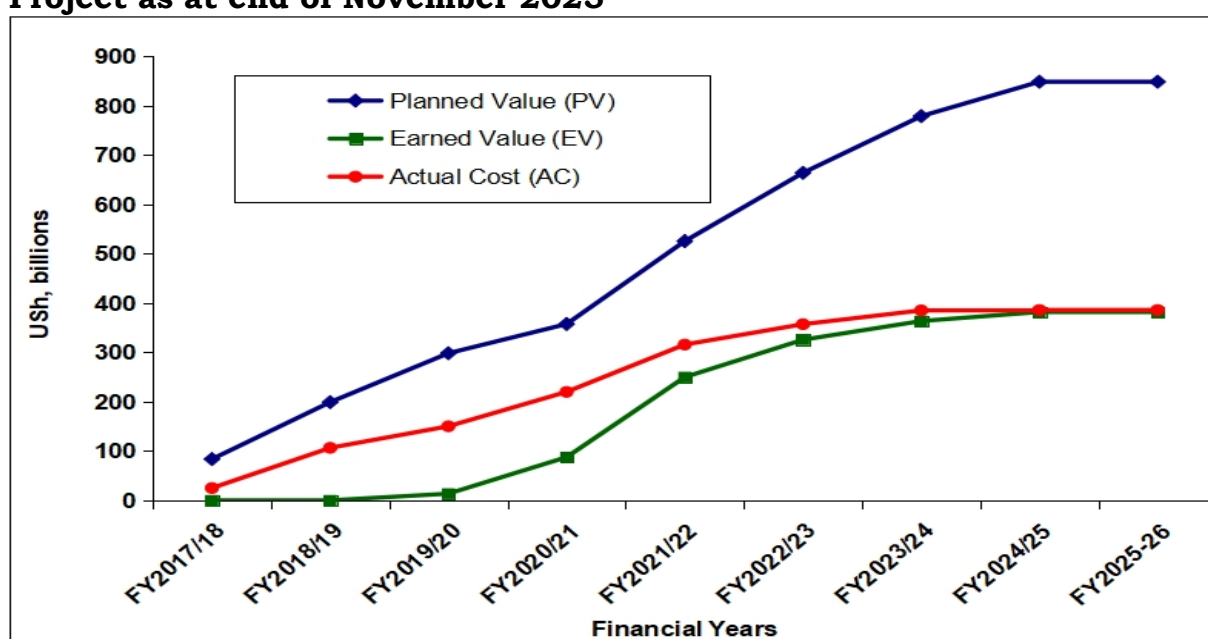
The civil works contracts progress had been negatively affected by the: delayed relocation of utilities, delayed acquisition of the right of way, and poor site management by some of the contractors. So far, the completed roads were Wamala road (4.4km), Kigala road (1.1km) and Muteesa 1 (2.02km) in Rubaga division; and Kabega road (0.95km) and Luwafu road (2.43km) in Makindye



division, and all under Lot 1. A total of 44.77km (representing 57.5%) of the contracted 77.8km had been sealed with the final wearing course of asphalt.

It was agreed between the ADB and the MFPED that the funds budgeted for the procurement of the 50 Eco buses should be re-allocated to the financing of additional roads⁷⁸ amounting to 15.67kms which will culminate into Lot 6. The bank gave a no-objection to this proposal in May 2025. RAP studies for these roads were concluded and approved. The tendering of works for Mpererwe-Kiteezi-Kitti (10.7km) road were concluded under Lot 6. The designs for Old Kira and Ntinda - Kisasi roads were updated and the request was sent to the Bank for a No-Objection to commence procurement for the service providers to undertake the works.

Figure 3.4.6: Performance of the Kampala City Roads Rehabilitation Project as at end of November 2025



Source: Project progress reports (FY 2021/22 to 2025/26)

The Women and Youth Skills Development component was being implemented within the KCCA’s mainstream structure under the Directorate of Gender, Community Services and Production. The bank guided that only government vocational training institutions should be considered for this activity. The contract with the best evaluated service provider was signed on the 26th June, 2025. The process of advertising the opportunities was undertaken, applications received and selection of the participants (200 youths and 200 women) had been concluded. The next step was to embark on the training of participants.

The KCCA procured a service provider to undertake the establishment of a Road Safety Unit at KCCA. The unit was intended to help in the management

⁷⁸ (Mpererwe-Kiteezi-Kiti (10.7km), Ntinda – Kisaasi (2.7km) and Old Kiira-Bukooto (1.17))

of road safety issues on the city's road network. The contract was signed on the 14th March 2024. The inception and baseline reports were approved, and the preparation of a preliminary report was ongoing.

The Resettlement Action Plan (RAP) implementation stagnated (since April 2025) at an estimated average of 96% of the Right of Way already acquired. Out of the 37 project roads/junctions and drainages, RAP reports for 31 project had been prepared and approved. After undertaking free and prior informed consents, voluntary consent agreements were entered into with Project Affected Persons (PAPs) whose land take was minimal. For the affected structures or PAPs with major resettlement impacts, replacement and/or compensation was ongoing.

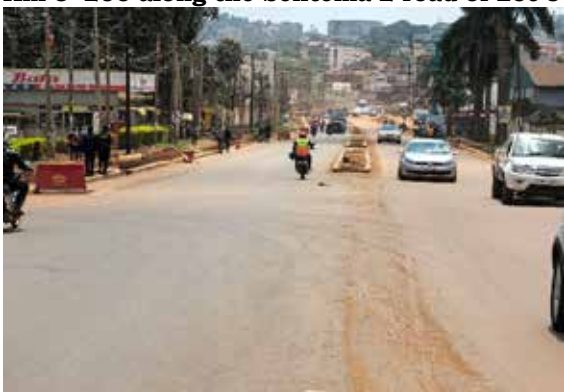
The KCCA management established Contract Management Teams to ensure more regular supervision of the service providers (contractors and consultants) and carried out weekly inspections on all active sites under the project. All the contractors were being closely monitored to ensure compliance of the social and environmental safeguards and to minimize delays.



A completed bridge with ongoing road works on the approach roads in Wakiso district at Km 5+200 along the Sentema 2 road of Lot 5



Ongoing drainage works at the Kabalagala Junction under Lot 1 in Makindye Division



A completed road section of the pavement layers of the Fifth Street under Lot 3 in Nakaka Division



Ongoing construction of the asphalt layer on Kisaasi 2 road under Lot 4 in Nakawa Division

Implementation constraint

Delayed release of GoU funding for compensation of PAPs.



Conclusion

The overall performance of the project was good at 60.2% against a time progress of 67.35% as at the end of November 2025. All the five (5) civil works road contracts had an average physical progress of 61.86% against a planned progress of 74.92% in November 2025. The completed roads were Wamala road (4.4km), Kigala road (1.1km) and Muteesa 1 (2.02km) in Rubaga division; and Kabega road (0.95km) and Luwafu road (2.43km) in Makindye division, and all under Lot 1. A total of 44.77km (representing 57.5%) of the contracted 77.8km had been sealed with the final wearing course of asphalt. Eleven out of the 12 contracts for supply of goods were completed and one was ongoing; and six out of the nine service contracts had been signed

The contractors were closely monitored by the KCCA to ensure compliance of the social and environmental safeguards and to minimize delays. The tendering of works for Mpererwe-Kiteezi-Kitti (10.7km) road were concluded under Lot 6. The Resettlement Action Plan (RAP) was ongoing with an estimated 96% of the Right of Way already acquired. The financial performance of the loan was at 37.5%.

Recommendation

The MoFPED and KCCA should budget and prioritise the funding towards the Right of Way acquisition.

3.4.8 Multinational Kapchorwa-Suam-Kitale and Eldoret Bypass Road Project (1040)

Introduction

The project is multinational between the Governments of Uganda and Kenya. The Kapchorwa-Suam-Kitale Road Project is intended to facilitate the movement of goods and services and to boost trade between Uganda and Kenya. The total project cost was originally estimated at US\$ 331,359 billion. The African Development Bank, the African Development Fund, and the Government of Uganda (GoU) provided financing for the project.

The project's objectives include improving access and connectivity between Uganda and Kenya, stimulating economic activity in the eastern parts of Uganda and the western part of Kenya, and easing traffic congestion along the Northern Corridor and within Eldoret Town.

The road project starts at Kapchorwa town and through Bukwo to Suam Border with Kenya (77km). In addition, the project involved the construction of a One Stop Border Post (OSBP) at Suam, the upgrading of a 10.5km road to the High-Altitude Training Centre (HATC), the construction of 10 pedestrian footbridges in collaboration with Bridges to Prosperity (B2P), and the refurbishment of Kapraron Post Crash Centre. A summary of the project information is presented in Table 3.4.6

**Table 3.4.6: Summary of Kapchorwa-Suam Road Project Details and Performance as of End of October 2025**

Funding Agency	Government of Uganda African Development Bank (AfDB) African Development Fund (ADF)
Loan amount	US\$ 109.4 million
Loan Signature Date	19 th January 2018
Date of Loan Effectiveness	24 th May 2018
Original Date of Loan Closure	30 th June 2024
Revised Date of Loan Closure	30 th June 2025
Loan Disbursement Performance	91.5%
Original Contract Price	US\$ 268,461,095,349 inclusive of 18% VAT
Revised Contract Price	US\$ 365,448,503,575 inclusive of 18% VAT
Final Revised Contract Price	US\$ 429,624,036,592 inclusive of 18% VAT
Contract Period	36 months
Revised Contract Period	60.1 months
Contract Start Date	1 st October 2018
Original Contract End Date	30 th September 2021
Revised Contract End Date	12 th November 2023
Contract Time Elapsed	75.1 months (as of End of April 2025), equivalent to 209% of the original contract period
Status of Land Acquisition	A total of 5,188 PAPs amounting to US\$ 67,845,331,573 were assessed; 5,037 PAPs (93%) were paid a total of US\$ 65,794,089,977. A total of 432.08 acres against 454.31 acres were acquired.

Source: Author's compilation, Project documents

Financial Performance

By the end of October 2025, the project's overall financial progress was at 99.0%. The total expenditure on civil works amounted to US\$ 356.841 billion, representing 97.6% of the revised contract price. An additional US\$ 64.175 billion was requested to enhance climate resilience and road safety, bringing the final contract price to US\$ 429.624 billion. A total of US\$ 65.794 billion (97%) for PAPs was paid against US\$ 67.845 billion. Therefore the project had outstanding payments to PAPs amounting to US\$ 2.051 billion.

The overall loan disbursement was USD 88,168,046 (80.6%) The project's expenditure was within the planned budget despite the upward revision in the contract amount.

Physical Performance

The entire planned scope of the project was completed and the defects liability period ended on 30th June 2025. The project was however completed after



209% of the original contract period mainly on account of delayed RoW acquisition and underscoping at the feasibility study stage. The Bank however, approved additional works which include: a market, church road, access road to Kapraron HC IV and a pedestrian bridge at Km 40+570. Land acquisition for the market; and procurement for the other additional works was ongoing.

Lessons learnt

- i. Inadequate feasibility studies and scoping result in a significant increase in the scope of work and project cost overruns.
- ii. Delayed acquisition of the right of way is the main contributor to project delays and claims.

Conclusion

The project was completed and DLP ended. However, due to a saving on the project, the bank approved additional works whose implementation was yet to commence. The project had outstanding payments for the PAPs amounting to US\$ 2.327 Billion..

Recommendation

The MoWT should expedite the pending payments to the project affected persons on the project; and the procurements for the additional works.

3.4.9 Multinational Lake Victoria Maritime Comm. & Transport Project (1456)

Introduction

The Multinational Lake Victoria Maritime Communication and Transport Project (MLVMC&T) is an intervention by EAC to reduce maritime accidents, save lives, improve security and bring efficient and affordable communications to the Lake Victoria communities. The principal objective of this project is to contribute to broad-based poverty alleviation and improvement of livelihoods of people through increased investment in maritime transport and fishing on Lake Victoria. The project is funded by the African Development Bank; the European Union – Africa Infrastructure Fund (EU – AIF) and Government of Uganda. The estimated total project cost was USD 36,583,822. The proposed financing from ADF amounted to USD 25,014,522 (68.4%). The European Union –Africa Infrastructure Fund (EU-AIF) was expected to contribute USD 4,770,000 (13%) and participating countries' contributions will amount to approximately USD 6,799,300 (18.6%).

Specifically, it seeks to address maritime transportation and navigation safety through the provision of safe and efficient transport links; and to the safe conduct of fishing activities that are essential to achieving the goals of poverty reduction and sustainable development.



The targeted project area is the Lake Victoria Basin (LVBC) shared by Kenya, Uganda, Tanzania, Rwanda and Burundi. The project is implemented by the MoWT and is expected to be executed over a period of four years.

The project has three components:

- i. Component 1: Establishment of a Maritime Communications system for safety on Lake Victoria;
- ii. Component 2: Maritime Transport for Lake Victoria Study; and
- iii. Component 3: Project Management and Capacity Building

In Uganda, the estimated project cost is UA 12,851,696 (US \$18,120,891.36 equivalent to USh 59,444,106,161⁷⁹). Table 3.4.7 shows a summary of the project information for the MLVMC&T as at end of October 2025.

Table 3.4.7: Multinational Lake Victoria Maritime Communication and Transport Project details as at End of October 2025

Loan Signature & Effectiveness Date	19 th January 2018
Original Loan Closure Date	30 th April 2021
New Loan Closure Date	1 st revision: 30 th September 2025 Current revision: 31 st March 2026
Planned Project Start Date	1 st July 2017
Actual Project Start Date	30 th April 2018
Project End Date	30 th June 2023; 1 st revision 31 st December 2024, current revision: 31 st March 2026
Loan Amount	USD 14.71 million (48.254 billion)
GoU Counterpart Funding	USD 2.2 m, (USh 7.216 billion)
Funding Agency	African Development Bank and Government of Uganda
Disbursement Performance	80%

Source: Author's Compilation

Financial Performance

The overall financial performance of the project was poor. By the end of October 2025, the project had an approved budget of USh172.806 billion of which USh 46.638 billion (27.0%) was released and USh 38.697 billion (83%) expended. The cumulative counterpart expenditure on the project was USh 10.981billion (152% of the planned).

A cumulative total of USD 11,770,523(equivalent to USh 38.612 billion (80%) of the loan amount was disbursed against the loan duration lapse of 95%. The loan absorption was therefore behind schedule; and thus a poor performance. Despite the poor loan performance, the project is projected to be completed within budget⁸⁰.

The contracts under the project had a total value of USh 31.096 billion of which USh 18.992 billion (61%) was paid for the works and services executed.

⁷⁹ 1UA = USD1.41; 1UA = USh 4625.39

⁸⁰ CPI = 2.08



The noted financial performance was attributed to delays in completion of civil works at Masese SAR centre and the Maritime Rescue Coordination Centre (MRCC) at Entebbe.

Physical performance

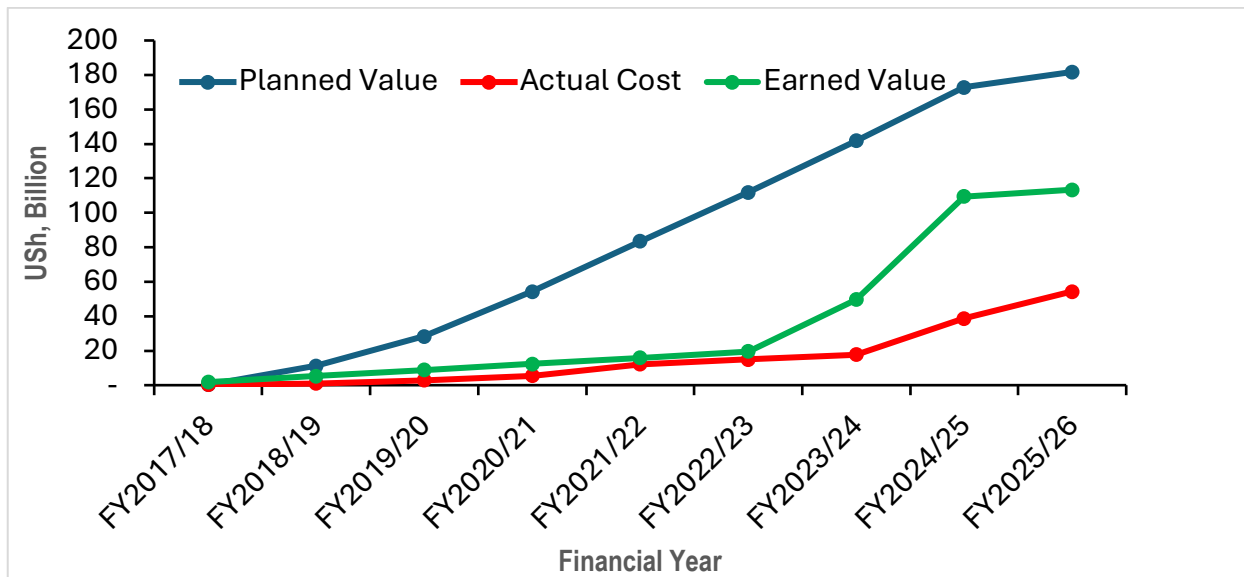
The project's performance was poor. Despite the noted performance, the overall progress of the project improved from 74.45% by the end of April 2025 to 80% by the end of October 2025; and against a project duration lapse of 95% based on the revised dates. The project was therefore behind schedule⁸¹ by 15 months. The implementation of the civil works under this project had varied progress by the end of October 2025 as indicated below:

- i) Component 1: The progress of the construction of the Maritime Rescue Coordination Centres at Entebbe increased from 20% in April 2025 to 78%. The construction of the Search and Rescue (SAR) centres at Panyimur, Kaiso, Kaazi and Zengebe landing sites was completed. The physical progress of the ongoing civil works for the construction of the Search and Rescue (SAR) centres and fish drying sheds at Masese increased from 20% to 78%. The construction of the SAR traing facility was completed and the swimming pool and its accessories installed. The supply of nine (9) rescue boats and one(1) fire fighting equipment was completed. Overall, the implementation of outputs under this component was behind schedule.
- ii) Component 2: The Maritime Transport for Lake Victoria study was not implemented. The implementing agencies were advised to make use of the already existing studies on the lake.
- iii) Component 3: The National Project Unit (NPU) was established and is functional. The NPU has undertaken continuous monitoring and evaluation of the project. Revised training plan for SAR personnel was in place but yet to be implemented.

The noted improvement in the project was attributed to enhanced performance of the civil works contracts under the project as well as timely approvals within the stipulated timelines both at contract management and the bank. The performance of the project is presented in Figure 3.4.7.

⁸¹ SPI = 0.65

Figure 3.4.8: Performance of the Multinational Lake Victoria Maritime Communication and Transport Project as at End of October 2025



Source: PBS and Field findings

Conclusion

The performance of the Multinational Lake Victoria Maritime Communication and Transport Project was poor. The project was lagging behind by an estimated 15 months. Therefore, there is a high likelihood that pending project scope will not be achieved within the remaining 5% loan duration. Despite the project lagging, the overall expenditure was within budget..

Recommendations

The Project Management Team MoWT should closely monitor the ongoing contracts on the project to enhance the pace of implementation of the pending civil works.

3.4.10 Luwero-Butalangu Road (1490)

Introduction

The existing Luweero-Butalangu Road (29.72 km) is a Class C gravel road in Luweero and Nakaseke Districts. It serves as a direct link between Luweero and Nakaseke Districts, significantly contributing to their economic development. Additionally, enhancement of the road will bolster regional administrative and social services while reducing vehicle operating costs. The project objective is to increase access to modern facilities and work opportunities in Nakaseke/Luweero Districts by upgrading the existing Luweero-Butalangu (29.72 km) gravel road to a Class II paved road.

The total project cost was estimated at US\$ 200 billion of which US\$ 89,246,900,000 (USD 23,000,000) was a loan from two development partners, the Arab Bank for Economic Development in Africa (BADEA) and the OPEC



Fund for Economic Development (OFID). The balance was to be covered by the GoU.

The project commenced on 1st July 2017 and was scheduled to be completed by 30th June 2024. However, the procurement process for civil works was halted in 2017 after the bank advised UNRA to procure the consultancy services consultant who would update the design and tender documents for the civil works contract and related supervisory roles. The project end date was revised to 30th June 2026. Key project information is summarized in Table 3.4.8.

Table 3.4.8: Summary of the Luweero-Butalangu (29.72 km) Project details as at 31st October 2025

Loan signature dates	19th February 2017 (BADEA) & 23rd March 2017 (OFID)	
Loan effectiveness dates	31st August 2017 (BADEA) & 7th February 2019 (OFID)	
Loan closure dates	Original	Revised
	31 st December 2020 (BADEA) & 31st December 2023 (OFID)	8th September 2025 (BADEA) & 31st December 2026 (OFID)
Loan amount	USD 23,000,000 (US\$ 89,246,900,000) where: USD 11,500,000 (OFID), USD 11,500,000 (BADEA)	
Loan disbursement	BADEA	USD 4.438 million (38.6%)
	OPEC	USD 5.537 million (48.2%)
Counterpart funding from the GoU based on the revised contract amount	US\$ 110,263,286,230	
Contract start date	1st June 2023	
Contract end date	Original	Revised
	1st June 2025	30th March 2026 (based on the monitoring programme)
Contract time elapsed	29 months (85.5% of the revised contract time).	
Land acquisition status	56.86% (193.7 acres out of 340.7 acquired)	
Project Time elapsed	92.6%	

Source: Monthly Progress Report, October 2025

Financial Performance

The financial performance of the project was poor, with 29.58% of the total project cost (US\$ 59.166 billion) released, of which US\$ 49.52 billion (83.6%) was expended by 31st October 2025. The project was operating under budget⁸² (Figure 3.4.9) due to payment delays to the contractor. A total of US\$ 34.21 billion (from 10 IPCs) was certified for the Luweero–Butalangu road Project, of which US\$ 26.52 billion (77.5% from nine IPCs) was paid, leaving US\$ 7.69 billion outstanding.

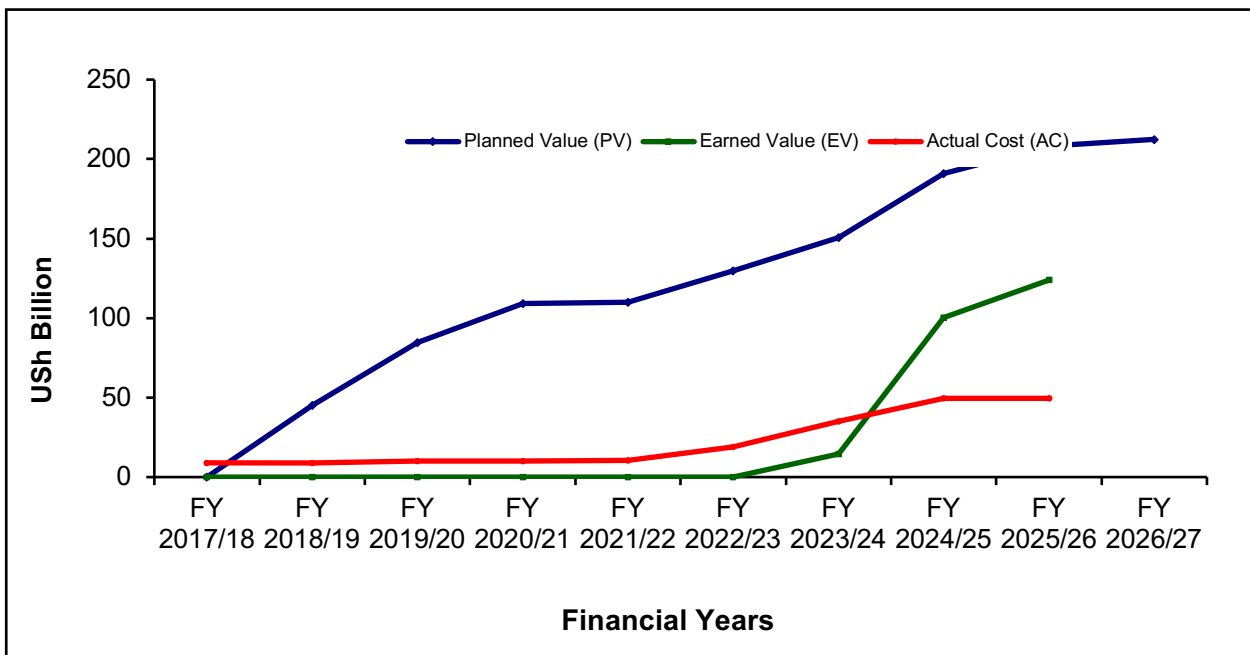
⁸² CPI of 2.59



The loan disbursement was at 43.38% with USD 9,976,361 (US\$ 38.708 billion), of which US\$ 29.300 billion (72%) was absorbed. Specifically, Out of each development partner’s obligation of USD 11,500,000, BADEA had disbursed USD 4,438,551 (38.6%) while OPEC fund had disbursed USD 5,537,811 (48.6%). The GoU disbursed US\$ 20.451 billion, of which US\$ 16.41 billion was absorbed.

Physical Performance

The physical progress of the project increased from 39% in April 2025 to 64.65%, against a plan of 81.5%⁸³ by 31st October 2025. However, the project was behind schedule⁸⁴ by 5.7 months. This was attributed to challenges of delayed acquisition of the RoW, which denied the contractor full access to the site, delayed payments to the service providers, and delayed approval of quantities. A total of US\$ 21.448 billion was approved for compensation to PAPs, of which US\$ 15.947 billion had been paid by 31st October 2025. Out of the 2,150 PAPs identified, 1,533 were successfully compensated, representing 71.3% of the total. At the current pace of implementation, the project is projected to have time overruns estimated at 9 months to December 2026 vs the projected March 2026.



Source: IFMS data, monthly progress reports – June 2023, June 2024, June 2025 and October 2025

⁸³ Basing on the contractor’s working programme accepted by the consultant.

⁸⁴ SPI of 0.86.



Luweero-Butalangu: Laid geogrid material in a swamp section of the Lugogo River between Km 7+900 to 8+400 at the border of Luweero and Nakaseke districts



Luweero-Butalangu: Completed asphalt layer at Km 21+500 in Nakaseke district

Challenges

- i) Delayed payment of the service providers.
- ii) Exhaustion of the consultancy services loan allocation.
- iii) Delayed land acquisition, leading to obstruction by the PAPs.
- iv) Delayed procurement of the Project Implementation Unit support.

Conclusion

The Luweero–Butalangu Road Project recorded fair overall performance but weak financial execution during the review period. A tune of 29.6% of the project budget was released and 83.6% expended, while loan disbursement stood at 43.38%, below the planned schedule. The physical progress improved from 39% in April 2025 to 64.65% by October 2025, but remained below the planned 81.5% and the 85.5% contract time elapsed, resulting in a 5.7-month delay. Key constraints included slow right-of-way acquisition and compensation of PAPs, delayed approval of material quantities due to exhausted consultancy financing, and late payments to contractors. As a result, the project is projected to overrun by up to nine months, shifting completion from March 2026 to December 2026, with potential cost implications if delays persist.

Recommendations

- i) The MoWT should prioritise and expedite the acquisition of the project right-of-way for the contractor to have full access to the site.
- ii) MoFPED and the Development Partners should expedite the payment of service providers.
- iii) The MoWT and MoFPED should budget to cover the additional funding of the supervision consultancy services contract using GoU funds.



- iv) The MoWT should enhance monitoring and management of the project to bring it back on track.

3.4.11 Moyo - Yumbe - Koboko Road Project (1657)

Introduction

The Koboko-Yumbe-Moyo Road is a 105 km gravel road situated in the West Nile Region bordering the Democratic Republic of Congo (DRC) and the Republic of South Sudan (RSS). It also connects the district headquarters of Koboko, Yumbe and Moyo Districts. The project road provides access to a number of refugee settlements, including Imvepi, Bidibidi, Lobule and Palorinya. In addition to being an important link in the response to the refugee situation, the project road also facilitates cross-border trade between Uganda, the DRC, the RSS and the Central African Republic (CAR) and is an alternative route to access the town of Moyo, which is separated from the rest of the country by the River Nile.

The project aims to upgrade the 105 km road from gravel to bitumen. The World Bank fully funds the project with a grant of USD 131.25 million (approximately US\$ 430.24 billion)⁸⁵. Details of the grant are summarised in Table 3.4.9. The GoU's responsibility was to ensure the availability of the road corridor, including land acquisition and resettlement of the PAPs.

Table 3.4.9: Summary of Moyo-Yumbe-Koboko Road Project details and performance as of 31st October 2025

Funding agency	World Bank (100%) ⁸⁶
Grant signature date	21st October 2020
Date of effectiveness	20th April 2021
Date of grant closure	31st December 2025
Works contract price	US\$ 430,264,628,459
Contract period	1095 days (36 months)
Contract start date	18th June 2024
Original contract end date	17th June 2027
Contract time elapsed	316 days (28.9%)
Grant disbursed	65.5%
Status of land acquisition	90% acquired

Source: Author's compilation, project documents

Financial Performance

The project's financial performance was fair, with the World Bank disbursing a total of US\$ 281,890,712,845.22 (65.5% of the grant) by 31st October 2025 at 96.4% into the loan period. Out of this disbursed amount, US\$

⁸⁵ Less of RAP Funding and supervision costs from the GoU

⁸⁶ Exclusive of Land Acquisition

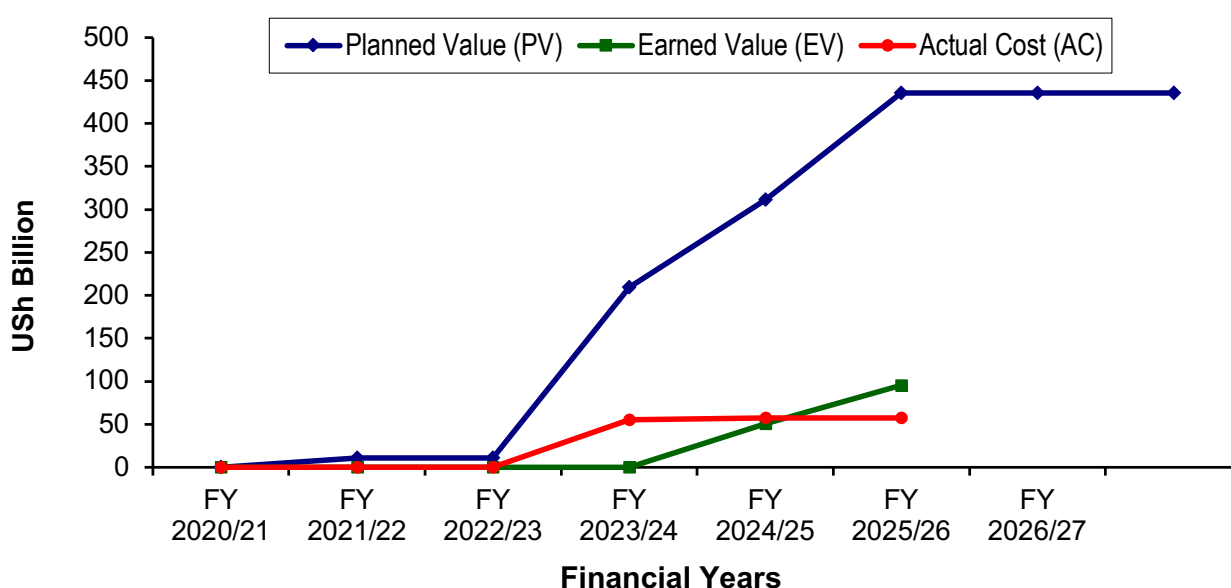


57,424,597,260 (20.4%) was spent. Hence, the project is spending far less than planned⁸⁷ for the work achieved.

Physical Performance

The project’s progress was at 23.2% compared to the planned progress of 42.9% by 31st October 2025. This was a fair improvement of physical progress from the 1.7% in April 2025. The project was behind schedule⁸⁸ by 1.79 years. The establishment of the campsites was complete, while earthworks, material sourcing and culvert fabrication as well as installation was ongoing. Contractor mobilisation was at 90% for equipment and 61% for key staff. The performance of the project is illustrated in Figure 3.4.10.

Figure 3.4.10: Performance of Moyo–Yumbe–Koboko Project as of 30th September 2025



Source: IFMS data, monthly progress reports – from June 2021 to June 2025 and October 2025

⁸⁷ CPI of 1.66

⁸⁸ SPI of 0.22



Koboko-Yumbe-Moyo: Road bed preparation activities of spreading and compaction of G7 material at Km 53+051 in Yumbe district



Koboko-Yumbe-Moyo: Ongoing rock excavation at Km 97+200 in Moyo district

Implementation Constraints

- i) Delays in preparing and approving environmental and social safeguard documentation, including the ESIA for the main campsite. Consequently, required quarries, borrow pits, and dump sites have not been fully acquired.
- ii) Delayed contractor mobilisation of adequate equipment especially the laboratory equipment. The first batch of the specified laboratory equipment for the Engineer were delivered at the start of May 2025 and was calibrated in June 2025.
- iii) Frequent breakdown of equipment leading to a low utilization rate
- iv) Near grant date closure date of 31st December 2025, yet works are still in their initial stages

Conclusion

The project performance remained poor as it is misaligned with both time and expenditure, although most of the grant period (96.4%) has been consumed, leaving the project about 1.79 years behind schedule (with a lag of 19.7%). Delays in safeguard approvals, weak contractor mobilisation, equipment breakdowns, and slow procurement of laboratory equipment have constrained site access and critical activities, posing high risks of time overruns, cost escalation, and scope creep in upgrading the Moyo–Yumbe–Koboko Road.

Recommendations

- i) NEMA and the contractor should fast-track the acquisition of the ESIA for the required material of the civil works.
- ii) The MoWT and the consultant should closely monitor the contractor for accelerated progress.
- iii) The MoFPED should urgently renegotiate an extension of the grant closure date beyond December 2025, given the poor project progress and the relatively low disbursement to the imminent grant end date.



3.4.12 Namagumba - Budadidiri - Nalugugu Road Project (1794)

Introduction

The Government of Uganda, through the Ministry of Works and Transport (MoWT), is upgrading the Namagumba-Budadiri-Nalugugu Road (39 km) from gravel to a bituminous standard. The project is estimated to cost US\$ 296.900 billion (USD 77.74 million)⁸⁹ and is jointly financed through a loan from the African Development Bank, a grant from Bridges to Prosperity (B2P), and counterpart funding from the Government of Uganda.

The project's objectives are as follows: (i) to enhance accessibility in Eastern Uganda to promote diversification of economic opportunities, thereby aiding the transition from subsistence farming to cash cropping and entrepreneurship; and (ii) to reduce the physical burden of transport on the community and encourage greater participation of women and youth in gainful employment.

The project comprises several key components aimed at improving infrastructure and social welfare. These include the construction of the 37 km Namagumba–Budadiri–Nalugugu Road and the development of 60 km of feeder roads using cobblestone technology, supported by Mt. Elgon Labour-Based Training Centre (MELTC). It also involves the construction of footbridges in collaboration with Bridges to Prosperity (B2P), the provision of vocational training for women and youth, and compensation and resettlement of project-affected persons. Additionally, emergency equipment for the Post-Crash Care Centre will be supplied, and construction supervision services will be provided, covering design and feasibility studies for upcoming road projects. A summary of the project information is presented in Table 3.4.10.

Table 3.4.10: Summary of Details and Performance of the Namagumba-Budadiri-Nalugugu Road Component as of 31st October 2025

Funding agency	African Development Bank and the Government of Uganda
Loan amount	USD 71.000 million
Date of loan effectiveness	25 th August 2023
Date of loan closure	31 st December 2027
Contract price	US\$ 129,865,914,322
Contract period	36 months.
Contract start date	3 rd January 2025
Contract end date	2 nd January 2028
Contract time elapsed	10 months (as of 31 st October 2025), equivalent to 27.8 %.
Land acquisition	The number of PAPs paid was 1,043 (37.2%) out of 2,803 PAPs valued. A total of 58.136 acres against 164.629 acres were acquired.

Source: Author's Compilation, Project documents.

Financial Performance

As of 31st October, the project's total expenditure was USD 11,898,871 (US\$ 45.444 billion), representing 15.3% of the overall project cost. The level of loan

⁸⁹ Exchange rate: 1 USD = US\$ 3,819.15

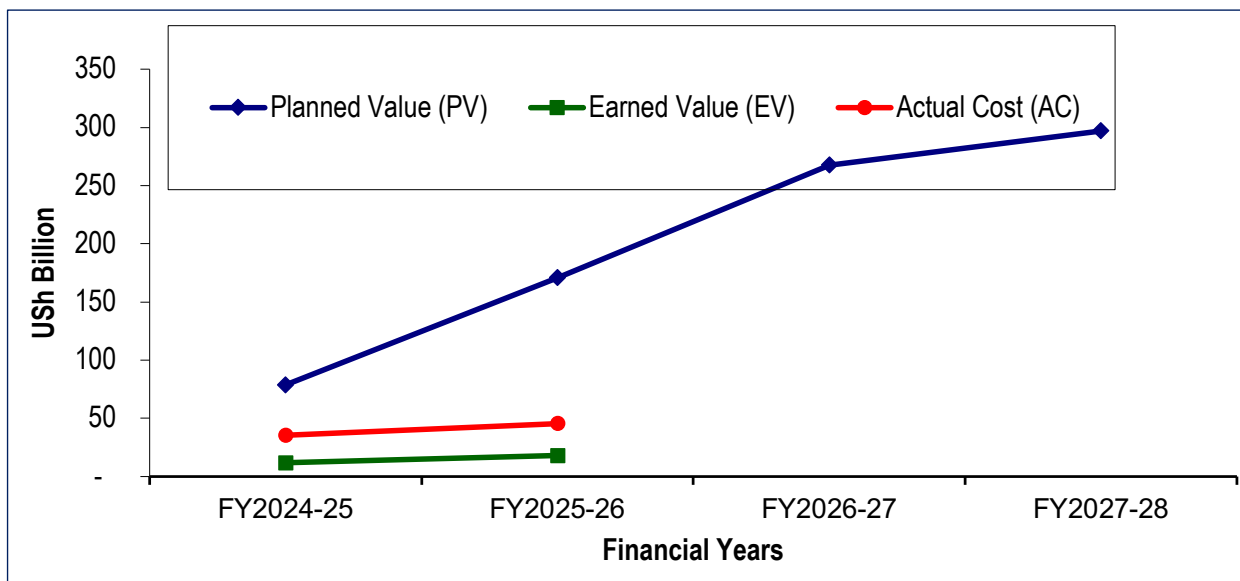
disbursement was at 16.8%, compared to 50% of the loan period that had elapsed. Disbursement levels to the project remained low, slightly above the 13% reported in April 2025. The low absorption was mainly caused by the slow progress of works by the contractor.

The financial progress of the civil works contract for the Namagumba–Budadiri–Nalugugu Road was 14.9%, against a planned target of 26.9%. The earned value on the project was significantly below the actual cost⁹⁰, as shown in Figure 3.4.11, due to an advance payment to the contractor that had not yet been recovered.

Physical Performance

By October 2025, the project's overall physical progress was at 6.1%, compared to a planned 16.9% and a time progress of 27.8%. This was an improvement on the 4.0% physical progress achieved in March 2025. Civil works on the Namagumba–Budadiri–Nalugugu road section were ongoing, with notable achievements including the completion of 9 km (79%) of clearing and grubbing, 3.6 km of rockfill in swampy areas, 6 km of general fill works, and the installation of 17 pipe culverts. Progress on the main road was mainly affected by the contractor's weak mobilisation (at 40%) and heavy rainfall.

Figure 3.4.11: Performance of Namagumba-Budadiri-Nalugugu Road Project as of 31st October 2025



Source: Author's compilation, project monthly progress reports

The supervision consultant was fully mobilised on site, and the supervision and design review process were ongoing. Other components, including 60 km of cobblestone feeder roads, construction of footbridges, vocational training for women and youth, the Post-Crash Care Centre, and designs for upcoming road projects, were at various stages of procurement. The procurement was delayed mainly due to issues in obtaining necessary approvals and the Bank's no-objection. Regarding Right-of-Way (RoW) acquisition, progress was at

⁹⁰ The CPI was 0.4



37.2%, with compensation paid to 1,043 out of the 2,803 affected Persons (PAPs).



Namagumba – Budadiri – Nalugugu Road, L-R: Construction of a two-cell box culvert at km 8+4580; Structures in the construction site due to compensation issues

Project Implementation Constraint

- i. Weak mobilisation of the contractor.
- ii. Delays in the procurement of other components of the project
- iii. Slow pace of acquisition of the right-of-way remains a high risk to the project

Conclusion

The progress of the Namagumba-Budadiri-Nalugugu road project has remained slow at 6.1%, with only a slight increase from the 4% achieved by the end of March 2025. With 50% of the loan disbursement period elapsed, it is necessary to accelerate the civil works to ensure the project's completion within the loan timeframe.

Recommendations

- i. The MoWT should compel the contractor to enhance the mobilisation in line with the contractual requirements to recover the lost time.
- ii. The MoWT should expedite the procurements of the remaining project components.
- iii. The MoWT should expedite the acquisition of the right-of-way for the entire project corridor to avoid any future delays.

3.4.13 The North Eastern Road Corridor Asset Management Project (1313)

Introduction

The government of Uganda introduced the Output and Performance-based Road Maintenance Contracts (OPRC) to the Uganda road sector through the World Bank funding for periodic maintenance of the North-Eastern Road-Corridor Project. The Project is aimed at reducing transport cost,



enhancing road safety, and improving and preserving the road assets sustainably along the Tororo-Kamdini road corridor.

The total financing of NERAMP was estimated at USD 255 million with IDA supporting 95.6% (USD 243.8m) while Government of Uganda was to finance the 4.4% (USD 11.2m) of the project cost.

The project has two components:

Component 1: Road Rehabilitation, Operations and Maintenance of Tororo-Mbale-Soroti-Lira-Kamdini Road (340km); and consultancy services for supervising the OPRC. The contract to undertake the works on this project was structured into two Lots 1 & 2 with the same contractor. Lot 1 is Tororo – Mbale – Soroti (150.8km) section; Lot 2 is the Soroti – Dokolo – Lira – Kamdini (189.4km). This component was estimated to cost USD 241 million

Component 2: Institutional support to UNRA with focus on technical assistance on designing, awarding, and managing OPRC contracts estimated to cost USD 14 million.

A summary of the project details is presented in Table 3.4.11.

Table 3.4.11: Summary of Northern Eastern Road Corridor Asset Management Project details and performance as at end of October 2025

Loan Signature Date	16 th February 2015
Loan Date of Effectiveness	16 th June 2015
Original Date of Loan Closure	31 st October 2024
Revised Date of Loan Closure	31 st of December 2025
Loan Amount	USD255.08 million
Loan Disbursement performance	93%
Loan duration elapsed	85%
Funding Agency	The World Bank and Government of Uganda
Lot 1: Tororo – Mbale – Soroti (150.8km)	
Original Contract Price	US\$ 290,976,512,298.25 incl. of VAT (approximately USD 78.70 million)
Revised Contract Price	US\$ 668,050,519,798.34 excl. of VAT (approximately USD 180.7 million) Not revised
Contract Period	8.5 years (102 months)
Contract Start Date	13 th August 2018
Contract End Date	12 th February 2027
Contract Time Elapsed	88 months equivalent to 85%
Lot 2: Soroti – Dokolo – Lira - Kamdini	
Original Contract Price	US\$ 331,623,758,818.88 incl. of VAT (approximately USD 89.70 million)
Revised Contract Price	US\$ 543,858,406,581.18 excl. of VAT (approximately USD 147.10 million)
Contract Period	8.5 years (102 months)
Contract Start Date	13 th August 2018
Contract End Date	12 th February 2027
Contract Time Elapsed	88 months equivalent to 85%

Source: Field Finding



Financial Performance

By the end of October 2025, the total approved budget of the project was US\$ 1135.584 billion. A total of US\$ 757.968 billion (66.7%) was released and US\$ 534.453 billion (71%) expended.

By the end of October 2025, the cumulative disbursement of the loan was USD 207,321,117 (approximately US\$ 733.962 billion) and expended. This is equivalent to 93% against a loan duration lapse of 85%. It was however noted that the remaining loan amount was inadequate to complete the pending works on the project. This was a very good loan performance. The project expenditure was within budget⁹¹.

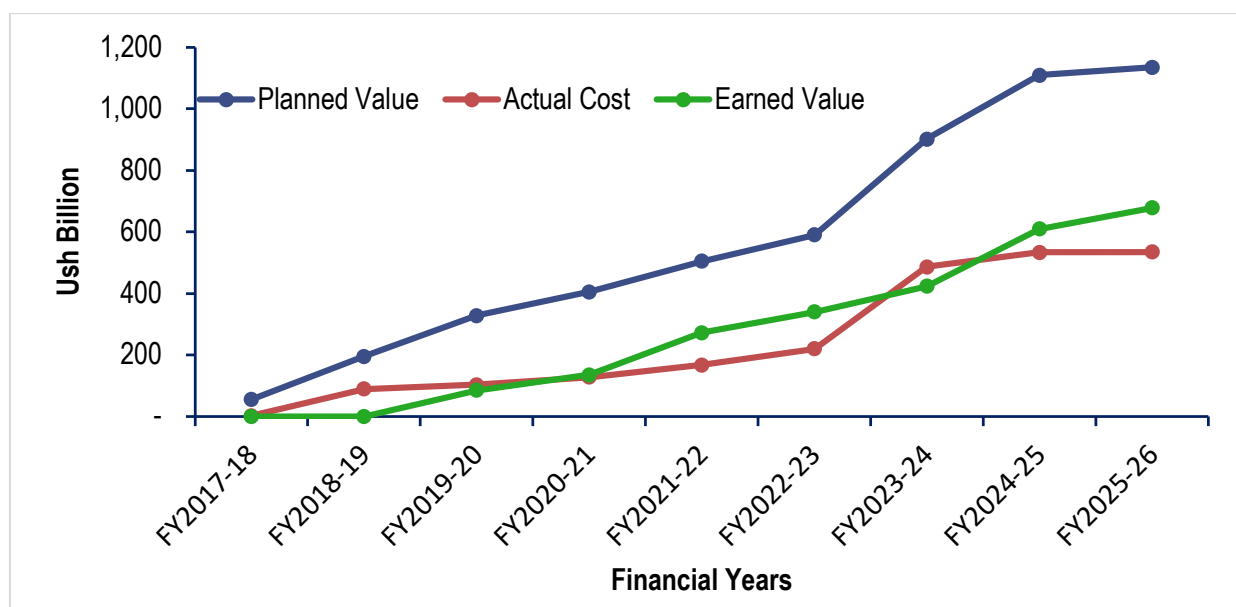
Physical Performance

The performance of component 1 of the project was good. The physical progress as of end of October 2025 was estimated at 75.2% against a time lapse of 98% having improved from 60% in April 2025. Thus the project was behind schedule⁹². The observed performance of the project was attributed to cash flow issues arising from delayed payments to the contractor during the UNRA transition period to the MoWT.

Overall the component achieved a cumulative total of 192.8km of completed road works with asphalt concrete for the combined sections of Dokolo – Lira – Kamdini; and Soroti – Dokolo. The quality of the works undertaken was satisfactory.

Under Component 2, technical assistance for design, awarding and managing of the OPRC contract was provided to UNRA. Figure 3.4.12 shows the performance of the project over time.

Figure 3.4.12: Performance of the North Eastern Road Asset Management Project as at End of October 2025



Source: PBS Reports and Field Findings

⁹¹ CPI = 1.06

⁹² SPI = 0.51



Ongoing Paving along the Soroti – Lira road section



Yet to be processed base layer along the Soroti – Lira section

Implementation Constraint

The current project financing was inadequate to fund the entire scope of works

Conclusion

The overall progress of the project increased from an estimated 60% to 75.2% and thus an improvement in the performance over the period. Despite the improvement, the project was behind schedule. The pending scope of the works would not be completed within the remaining loan duration. The current loan financing is inadequate to cover the pending scope of the project, and thus additional financing is required.

Recommendation

The MoWT should rescope the pending works into a new project and seek additional financing for it.

3.4.14 Uganda Railway Corporation Capacity Building Project (1563)

Introduction

In 2019, Uganda Railways Corporation (URC) undertook a feasibility study for Capacity Building to identify the gaps in human resource, physical infrastructure and rolling stock so as to justify the proposed investment in addressing these capacity gaps. This was to enable URC play a significant role in the transport and logistics industry contributing to economic growth of the country and regional integration. The URC Capacity Building program was conceived with an estimated cost of Euro 330 million. In May 2021 and August 2023, the Parliament of Uganda approved the loan application to be financed by the Spanish Export Credit Agencies (CESCE) and the African Development Bank (AfDB) respectively for the URC Capacity Building Program. A summary of the project information is presented in Table 3.5.12.



Table 3.5.12: Summary of the Uganda Railway Corporation Capacity Building Project details and performance as of 31st October 2025

Funding Agency	Spanish Export Credit Agencies (CESCE)	African Development Bank (AfDB)
Loan approval	11 th May 2021	28 th August 2023
Amount	Loan - USD 30,772,191 Grant - USD 643,860	Loan - USD 171,469,200 (ADF) Loan - USD 65,000,000 (ADB) Grant - USD 61,019,800 (ADF)
Signature Date	Loan: 6 th August 2021 Grant: 9 th January 2024	18 th September 2024
Date of Effectiveness	Loan: 10 th September 2021 Grant: 9 th January 2024	5 th February 2025
Original Date of Closure	Loan: 10 th September 2026 Grant: 8 th January 2025	31 st March 2028
Disbursement performance	Loan: USD 27,871,937 (90.4%) Grant: USD 301,864 (46.9%)	Loan - 0 (ADF) - 0% Loan - 0 (ADB) - 0% Grant - USD 61,175 (ADF) - 0.1%

Source: Author's compilation, Project documents

This project implementation was scoped under two (2) components:

- i) Component 1 – Emergency Phase, funded by CESCE (Euro 25.984 million – 7.87%) includes: Preliminary engineering design of the Kampala Multi Modal hub; Detailed engineering design for refurbishment of Kampala – Namanve, Tororo – Malaba railway line (28kms); Capacity building of URC staff and a refurbishment of a project management office; and Refurbishment of Kampala – Namanve and Tororo – Malaba Line (28Km).
- ii) Component 2 – Funded by AfDB (Euro 301.1 million – 91.24%) and GoU (Euro 2.916 million – 0.88%) includes: Preparatory stage which includes an Environmental and Social Impact Assessment study (ESIA) and a preliminary engineering design study; Purchase of workshop equipment and rolling stock (locomotives and wagons); Refurbishment of Namanve – Tororo, Port Bell line, Jinja Pier line and Kampala – Kyengera Railway line totaling to 245 Km; Construction of passenger halts and hubs; Railway reserve fencing; Procurement of wagon ferries; Procurement of Diesel Multiple Units (DMUs) for passenger services; and Rehabilitation of coaches among others.

Financial Performance

The overall financial performance of the project improved slightly from 10% in October 2025 to 38% in November 2025. The disbursement performance of the CESCE grant and loan facilities improved from 15% and 76% at the end of March 2025 to 46.9% and 90.4% at a time progress of 100% and 82.8% respectively at the end of October 2025. There were no cost variations encountered on the Component 1 activities so far an indication that it would be completed within budget.

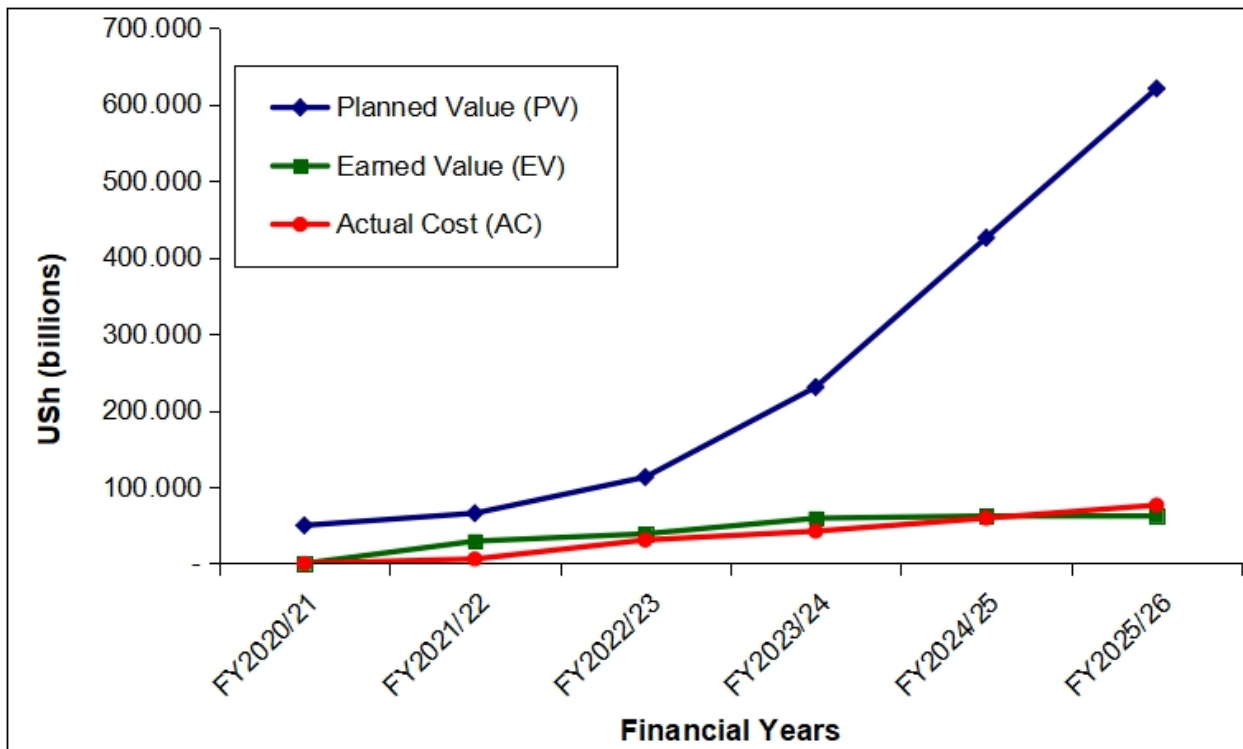


Only 0.1% of the grant under the under the AfDB financing for Component 2 had been disbursed by the end of October 2025 at a time progress of 23.3%; and no release had been made under the GoU. The funds were utilised for the 20% advance payment made to the Project Management Consultant (PMC) and the settlement of the PMC fee notes. This disbursement performance under the Component 2 had been affected by the delayed fulfilment of the conditions precedent to the first disbursement which included appointment of project coordinator, signing of the subsidiary agreement between URC and MoFPED, and procurement of the PMC. These were all met on 5th February 2025 when the ADB bank declared the loan to be effective.

Physical performance

The overall performance of the project was poor and had stagnated at an estimated 8% between April 2025 and October 2025. This performance was attributed to the delayed implementation of Component 2, which was in its first year of implementation. However, the performance of the Component 1 of the project was good and improved slightly from at 95% in April 2025 to 97% against the loan duration of 82.8% as at the end of October 2025. The performance of the URC Capacity Building project is indicated in Figure 3.5.13.

Figure 3.5.13: Performance of the URC Capacity Building project as at end of November 2025



Source: Project progress reports (FY 2021/22 to 2025/26)

The implementation of Component 1 funded by CESCE started in 2021 and was still ongoing. However, the location of the activity of the refurbishment of Kampala- Namanve and Tororo- Malaba Line (28Km) changed from Tororo-



Malaba railway section to Namanve-Mukono railway section at the request of URC due to lack of funds to cater for refurbishment of extra level crossings along the Tororo-Malaba railway section. Hence the project location changed to Kampala-Namanve (12.4 kms) and Namanve –Mukono (12.9kms) railway sections, making a total track length of 25.3 kms. The difference of 2.7kms of track length was compensated for with double loop lines of 0.6kms each (1.2kms) at Namanve station and 0.3km loop line at Interfreight which reduced the 2.7kms by 1.5kms. The shortfall length of 1.2kms was compensated for through the following elements: 18 transition mix rails and five (5) non-self-normalizing turnouts.

Activities under the Component 1 were on schedule and within budget (Figure 3.4.12). The completed activities were: the preliminary engineering design of the Kampala Multi Modal hub; the detailed engineering design for refurbishment of Kampala-Namanve and Tororo-Malaba railway line (28kms); the refurbishment of a project management office; the refurbishment of the Kampala-Namanve railway section of length 12.4 Kms (including station line at Namanve) and the Namave-Mukono railway section of 12.9km – whose DLP had ended on 31st August 2025. The railway section between Kampala and Mukono was opened to railway operations with the passenger services resumed. Ongoing activities were the capacity building of URC staff.

The performance of Component 2 stagnated at 0%. A Project Management Consultant (PMC) had been engaged to provide project management assistance and oversee the construction of the MGR rehabilitation works. The scope of the services included offering technical and capacity support to URC in procurement management, project planning and preparation, project management, construction supervision, contract management, and capacity building. Additional services included tender preparation, engineering design review, post-construction maintenance, as well as monitoring, evaluation, and reporting. All other planned project activities were in the preliminary preparation stages, and no additional contracts had been signed.

Implementation constraint

Delayed disbursement of funding from both the AfDB and GoU affected the commencement of the Component 2 preliminary activities.

Conclusion

The performance of the URC Capacity Building project was poor at 8%. This was attributed to the delayed commencement of Component 2, which contributed an estimated 90% of the project scope. However, its implementation was in the preparatory stages. The financial performance of the project was also poor at an estimated 9%.

The performance of the Component 1 was however good (97%). Key of the completed activities under Component 1 were: the preliminary engineering design of the Kampala Multi Modal hub; the detailed engineering design for refurbishment of Kampala – Namanve and Tororo – Malaba railway line



(28kms); and refurbishment of Kampala – Mukono Line (28Km) which was under DLP. The component had no cost related variations. Only 0.1% of the grant under the AfDB funding had been made at a time progress of 23.7% of the AfDB loan. This had delayed the commencement of the preliminary activities of Component 2.

Recommendation

The URC through the MoFPED should push for the timely disbursement of both the GoU and AfDB funding and adopt an implementation plan supported by milestone-based disbursements to ensure timely project execution.

3.4.15 Upgrading of Muyembe – Nakapiripirit road Project (1322)

Introduction

The upgrading of Muyembe-Nakapiripirit road (92km) from gravel to paved road was intended to foster socio-economic integration between Karamoja and the rest of the country by facilitating the movement of people and goods. The project is funded by the Islamic Development Bank. The total project cost was estimated at USD 128 million (US\$ 329.217 billion)⁹³. The funding is broken down as follows: 86% by ISDB and 14% as GoU counterpart funding. The project scope entails civil works for the upgrading of the 92km of Muyembe - Nakapiripirit Road to Paved (Bituminous) Standards and Secondary Link; and associate structures such as box culverts and bridges. A summary of the project information is in Table 3.4.13.

Table 3.4.13: Summary of Muyembe–Nakapiripirit Road Project Information as at 31st October 2025

Date signed	2 nd October 2019
Effectiveness date	2 nd October 2019
Original Closure	30 th October 2021
Revised closure date	1 st revision: 7 th February 2025; Current revision: 31 st December 2025
Loan amount	USD 110 million(US\$ 282.921 billion)
GoU Counterpart Funding	USD 18 million (US\$ 46.296billion)
Loan duration	65 months
Loan disbursement performance	84.8%
Funding Agency	Islamic Development Bank
Contract Price	Civil Works Contract: US\$ 399,958,528,511, Revised to US\$ 448,348,280,379 Supervision Contract: US\$ 8,561,483,499 & USD 890,500; Revised to US\$ 12,438,489,797 & USD 1,148,500
Contract Period	36 months
Revised Contract Period	69 months
Contract Start Date	30 th March 2020
Contract End Date	30 th March 2023
Revised contract End Date	1 st revision : 08 th May 2024 2 nd revision: 16 th June 2025 Current revision: 3 rd January 2026
Contract Time Elapsed	68months (97%)
Loan duration elapsed	76 months (104%)
Land acquisition	A total of 830.17 acres against 948.82 acres were acquired

Source: Field Findings

⁹³ Exchange Rate: 1USD = US\$ 2572.01



Financial Performance

By the end of October 2025, the total approved budget of the project was US\$ 489.818 billion of which US\$ 377.459 billion (77.9%) was released and US\$ 327.969 billion (84.5%) expended. Therefore, the financial performance of the project was rated good. The project expenditure was within budget with an estimated Cost at Completion of US\$ 395 billion.

The cumulative disbursement of the loan to the project was USD 93,309,039 (84.8%) equivalent to US\$ 239.992 billion against a loan duration lapse of 97% based on the revised loan closure date.

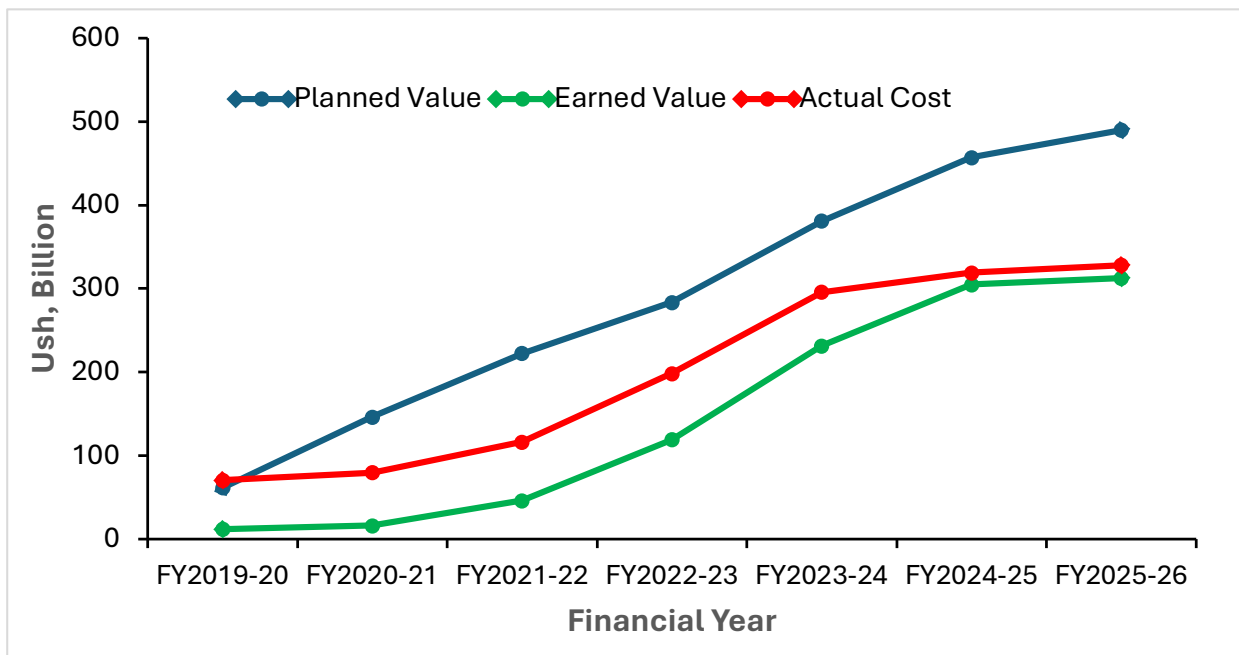
Physical Performance

The cumulative physical progress of the project increased from 79.19% in April 2025 to 82.16% as of end of October 2025 with a contract and loan time lapse of 97.1%. The project was therefore behind schedule⁹⁴. The project therefore attained a slight increase in progress of 2.97% against a plan of 15.21%. The project would therefore require extension of both the contract and loan durations amounting to 6 months and 12 months respectively to enable completion of the entire scope; as well as cover the Defects Liability Period. The observed performance was majorly due to trickle down effects of delayed RoW acquisition and cashflow issues during the early stages of the project. Additionally, it was noted that the contractor had inadequate cashflow to finance the works implementation mainly arising from their own internal weaknesses and poor planning. Despite the slow pace of implementation during the period under review, the project has cumulatively completed all the bridges, one bridge 40 out of 41 box culverts, and 73km of asphalt concrete.

The progress of the RoW acquisition on the project increased from 85.7% to 87%. The number of PAPs pending payments on the project increased from 349 to 359. The total outstanding amount to be paid was US\$ 2.038 billion following a supplementary review of the valuation. The delay in payment of PAPs affected access to site by the contractor. Figure 3.4.14 shows the performance of the project.

⁹⁴ SPI = 0.67

Figure 3.4.14: Performance of the Muyembe-Nakapiripirit Road Project as at end of October 2025



Source: PBS and Field Findings



Muyembe-Nakapiripriti: Completed three-cell Box culvert at km 55+240



Completed section of Muyembe-Nakapiripriti at km 42 + 230

Implementation Constraints

1. Inadequate financial allocations for acquisition of the Right of Way.
2. Contractor's internal cashflow issues due to poor planning

Conclusion

The performance of the project during the period under review was poor. The project achieved 2.97% increment in progress against a target of 15.21%. Therefore, the project implementation was slow on account of RoW issues and contractor's internal cashflow issues mainly arising from poor planning. This noted pace of implementation would require extension of contract and loan



durations amounting to 6 months and 12 months respectively to enable completion of the scope as well as cover the DLP.

Recommendations

- i) The MoWT should prioritise allocation of financing for the acquisition of the Right of Way.
- ii) The MoWT should negotiate for extension of the loan duration to enable completion of the project scope.
- iii) The MoWT top management should engage the contractor further regarding the lack of cashflow.

3.4.16 Upgrading of Rwenkunya-Apac-Lira-Acholibur Road Project (1402)

Introduction

The Government of Uganda identified the need to upgrade the Rwenkunya-Apac-Lira-Acholibur Road, a 250 km-long road, from gravel to a paved standard to provide an adequate and suitable road link between the districts of Kiryandongo, Apac, Lira, and Pader. However, due to the limited resource envelope, the upgrade started with a total of 191 km between Rwenkunya and Puranga.

The total financing for the project was estimated at US\$ 760 billion, and is jointly financed through a loan from the Islamic Development Bank and counterpart funding from the Government of Uganda. The GoU funding is for land acquisition for the project corridor.

The project objective is to promote equal access to social and economic development opportunities. The project aims to enhance road transportation and trade facilitation along the project corridor, thereby enhancing transport services and agricultural productivity by connecting remote and disadvantaged districts to the main road network.

The project's scope includes upgrading the road from gravel to a Class II standard paved road with an asphalt concrete carriageway. The project is implemented in two lots: Lot 1, Rwenkunya-Apac Road (90.9 km), and Lot 2, Apac-Lira-Puranga Road (100.1 km). A summary of the project information is presented in Table 3.4.14.

**Table 3.4.14: Summary of Rwenkunya-Apac-Lira-Acholibur Road Project details and performance as of 31st October 2025**

Funding agency	Islamic Development Bank
Loan signature date	12th March 2020
Date of loan effectiveness	30th April 2020
Original closure date of the loan	1st May 2025
Revised closure date of the loan	31 st August 2027
Loan amount	USD 210.0 million
Loan disbursement performance	69.3%
Lot 1: Rwenkunya-Apac Road (90.9 km)	
Original contract price	US\$ 337,526,153,350
Revised contract price	US\$ 363,702,779,301 (Engineer's estimate)
Contract period	The original contract period was 3 years (36 months). The contract period has been revised to 60 months.
Contract start date	07th December 2020
Original contract end date	07th December 2023
Revised contract end date	7 th January 2026
Contract time elapsed	58 months (as of 31 st October 2025), equivalent to 96.7%.
Land acquisition	The number of PAPs paid was 1,641 (59.1%) out of 2,776 PAPs valued.
Lot 2: Apac-Lira-Puranga Road (100.1 km)	
Original contract price	US\$ 416,337,936,348.42
Revised contract price	US\$ 520,147,125,878.28 (Engineer's estimate)
Contract period	The original contract period was 3 years (36 months). The contract period has been revised to 59 months.
Contract start date	14th December 2020
Original contract end date	14th December 2023
Revised contract end date	Interim extension to 23 rd November 2025
Contract time elapsed	58 months (as of 31 st October 2025), equivalent to 98.3%.
Land acquisition	Area acquired was 1,094 acres (69.4%) out of 1,577 acres to be acquired.

Source: Author's compilation, project documents.



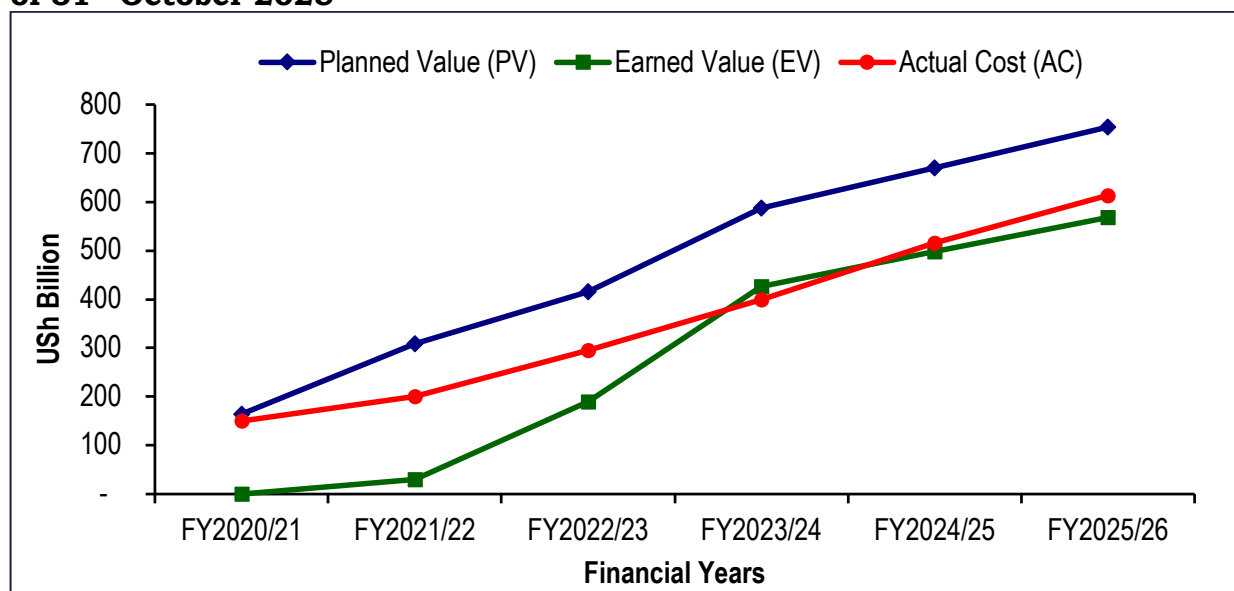
Financial Performance

By the end of October 2025, the project’s total approved budget was US\$ 753.814 billion, of which US\$ 663.280 billion (87.9%) was released and US\$ 613.600 billion (92.5%) expended. The cumulative loan disbursement was 69.3% against the loan lifetime of 75% as at the end of October 2025. A total of USD 145,570,275 (US\$ 538.865 billion)⁹⁵ had been disbursed by the bank and fully absorbed. The land acquisition budget under the GoU funding was estimated at US\$ 120.317 billion, of which US\$ 74.735 billion (62.1%) was released and expended.

Physical Performance

The physical performance of the Rwenkunyeye-Apac-Lira-Puranga Road Project was fair, but behind schedule⁹⁶ (Figure 3.4.15). Lots 1 and 2 achieved an average physical progress of 74.4% against a plan of 92.15%. This was an improvement compared to the average physical progress of 66.3% achieved in March 2025.

Figure 3.4.15: Performance of Rwenkunyeye-Apac-Lira-Puranga Road Project as of 31st October 2025



Source: Author’s compilation, project monthly progress reports

The detailed physical performance for both lots by the end of October 2025 was as follows:

Lot 1: The cumulative physical progress achieved was 65.7% against a plan of 89.5%, representing a slippage of 23.8%. Along the 90.1 km road section under Lot 1, the contractor had achieved 56.7 km of asphalt concrete surfacing (62.9%), 60.8km of subbase (67.5%), 60.6 km of base course (67.2%), 7.3 km of swamp treatment (83.2%), and 45 box culverts (68.2%). The quality of work executed was satisfactory.

⁹⁵ Exchange Rate: 1USD = 3,701.75

⁹⁶ The project had a SPI of 0.73 and a schedule variance of US\$ -185.70 billion



Lots 2: The cumulative physical progress achieved by the end of October 2025 was 83.2% against a plan of 94.8%, hence a slippage of 11.6%. Out of the 100.1 km road section under Lot 2, the contractor had achieved 64.6 km of asphalt concrete surfacing (64.6%), 65.3km of base course (65.3%), 65.7 km of subbase (65.7%), 18.2 km of swamp treatment (100%), 102 box culverts (98.1%), and 62 pipe culverts (66.7%).

The project's slow progress was primarily due to persistent delays in securing the right-of-way and a prolonged design review process. As of October 2025, only 69.4% of the right-of-way had been acquired. As a result, the contractors experienced a shortage of workspaces, which decreased their productivity. Given the current performance levels, the project is projected to experience a time overrun of 21 months⁹⁷, with the anticipated completion date of 30th June 2027.



Construction of the base layer at Ibutje Swamp, km 72+150 Along Rwenkunya – Apac Road Project



Stone pitching of the side slopes and side drains at km 180 + 240 along Apac-Puranga Road Project

Project Implementation Constraints

- i) The project performance was affected by delays in right-of-way acquisition
- ii) Delay in finalisation of design changes by MoWT
- iii) Delayed payment of contractors' IPCs, which has resulted in contractors' claims of interest on delayed payments

Conclusion

The project's performance was fair. The implementation of civil works on both lots was behind schedule, which could result in a 21-month time overrun. This would push the project end date to 30th June 2027, which is within the loan withdrawal limit of 31st August 2027. The value of the civil works accomplished was not commensurate with the expenditures due to an increase in the scope of works, which will likely result in an estimated cost overrun of US\$ 129.9 billion.

⁹⁷ The Project Estimated Schedule at Completion is 78 months.



Recommendations

- i) The MoWT and MoFPED should prioritise payment of PAPs along the project corridor to enable the contractors to execute construction works uninterrupted.
- ii) The MoWT should expedite the approval of final design changes
- iii) The MoWT should expedite approval of contractors' IPCs to avoid interest on delayed payments.

3.4.17 Kisoro - Mgahinga Road Upgrading Project (1545)

Introduction

The Government of Uganda, through the Ministry of Works and Transport (MoWT), is upgrading the Kabale-Lake Bunyonyi (15.1 km) and Kisoro-Mgahinga (18.1 km) from gravel to bituminous standard. The project is estimated to cost USD 80.231 million (US\$ 301.540 billion)⁹⁸ and is jointly financed by a loan from the African Development Fund (85.7%) and the Government of Uganda counterpart funding (14.3%). The GoU provides financing for land acquisition along the project corridor.

The project's aim is to promote tourism growth and socio-economic development in southwestern Uganda by increasing tourism income and attracting private investments in hospitality facilities and agricultural ventures.

The project is divided into five components:

1. Road Construction Works of Kabale-Lake Bunyonyi and Kisoro - Mgahinga Roads
2. Project Supervision & Implementation Support Services
3. Institutional Capacity Building
4. Provision of two ferries & Search and Rescue boats, and Ferry Maintenance Equipment for Lake Bunyonyi
5. Compensation and Resettlement

Table 3.4.15 presents a summary of the project information.

Table 3.4.15: Summary of the Kisoro - Mgahinga Road Upgrading Project as of 31st October 2025

Funding agency	African Development Bank	
Loan signature date	11th May 2021	
Date of loan effectiveness	21st July 2021	
Original date of closure	31st December 2025	
Revised date of closure	31 st August 2029	
Loan amount	USD 36.06 million (US\$ 135.528 billion)	
Contract information		
	Road Construction Works	Provision of ferries and rescue boats
Contract price	US\$ 112,028,918,319	USD 9,598,749 (US\$ 36.078 billion)

⁹⁸ 1USD = US\$ 3758.40



Contract period	36 months.	27 months
Contract start date	1 st April 2025	16 th October 2023
Contract end date	31 st March 2028	8 th August 2025 (with an interim extension to 8 th May 2026)
Land acquisition	88.116 acres against 94.588 acres for Lake Bunyonyi road & 56.321 acres against 66.623 acres for Kisoro – Mgahinga section were acquired	

Source: Author’s compilation, project documents.

Financial Performance

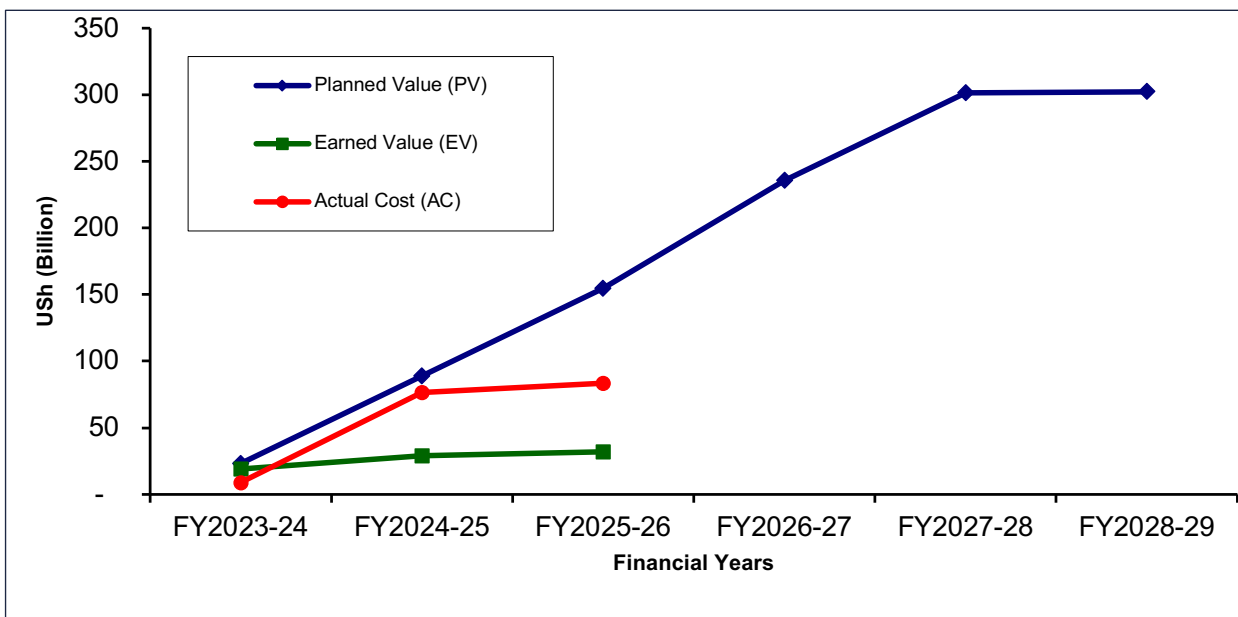
The project’s financial performance was poor, with total expenditure of US\$ 82.836 billion, equivalent to 27% of the total project cost. The poor absorption of funds was attributed to the contractors’ slow progress.

The disbursement performance of the loan was at 32.6% against the loan lifetime of 53% as at the end of October 2025. A total of USD 11,742,800 had been disbursed and spent by the end of October 2025, up from USD 11,309,219 (31% of the loan amount) disbursed by March 2025. The counterpart funding budget for land acquisition was US\$ 44.976 billion, out of which US\$ 39.799 billion (88.5%) had been released and spent.

Physical Performance

The performance of the Kisoro-Mgahinga Road Upgrading Project was poor at 27.6%, compared to the 22.2% achieved in March 2025. This poor performance was due to the weak financial capacity of the contractor for the road works, which has affected mobilisation. The project was behind schedule⁹⁹ given that the remaining loan duration¹⁰⁰ is 47%. The overall performance of the project is illustrated in Figure 3.4.16 while for each component is shown in Table 3.4.16.

Figure 3.4.16: Performance of Kisoro - Mgahinga Road Upgrading Project as of 31st October 2025



Source: Author’s compilation, project monthly progress reports

⁹⁹ The SPI was 0.2

¹⁰⁰ Based on the revised loan duration



Table 3.4.16: The Kisoro - Mgahinga Road Upgrading Project physical performance by component as at 31st October 2025

Component	Achieved Weighted Performance (%)	Remarks
Road Construction Works	0.8	The contractor commenced works; however, the progress of civil works was low at 1.22% against a plan of 9.4% due to the contractor's weak financial capacity
Project Supervision and Implementation Support Services	2.2	The supervision consultant was fully mobilised on site, and the supervision and design review processes were ongoing.
Institutional Capacity Building	0.0	The development of the Road Safety Strategy, training of MoWT staff on road safety management, and the establishment of maritime advisory services were under procurement
Provision of two ferries & Search and Rescue boats	11.1	The assembly of the two ferries and the delivery of rescue boats were ongoing. The physical performance was at 68% against a plan of 100%. Progress was affected by heavy rains.
Compensation and Resettlement	13.5	The number of project-affected persons (PAPs) paid was 1,714 out of 1,870 PAPs valued.
Overall Physical Performance of the Project.	27.6	The performance of the project was poor

Source: Author's Compilation, Project Documents



L: A section of Kabale-Lake Bunyonyi (15.1 km) road after clearing and grubbing at km 1+860



R: Lake Bunyonyi Ferries: Assembly of Ferry 1 hull

Implementation constraint

Weak capacity of the contractor, which affected mobilisation

Conclusion

The implementation of the Kisoro-Mgahinga Road upgrading project is behind schedule. This was mainly due to the weak mobilisation of the contractor for road



works. It is clear that the current level of production puts the project at risk of significant time and cost overruns.

Recommendation

The contractor should fully mobilise on site and scale up work to recover the lost time.

3.4.18 Kyenjojo (Kihura)-Bwizi-Rwamwanja-Kahungye/Mpara-Bwizi Roads (1785)

Introduction

The Kyenjojo (Kihura)-Bwizi-Rwamwanja-Kahungye/Mpara-Bwizi (105 km) road is a civil works project aimed at upgrading the roads to a bituminous standard. The project is estimated to cost Ush 541.321 billion and is jointly financed by a loan from the Islamic Development Bank and the Government of Uganda counterpart funding. The GoU funding is for land acquisition along the project corridor. The main objective of the project is to reduce freight transportation costs and travel time.

The project includes the following key outputs: i) Upgrading of Kyenjojo (Kihura) – Bwizi – Rwamwanja – Kahungye (68km) and Mpara – Bwizi (37km) roads to paved standard, ii) Upgrading of 20km of selected town roads, iii) Installation of solar-powered street lighting in four major townships and urban centres. Table 3.4.17 provides a summary of the project information.

Table 3.4.17: Summary of the Kyenjojo (Kihura)-Bwizi-Rwamwanja-Kahungye/Mpara-Bwizi Roads Project as at end of October 2025

Funding agency	Islamic Development Bank and the Government of Uganda
Loan amount	USD 110.000 million
Date of loan effectiveness	29th October 2024
Date of loan closure	30th April 2028
Contract price	USh 463,798,895,154
Contract period	36 months.
Contract start date	22 nd September 2025
Contract end date	22 nd September 2028
Contract time elapsed	40 days (as of 31 st October 2025), equivalent to 3.65 %.
Land acquisition	The number of PAPs paid was 171 (13.0%) out of 3,915 PAPs valued.

Source: Author's compilation, project documents.

Financial Performance

By the end of October 2025, the loan disbursement was at 15.2% against the loan lifetime of 28.7%. The total disbursement to the project remained at USD 16.666 million as it was at the end of March 2025. The counterpart funding budget for land acquisition was estimated at USh 67.833 billion, out of which USh 2.922 billion (4.3%) was released and expended by October 2025. The earned value on the project

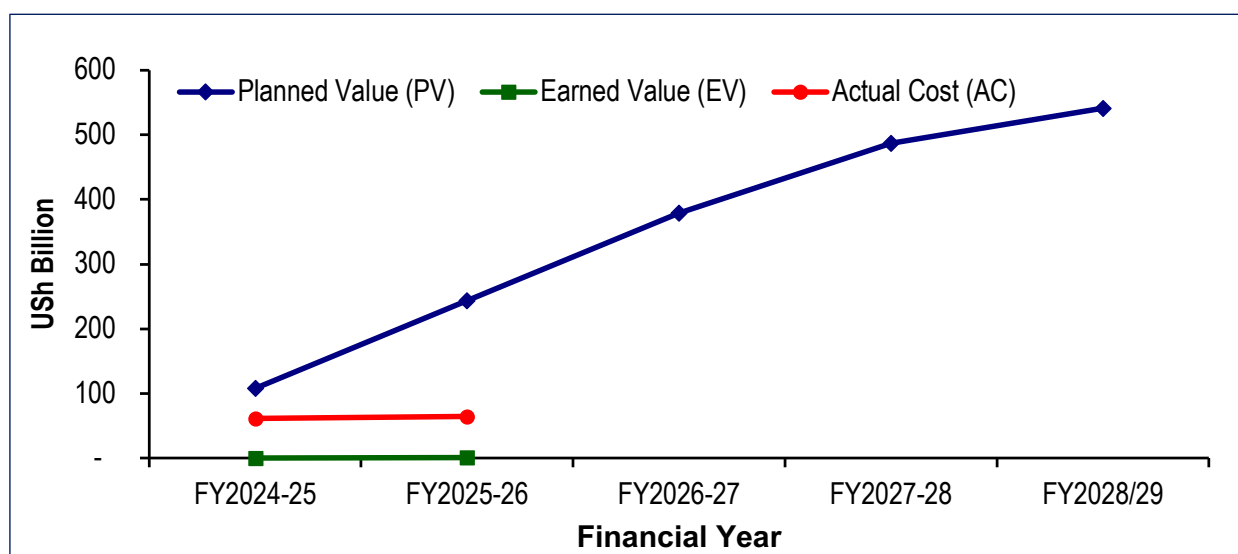


was significantly below the actual cost¹⁰¹ as shown in Figure 3.4.17, due to the advance payment to the contractor.

Physical Performance

As of October 2025, the project's overall physical progress was 0.13%, compared to a planned 0.46%. Civil works on the Kyenjojo (Kihura) – Bwizi – Rwamwanja – Kahunge (68 km) road section commenced on 22nd September 2025, including clearing and grubbing as well as subgrade works. Progress on the civil works was mainly constrained by delayed utility relocations, specifically power and water, persistent heavy rainfall, and delays in land acquisition. The performance of the project is illustrated in Figure 3.4.17.

Figure 3.4.13: Performance of Kyenjojo (Kihura)-Bwizi-Rwamwanja-Kahunge/Mpara-Bwizi Roads Project as of 31st October 2025



Source: Author’s compilation, project monthly progress reports

The contractor was granted access to 8.6 km of the site, representing 8.2% of the project length, which was significantly below the 30% right of access and possession stipulated in the contract at the commencement date. Of the 3,915 project-affected persons, 171 (13.0%) had been compensated by the end of October 2025. The delayed handover of the site to the contractor is likely to result in financial claims.

The supervision consultant was fully mobilised on site, and the supervision and design review processes were ongoing.

¹⁰¹ The CPI was 0.01



(Kihura)-Bwizi-Rwamwanja-Kahungye/Mpara-Bwizi Road Project, L-R: Preparation of fill layers at km 2+400; Asphalt concrete Plant Assembled at the Contractor's Camp in Preparation for asphalt Works

Implementation constraint

Delayed acquisition of the right-of-way due to inadequate counterpart funding is the main constraint to the project.

Conclusion

The construction of Kyenjojo (Kihura)-Bwizi-Rwamwanja-Kahungye/Mpara-Bwizi Roads commenced, with progress at 0.13%. However, there is a high risk of the project falling behind schedule due to delayed land acquisition. With the contractor fully mobilised on site, it is essential to accelerate the acquisition of the right-of-way to prevent delays and potential financial claims.

Recommendations

The MoWT and MoFPED should prioritise the acquisition of the right-of-way for the project.

3.4.19 Upgrading of Katine-Ochero Project (1796)

The Government of the Republic of Uganda identified the need to upgrade the Katine-Ochero road (69.3 km) from gravel to a paved standard to improve transportation infrastructure in the Teso sub-region. The project's primary objective is to enhance connectivity, facilitate economic activities, and improve access to essential services for the local population. The project start date was 1st July 2023 and is expected to end by 30th July 2028.

The project's scope includes upgrading the existing gravel road to a Class II paved road with an asphalt concrete carriageway. Additionally, 2.9 km of town roads in Kaberamaido and Kalaki Towns will be constructed to improve urban connectivity.

The total project cost is estimated at US\$ 108 million (US\$ 309 billion), funded through a combination of loans and GoU contribution. The GoU is responsible for financing land acquisition along the project corridor. Table 3.4.18 presents a summary of the project information.



Table 3.4.18: Summary of the Katine-Ochero Road Project as at end of October 2025

Funding Agency/ Development Partner	OPEC Fund for International Development	Islamic Development Bank
Loan Amount	USD 30 million	USD 70 million
GoU Counterpart funding	USD 8 million	
Loan Signature Date	7 th February 2024	29 th April 2024
Date Of Loan Effectiveness	23 rd April 2024	29 th October 2024
Date Of Closure	31 st March 2028	30 th April 2029
Loan Disbursement Performance	0%	0%
Project Status	Still under procurement	

Source: Author's Compilation, Project Documents

Financial Performance

No funds were disbursed by the development partner by 31st October 2025 while the GoU had released US\$ 100 million, of which 56.4 million was spent.

Physical Performance

As of end of October 2025, the procurement process for both the contractor and the project consultant was ongoing, with Bids at the evaluation stage for the civil works contractor.

Implementation constraint

Delayed finalisation of procurement for the contractor and the supervision consultant partly attributed to management changes from the UNRA to MoWT.

Conclusion

The project was at the procurement stage, with no development partner funds disbursed despite the loan being effective as of the end of October 2025. Implementation progress was limited by delays in finalising procurement for the civil works contractor and supervision consultant, which has restricted both financial and physical performance and delayed project start.

Recommendation

The MoWT and the development partners should fast-track the procurement of the contractor and the supervision consultant to enable the commencement of works.



3.5 Manufacturing

This section provides the cumulative performance of Project 0994: Development of Infrastructure at Kampala Industrial and Business Park (KIBP), Namanve.

3.5.1 Development of Industrial Parks Project -0994

Introduction

The Kampala Industrial and Business Park (KIBP) is a 2,200-acre facility located partly in Wakiso (Kira Municipality) and Mukono (Mukono Municipality), about 14 km east of Kampala along the Kampala-Jinja highway at Namanve. The focus of this project is to provide critical infrastructure connecting all estates in the KIBP. The project is financed through a loan valued at EUR 219 million from United Kingdom Export Finance (UKEF) and Standard Chartered Bank UK (SCB), with counterpart funding from the Government of Uganda.

In 2018, a commercial Engineering, Procurement and Construction (EPC) contract for the infrastructure development of KIBP was signed between the Government of Uganda through Uganda Investment Authority (UIA) and M/s Lagan in Joint Venture with M/s Dott Services, which transformed into M/s Lagan Dott Namanve Limited (LDNL). The contract commenced on 6th July 2020, with the initial expected completion date of 5th January 2024, which was extended by 20 months to 4th September 2025 and revised further by 12 additional months to 30th September 2026. Table 3.5.1 shows the summary of the contract.

Table 3.5.1: The Kampala Industrial and Business Park Contract Summary

Project Name	Development of Infrastructure (Design and Build) at Kampala Industrial and Business Park, Namanve
Funding agencies	The Government of Uganda with support from United Kingdom Export Finance (UKEF) and Standard Chartered Bank UK (SCB)
Employer	The Government of Uganda represented by the Uganda Investment Authority
Initial Owner's Engineers	Consortium: M/s Roughton International Ltd, Turner and Townsend International Ltd, Joadah Consult Ltd. and Basic Group Ltd
Current Employer's representative (ER)	MBW Consulting Ltd in joint venture with PM Excellence appointed on 1st August 2023
EPC contractor	Lagan Dott Namanve Ltd
Project commencement date	6th July 2020
Initial expected completion date	05th January 2024
Revised completion date	4th September 2025.
Second revised Completion date	30 th September 2026



Project duration	Initially, 42 calendar months (revised to 62 months, and currently to 74 months)
EPC contract value	EUR 215,065,212.41 (Two Hundred and Fifteen Million Sixty-Five Thousand Two Hundred Twelve and Forty-One cent only, Taxes exclusive.)
Original Owner's Engineer contract amount	EUR 8,805,781.4
ER's contract (time-based)	US\$ 17,134,514,500. (Revised to US\$ 21,418,143,125 due to extension of time)
Defects liability	12 months
Scope of works	<p>Project studies (economic studies, park management studies, flood risk assessment, and drainage masterplan).</p> <p>Design and construction of a 44.35 km road network, bridges, and weighing bridges facility (upgrade roads to asphalt pavement and walkways, plus greening).</p> <p>Design and construction of drainage network (complete surface water drainage network in the road corridors using stone pitch and concrete culverts).</p> <p>Design and construction of a 20 km sewerage network, including an underground sewer pipe network.</p> <p>Design and construction of an overpass on the Kampala-Jinja highway, comprised of two 12-meter-wide carriageways, two 1m hard shoulders, safety barriers, and two opposite walkways.</p> <p>Design and construction of a 32 km water supply and distribution network plus reservoirs.</p> <p>Design and construction of a waste treatment plant, plus toilets and a solid waste treatment plant.</p> <p>Design and construction of an SME park. This will include a common facility centre, a market promotion centre, and individual SME workspaces.</p> <p>Design and construction of power network, including the supply and laying of 33 KV single-core cable (an underground power distribution system).</p> <p>Installation of CCTV services, street lighting, and fibre optic services.</p> <p>Other amenities, such as water hydrants, greening the park, a gym for workers and a police station.</p>

Source: UIA- Project progress report, October 2025.

Financial Performance

The overall project budget was estimated at EUR 223.87 million, equivalent to US\$ 896 billion, of which EUR 219 million is a loan. By 31st October 2025, the overall contract financial performance was 62.3% against a revised time progress of 84% representing poor performance. A total of 32 Interim Payment Certificates (IPCs) worth EUR 134.45 million were received and EUR. 132.984 million certified and paid to the contractor. On the other hand, the original Owner's Engineer was paid EUR 1,896.674.46 (21.54% of the contract) before UIA terminated the contract due to poor performance.



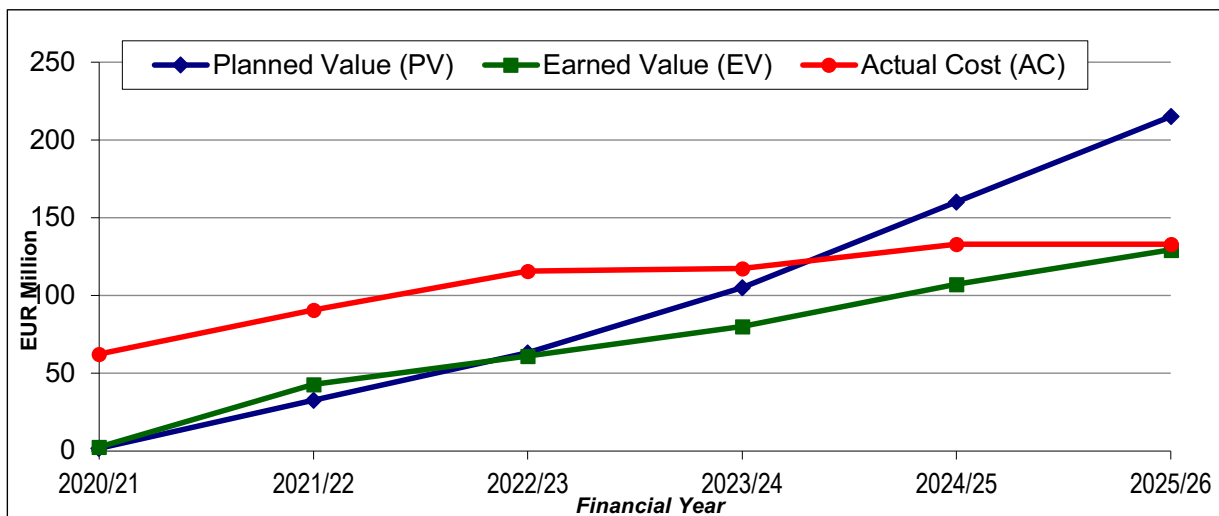
The Engineer’s Representative (ER) invoices were cleared and a total of US\$ 21.418 billion (100%) paid by 31st October 2025. It was noted however that the contract for the ER had elapsed yet the contractor had been given an extension of 12 months. The project had spent more funds compared to the value of works done¹⁰² (Figure 3.5.1) with a cost variance of EUR - 3,583,614.55.

Physical Performance

The cumulative physical progress was 62.3% up from the 58% in April 2025, against the revised planned progress of 84%. (Table 3.5.2) The slow progress was attributed to the delayed identification of the three sites that meet the environmental compliance requirements in wetlands. These include the wastewater treatment plant, the solid waste treatment plant, and the SME park, which together contribute 30% of the project scope. Although the site for the wastewater treatment plant was handed over to the contractor in April 2023, construction had not commenced as of 31st October 2025 due to the contractor’s reluctance to commence works.

The project's cumulative earned value was below the planned value at EUR 132.9m against a EUR 215m. The project was behind schedule¹⁰³ with a schedule variance of EUR -85.66m.

Figure 3.5.1: Performance trends of KIBP by 30th October 2025



Source: UIA, and field findings

The slow progress on achievement of outputs has led to cost and time overruns arising from idle time claims, price variation, and extension of the ER contract. Moreover, the UIA had not secured alternative sites for the Solid Waste Treatment Facility and the SME Park. The Disputes Adjudication Board (DAB) had not been constituted to address the matters arising from divergent interpretation of the EPC terms. The commercial loan facility was expected to expire in December 2025 before full utilization of resources. It was observed that whereas the contract was classified as an EPC, ad measurement

¹⁰² Cost Performance Index (CPI)=0.97

¹⁰³ Schedule Performance Index (SPI)=0.60



provisions were embedded where risk of quantity variation shifts from the contractor to the client. Table 3.5.2 shows the summary performance.

Table 3.5.2: KIBP summary performance by 30th October 2025

No .	Activities	Planned Progress	Achieved	Remarks
1	Consultancy fees (economic and marketing analysis)	100%	100%	Completed
2	Survey works (topo, hydro, environmental, and site investigations)	100%	100%	Completed
3	Engineering design and supervision	100%	91.0%	The Contractor was tasked to submit a Record and Issue Register (RIR) to track the revision history of drawings and documents.
4	Road network and bridge construction	84%	65%	Approximately 35 km of the 43 km of roads were under construction. The North Estate registered significant progress at 97%, South A Estate at 73%, South B Estate at 30% and South C Estate at 60%
5	Water supply network construction	100%	91.5%	Excavation and pipe laying of HDPE DN 80 and backfilling were ongoing in South C estate, but behind schedule
6	Sewerage network construction	100%	67.1%	Excavation, manhole installation, duct, pipe laying for sewer line, and backfilling were ongoing in the North Estate. Bed preparation, pipe laying, and backfilling were ongoing in South A and South C Estates.
7	Wastewater collection	84%	0%	Progress was registered in the north estate. No ongoing works with some incumbrance affecting the completion of the sewer line P1-2, N2-1, and N2b
8	Solid Waste Treatment Facility Construction	84%	0	No work done since the site had not been identified. UIA plan to rescope and package it for another phase.
9	Power supply services construction	84%	23.8%	The UEDCL approved the final design and was submitted to the ER for review.
10	Fibre optic	84%	26.7%	NITA-U review and approval of the Good for Construction drawings still awaited, Micro



No .	Activities	Planned Progress	Achieved	Remarks
				ducts samples and Data sheets submission
11	CCTV services construction	84%	28.7%	RFI raised for setting out points, excavation works, trenching, warning tape laying and backfilling works ongoing in North Estate
12	Street lighting (solar) and traffic lights construction	84%	26.4%	Works ongoing in the North Estate and no progress registered in the South B and C Estates.
13	Waste Water Treatment Plant (WWTP)	63%	0%	Site acquired, contractor procured but yet to commence works.
14	Solid Waste Treatment Facility (SWTF)	63%	0%	No work done since the site has not been identified. UIA initiated the procurement of alternative land for SWTF .
15	Weigh bridge	84%	22%	Slow progress on the weigh bridges
16	SME Park construction	63%	0%	No work done since the site has not been identified. UIA initiated the procurement of alternative land.
17	TOTAL	84%	62.3%	Fair performance overall with on 4.3% increase in six months. All works are behind schedule.

Source: UIA 2025, and field findings.



Top Left: Installed guard rails in the North Estate. **Top right:** Weigh bridge under construction in South A Estate. **Bottom:** A box culvert and sewerage line under construction in South B Estate in Kampala Industrial Park-Namanve

Implementation Constraints

1. The delayed acquisition of sites for the solid wastewater treatment plant and an SME park has slowed project progress.
2. Delayed commencement of construction of the wastewater treatment plant by the contractor, even after the approval for the site was obtained on 18th April 2023 had affected project progress.
3. The absence of a Disputes Adjudication Board to resolve matters of contention in the contract.
4. Expiry of contract for the Consulting Engineer. This is worsened by the absence of GoU counterpart funding for the project to cover the costs of the supervising consultants.

Conclusion

The cumulative project performance by 31st October 2025 was 62.3% against a target of 84%. However, the actual increment over the six months was only



4% representing poor performance and reflecting persistent delays across most project components. This underscoring systemic implementation challenges, particularly delayed site acquisition and non-commencement of critical facilities that constitute a significant proportion of the project scope. These shortcomings point to gaps in project readiness, contract management and coordination, poor negotiation of terms compounded by the absence of a Disputes Adjudication Board, expiry of key consultancy contracts, and inadequate Government counterpart funding to support effective supervision.

The project is consequently exposed to substantial schedule slippage with a negative schedule variance and projected increases in both contractor and consultant costs. Addressing these structural and managerial issues will be critical to enhancing delivery efficiency, cost control, and sustainability of large-scale industrial infrastructure projects.

Recommendations

1. The UIA in consultation with NEMA should urgently identify suitable and feasible sites for the Solid Waste Treatment Plant and the SME Park. Where immediate acquisition is not possible, these components should be re-scoped and phased to minimise further project delays.
2. The UIA should compel the contractor to commence works on the wastewater treatment plant without further delay.
3. The UIA and the Solicitor General's Office should constitute a Disputes Adjudication Board to iron out emerging constraints on contract interpretation which are affecting implementation.
4. The GoU/MFPED should ensure adequate and timely counterpart funding to fulfil the project financial commitments.



3.6 Natural Resource, Environment, Climate Change, Land and Water Resources Management

3.6.1 Development of solar-powered Water Supply and Irrigation Systems Project (1666)

Introduction

The Development of Solar-Powered Water Supply and Irrigation Systems Project (Nexus Green) is financed through a commercial loan from the United Kingdom Export Finance (UKEF) and a contribution from the Government of Uganda (GoU). The total project cost is estimated at US\$ 365.613 billion, inclusive of taxes. The project is implemented by the Ministry of Water and Environment (MWE), with Nexus Green (UK) Limited as the contractor. Its objective is to address growing water supply demands in different parts of the country in the face of climate change impacts on agricultural productivity and the wider economy.

The project comprises three components: Water for Production (WfP), Rural Water Supply (RWS), and Urban Water Supply (UWS). The basic project information is presented in Table 3.6.1.

Table 3.6.1: The basic project information

Project Name	Development of Solar Powered Water Supply and Irrigation Systems Project (Nexus Green)
Type of Contract	Commercial Contract
Loan Amount	Eur 83,259,240.49 (US\$ 415,248,445,296 VAT inclusive)
Contract Sum (VAT Exclusive)	Euro 94,119,145 (US\$ 351,903,012,115)
Government Contribution	Euro 10,859,904.51 (US\$ 13,710,610,744-Taxes inclusive)
Contract Signing Date	03 July 2020
Commencement Date	26 July 2021
The original date of completion	25-July-2024
1st Revised date of Completion	23rd August 2025
Second Revised date of completion	23rd December 2025
Last Loan Disbursement date	6-July-2025

Source: Facility agreement February 2021; Supervision contract July 2021; and MWE October 2025 Project Report

Scope of Work

The revised plan is to construct 434 solar-powered water supply and irrigation systems across the country, reduced from the original 687 sites due to cost



overruns and the lack of water sources in some areas. The number was also reduced because systems were expanded to serve larger populations.

The project packaging was designed such that irrigation sites form small-scale irrigation systems (SSIS), urban sites receive energy packages, and rural communities are provided with piped water supply. The scope of work includes the construction of pump and guardhouses, transmission and distribution lines, reservoir tanks, public stand posts, sanitation facilities, and the installation of solar arrays.

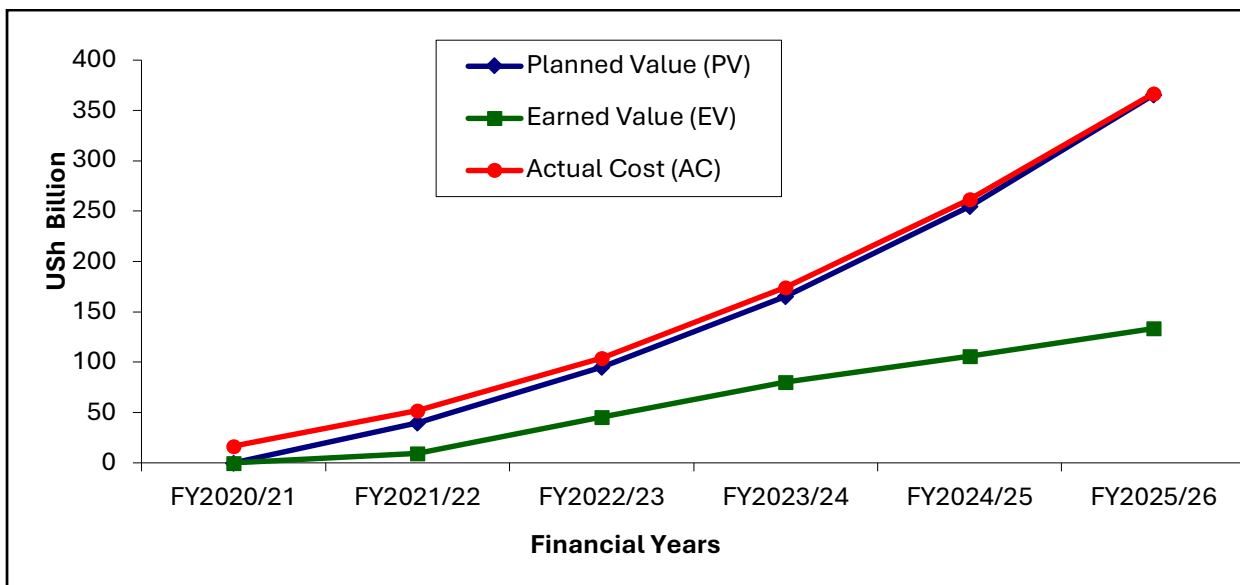
Financial Performance

By 30 September 2025, a total of US\$ 366.888 billion representing 100.3% of the approved project cost¹⁰⁴ had been released and spent (operating over the budget). This was an increased expenditure from US\$ 195.403 billion (49.2%) in May 2025. The project expenditure exceeded the value of work completed¹⁰⁵ (Figure 3.6.1). This over-expenditure implies that the remaining resources are insufficient to complete the outstanding works.

Physical Performance

The overall project performance was at 73% against 96%-time progress. This is an improvement from 48% in May 2025. By the end of November 2025, construction had been completed for 319 out of the 434 designated sites. However, works were just beginning on the last sites handed over to the contractor (Figure 3.6.2).

Figure 3.6.1: The performance of solar-powered water supply and irrigation systems by 30th November 2025



Source: MWE Project data for the period 2020–2025

¹⁰⁴ Cost Variance is -913

¹⁰⁵ CPI was 0.48



The sites were at different stages of construction, with some completed, others ongoing, and some just commencing (Table 3.6.2).

Table 3.6.2: Site status for solar-powered water supply and irrigation systems project by October 2025

Site Category	General Status of Sites			
	No. of sites under construction	No. of sites Substantially Completed	No. of sites Technically handed over	Sub Totals
Urban Sites	14	14	58	86
Rural Sites	32	26	93	151
Irrigation Sites	68	40	88	196
TOTAL	114	80	239	434

Source: MWE monthly progress reports October 2025

The sites monitored in November 2025 were at varying stages of completion. At locations where irrigation systems were operational, farmers were already practicing irrigation and benefiting from a reliable and consistent water supply for agricultural production. The high-yielding crops grown include coffee, bananas, passion fruits, tomatoes, onions and cabbages.

Cases of land disputes and vandalism of key components, including pumps, pipes, and solar panels, were reported. These were notably observed at the Singo–Ntagala system in Luweero District, where landownership expectations of free water access led to disputes. They were also observed at the Namutala Irrigation Scheme in Mpigi District, where the system was vandalised. In addition, concerns were raised about inadequate security arrangements at some commissioned sites, particularly where guards were present but not formally engaged.

Ongoing project activities included site handover for new locations, commissioning of completed water systems, technical inspections, and stakeholder engagements at all levels. However, operation and maintenance structures for the completed sites had not yet been established, which compromises the sustainability of the systems if not addressed. Plans were underway to establish these structures using resources saved from the reduced project targets, which had previously been a major constraint.



L; A vandalized system in Namutala Mpigi District and a garden of tomatoes in Kibanjwa-Kyarusura River Water System in Hoima District

Implementation Constraints

1. Significant operational challenges arose from delayed processing of counterpart and consultancy payments, which strained project timelines and other deliverables like software activities which prepare beneficiaries to own the sites provided.
2. Security risks, primarily stemming from frequent acts of vandalism on expensive equipment such as water pumps and solar panels, significantly increase maintenance costs and threaten the sustainability of the implemented systems.

Conclusion

The project progress was at 73% with an increase in the number of completed outputs reported in May 2025. However, this was behind and the value of the outputs was lower than the incurred costs. The project was affected by poor planning, as no feasibility studies and designs were conducted before project approval. Additionally, land acquisition issues and gaps in counterpart funding were key constraints to the pace of implementation. As a result, the scope was adjusted, and the number of targeted construction sites was reduced by 37%. Furthermore, software activities and the agronomic training were late which may impact the long-term sustainability of the project.

Recommendation

1. MWE/MoFPED should prioritize the budgeting and timely release of counterpart funds and consultancy payments for works to be completed within the stipulated timelines.
2. District Local Governments (DLGs) should enhance security by increasing patrols to mitigate vandalism and protect critical assets.
3. MWE should prioritise early engagement with district authorities to clearly define responsibilities for system operations and maintenance.



3.6.2 Enhancing Resilience of Communities and Fragile Ecosystems to Climate Change risk in Katonga and Mpologoma Catchments (1799)

Introduction

The **Enhancing Resilience of Communities and Fragile Ecosystems to Climate Change Risks Project** has a total cost of **US\$ 173.25 billion**, financed primarily through a **Climate Adaptation Fund grant of US\$ 166.75 billion**, with a **Government of Uganda (GoU) contribution of US\$ 6.5 billion**. The initial phase of the project focuses exclusively on the **Mpologoma catchment**. The project is **implemented by Water-Aid** under the **supervision of the Ministry of Water and Environment (MWE)**. It commenced on **1st July 2023** and is scheduled to run until **30th June 2027**.

The overall objective of the project is to strengthen the capacity of communities within the Mpologoma catchment to **adapt to climate change-induced floods and landslides**. This is achieved through the establishment of **integrated early warning systems**, provision of **climate-resilient water, sanitation, and hygiene (WASH) services**, and implementation of **sustainable catchment management interventions**.

Scope of works

- a) Strengthen the institutional capacity for planning, designing, implementation and monitoring of integrated FEWS and climate-smart WASH technologies
- b) Develop and promote adoption of FEWS, climate-smart WASH and Catchment Management technologies
- c) Facilitate communities to undertake adaptation actions for reinforcing resilience of populations and ecosystems against floods and landslides
- d) Enhance knowledge management and skills sharing in FEWS, climate resilient WASH and Catchment Management technologies.

The project has two components i) Strengthening institutional capacity for planning, designing, implementing and monitoring integrated Flood Early Warning systems (FEWS) and climate-smart WASH technologies, and ii) Facilitating communities to undertake adaptation actions for reinforcing resilience of populations and ecosystems against floods and landslides.

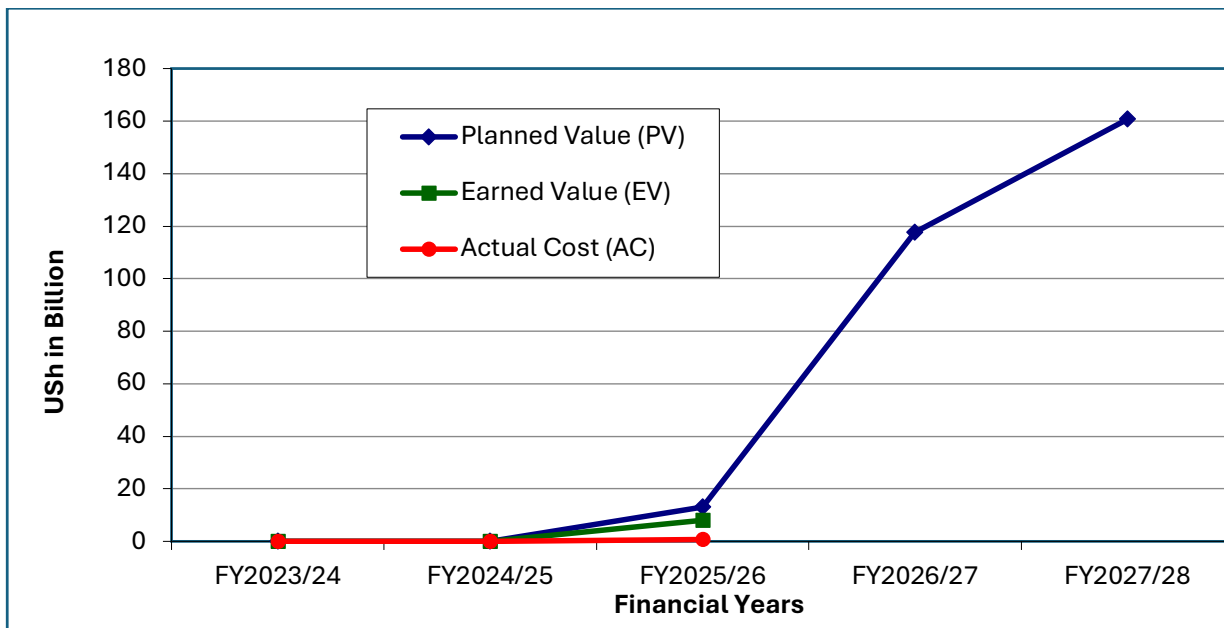
Financial Performance

By **September 2025**, the **total project disbursement and expenditure amounted to US\$ 709.3 million**, representing only **0.42% of the total project cost (US\$ 160.674 billion)**. This reflects **poor financial performance**, consistent with the situation observed in **May 2025**. The low level of actual expenditure indicates that the project remained **significantly operating under the budget**¹⁰⁶, with certificates not yet paid, as illustrated in **Figure 3.6.2**.

¹⁰⁶ CPI =11.32



Figure 3.6.2: Performance of 1799 Project by 30th September 2025



Source: PIP FY2025/26, Q1 Project Report FY 2025/2026

Physical progress

By the **end of November 2025**, the **overall project performance was rated as poor at 5%**, unchanged from **May 2025**, indicating that the project remained **significantly behind schedule**¹⁰⁷. This underperformance was partly attributed to the **loss of approximately 12 months prior to the commencement of implementation**, due to delays in the **signing of the grant agreement**. Consequently, **only preparatory activities were carried out** as indicated hereafter.

Component 1: Strengthening institutional capacity for planning, designing, implementing, and monitoring integrated FEWS and climate-smart WASH technologies.

By the end of November 2025, two functional Flood Early Warning Systems (FEWS) had been identified in Mbale and Butaleja districts, alongside 15 weather and hydrological stations with the potential to support the development of additional early warning systems to enhance climate resilience.

An assessment of climate-resilient WASH technologies was conducted across six sub-catchments in 11 districts, covering solar-powered water systems, gravity flow schemes, boreholes, springs, wells, and household and institutional latrines.

To establish institutional linkages and partnerships for the utilisation and review of WASH information, a concept note was prepared and submitted for



approval to integrate climate-resilient WASH into governance committees at catchment and sub-catchment levels.

In addition, a concept note and terms of reference were developed for the procurement of a consultant to build capacity in the planning, design, implementation, and monitoring of integrated Flood Early Warning Systems (FEWS), oversee the construction of 11 domestic rainwater harvesting tanks, support the development of six riverbank restoration action plans, and guide the implementation of flood control and landslide mitigation measures covering 20 hectares in the Mpologoma catchment.

The development of guidelines for integrated flood and WASH planning, design, implementation, and monitoring was not undertaken during the reporting period; however, a concept note and terms of reference were developed for the equipping and upgrading of six selected weather stations.

Component 2: Facilitating communities to undertake adaptation actions for reinforcing resilience against floods and landslides

The Knowledge, Attitude and Practices (KAP) survey in Mpologoma catchment involved 1,440 households and local leaders across 11 districts, focusing on knowledge, attitudes, and practices related to WASH and Climate Change.

An assessment for promotion of adaptive catchment protection measures across 46 villages in 11 districts was carried out and found that out of 72 water sources, 90.3% do not meet national standards and are unsuitable for drinking. The goal was to identify challenges and opportunities to improve water access and sustainability in the region.

In a bid to improve sanitation services in small towns and rural growth centres, hygiene behavior change awareness meetings were held in all six sub-catchments and an assessment of low-cost, climate-resilient water infrastructure was conducted in 11 districts.

Implementation constraints

1. Confusion over roles and responsibilities between the Executing Entities (MWE and Water-AID) arising from the broad scope of the project.
2. Delayed procurement of service providers which affected the progress of works.
3. The delay in signing of the agreement caused the delay in project starting thus dragged the overall project performance.

Conclusion

The project performance was rated very poor (5%), mainly due to significant delays and time losses that adversely affected overall progress. The primary cause was the delayed signing of the financing agreement, which resulted in the loss of valuable implementation time. Additional delays arose from challenges related to the project's working modalities, including the contracting of Water-AID as an executing agency and persistent confusion over stakeholder roles and responsibilities. Consequently, by November 2025,



the project had only completed preliminary activities, which severely undermined overall performance.

Recommendations

1. MWE should clearly define, document, and communicate the roles and responsibilities of all stakeholders, and put in place mechanisms to ensure adherence and accountability throughout project implementation.
2. MWE should fast-track procurement processes to minimize further delays and enable timely implementation of planned activities.

3.6.3 Farm Income Enhancement and Forestry Conservation Project Phase II (Project 1417)

Introduction

Farm Income Enhancement and Forestry Conservation Programme - Project (FIEFOC-2) secured a loan from the Islamic Development Bank (IsDB), the Arab Bank for Economic Development in Africa (BADEA) and the Government of Uganda (GoU) counterpart funding. The loan is for the development of irrigation schemes Unyama, Namalu and Sipi. The Ministry of Water and Environment (MWE) is the Executing Agency (EA), while the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) implements activities that fall within its mandate.

The specific objective is to improve farm incomes, rural livelihoods, food security, and climate resilience, through sustainable natural resources management and agricultural enterprise development. The project scope entails constructing irrigation schemes covering 2,900 hectares in the Northern and Eastern Regions of Uganda. The second financing basic data of this phase is presented in **Table 3.6.3**.

Table 3.6.3: Project Financing Data

IsDB (Total for All Modes)	US\$ 311,400,000,000)
Co- Financier BADEA	US\$ 54,000,000,000)
Government Financing	US\$ 71,100,000,000)
Total Project Cost	US\$ 436,500,000,000)
Date of loan approval	18th December 2021
Date of signing financing agreement	4th July 2022
Date loan declared effective	8th October 2022
Initial Disbursement date	20th March 2023
First closing date	Originally 31st December 2024
Revised closing date	30th April 2027

Source: The Project Documents



Financial Performance

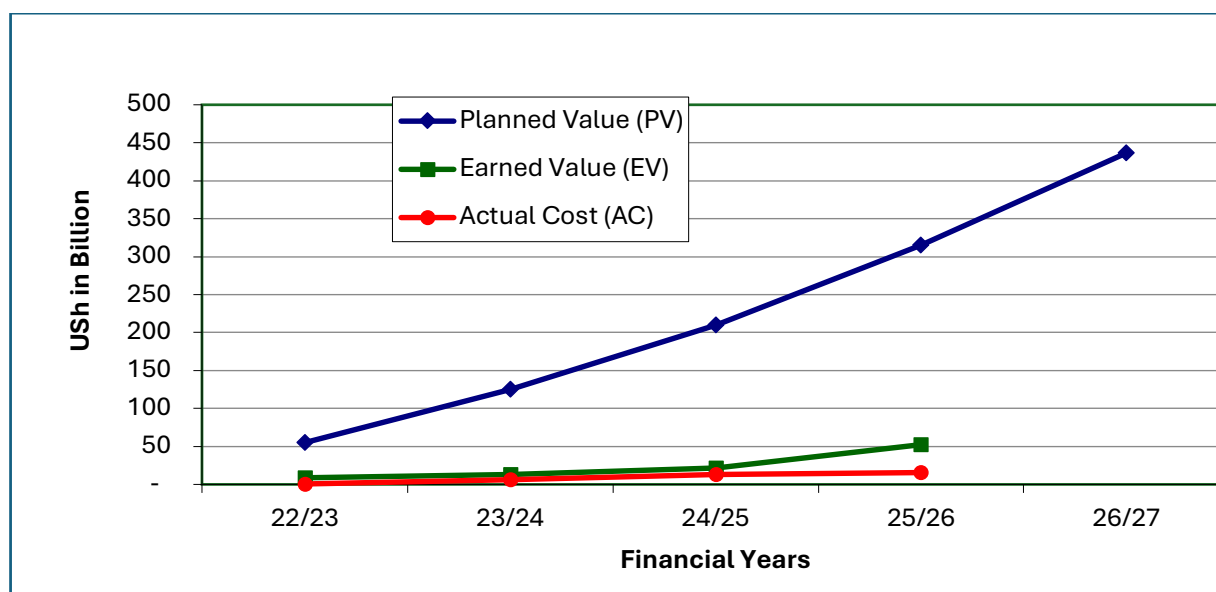
The overall project cost is US\$ 436.50 billion of which US\$ 17.07 billion (4%) was released and US\$ 15.6 (91.3%) was spent by November 2025. The earned value analysis indicated that (Figure 3.7.3) the expenditure was low compared to the earned value thus placing the project under budget. However, the project low expenditure was reflected more in nonpayment of all done so far, less money compared to the works done under Sipi Irrigation scheme¹⁰⁸.

There was no disbursement registered under GoU counterpart funding and thus no compensation of project affected persons (PAPs) was achieved. The funds were utilized on commencement of works of Sipi irrigation scheme and initial project implementation activities including community mobilization to pave way for infrastructure development activities and PMU operational costs. The slow disbursement was largely due to the delayed completion of the procurement process for works, services and goods as well as delayed compensation of PAPs.

Physical Performance

By end of November overall physical performance was estimated at 2% which was poor against 67% elapsed time. This was mainly due to the delays experienced in procurement of works for Namalu, Unyama Irrigation Schemes and the related consultancy services. The construction works and supervision for Sipi irrigation Scheme began on 26th May/2025 and actual progress was at 12.8% completion level. The project was behind schedule¹⁰⁹ with 16 months (33%) left to the end of the project time.

Figure 3.6.3: Performance of FIEFOC-II Project as at 30th September 2025



Source: Authors compilation, FIEFOC-II project progress report, PAD irrigation project

¹⁰⁸ Cost Variance= 678

¹⁰⁹ Time schedule= is -986



Implementation Constraints

1. **Procurement Delays:** Challenges arose from limited experience with Islamic Development Bank (IsDB) procurement procedures. Additionally, progress stalled when contractor bids significantly exceeded allocated budget provisions which led to retendering of works.
2. **Design and Documentation Lags:** The preparation of detailed infrastructure designs and bidding documents finalisation occurred well behind the original schedule.
3. **Land Acquisition and Compensation Hurdles:** Although Project Affected Persons (PAPs) for the Unyama, Sipi, and Namalu irrigation schemes were identified; the Resettlement Action Plan (RAP) could not be completed on time. This was primarily due to a lack of Government of Uganda (GoU) counterpart funding for land acquisition and compensation
4. **Complex Financing Processes:** Prolonged procedural requirements between project approval (December 18, 2021) and the signing of the Financing Agreement (July 4, 2022) delayed the official launch until May 3, 2023.

Conclusion

The project registered a poor overall progress rate of only 2%. Significant delays occurred at the onset, with nearly a year passing between loan approval and the signing of the financing agreement. The construction of the Unyama, Namalu, and Sipi irrigation schemes which represent 90% of the project funding was hindered by prolonged procurement processes, delay in detailed designs and high quotation of bids which required retendering. Consequently, physical progress remained minimal; only the Sipi scheme had commenced works, with a 12.8% completion rate. While the Project Management Unit (PMU) was established and stakeholder engagements and PAP identification were completed, compensation had not yet been paid due to the non-disbursement of Government of Uganda (GoU) counterpart funding.

Recommendations

1. The Ministry of Water and Environment (MWE), in collaboration with the Public Procurement and Disposal of Public Assets Authority (PPDA), should build the capacity of all stakeholder institutions regarding the Islamic Development Bank (IsDB) procurement guidelines and requirements.
2. The MWE must expedite the process of awarding contracts for civil works construction and supervision for the Sipi, Namalu, and Unyama irrigation schemes.
3. The Ministry of Finance, Planning and Economic Development (MFPED) should prioritise the timely provision of Government of Uganda (GoU) counterpart funding to compensate Project Affected Persons (PAPs), thereby securing necessary land for project civil works.



3.6.4 Investing in Forest and Protected Areas for Climate Smart Development (1613)

Introduction

The Investing in Forests and Protected Areas for Climate Smart Development (IFPA-CD) Project is funded by the World Bank-International Development Association (IDA) and the Government of Uganda (GoU). The total project cost is USD 178.2 million, with the World Bank contributing USD 148.2million¹¹⁰ (83%) and the GoU providing USD 30 million¹¹¹ (17%). The project implementation period was from July 1, 2020, to June 2026. The loan became effective on August 18, 2021, and is scheduled to close on June 30, 2026.

The objective of the project is to: “improve sustainable management of forests and protected areas in the Albertine Rift and West Nile regions, while also increasing benefits to communities from forests in these target landscapes”. The project's geographic coverage includes the Albertine Rift and West Nile, with a focus on selected protected areas (PA): Seven National Parks (NP), four Wildlife Reserves (WR), 27 Central Forest Reserves (CFR) and 19 refugee hosting districts.

The Ministry of Water and Environment (MWE) serves as the lead implementing agency, working in partnership with the National Forestry Authority (NFA) and the Uganda Wildlife Authority (UWA). The implementing agencies also collaborate with the Ministry of Tourism, Wildlife and Antiquities (MTWA) on tourism-related activities, and with the Office of the Prime Minister (OPM) and the United Nations High Commissioner for Refugees (UNHCR) in refugee-hosting areas. Additional collaboration involves contractors and District Local Governments.

The project is structured into four components: 1) Improved Management of Protected Areas; 2) Increased Revenues and Job Creation from forests and Wildlife Protected Areas; 3) Improved Landscape Management in Refugee Hosting Areas; 4) Project Management and Monitoring.

Financial Performance

By 30th September 2025, only USD 50 million (29% of the project cost) had been disbursed and USD 27.5million (55% of the disbursed amount) expended. Although this was an improvement from the USD 18.6 million in April 2025, this indicates poor financial performance, with both disbursements and expenditures lagging behind the project timeline of 85%. The cumulative earned value was below the planned value but above the actual cost, at USh 312.32bn¹¹² compared to a target of USh 659.34bn (Figure 1). This was partly due to pending payments to suppliers.

¹¹⁰ Exchange rate 1 USD= 3,700, Equivalent value UShs 548.34 billion

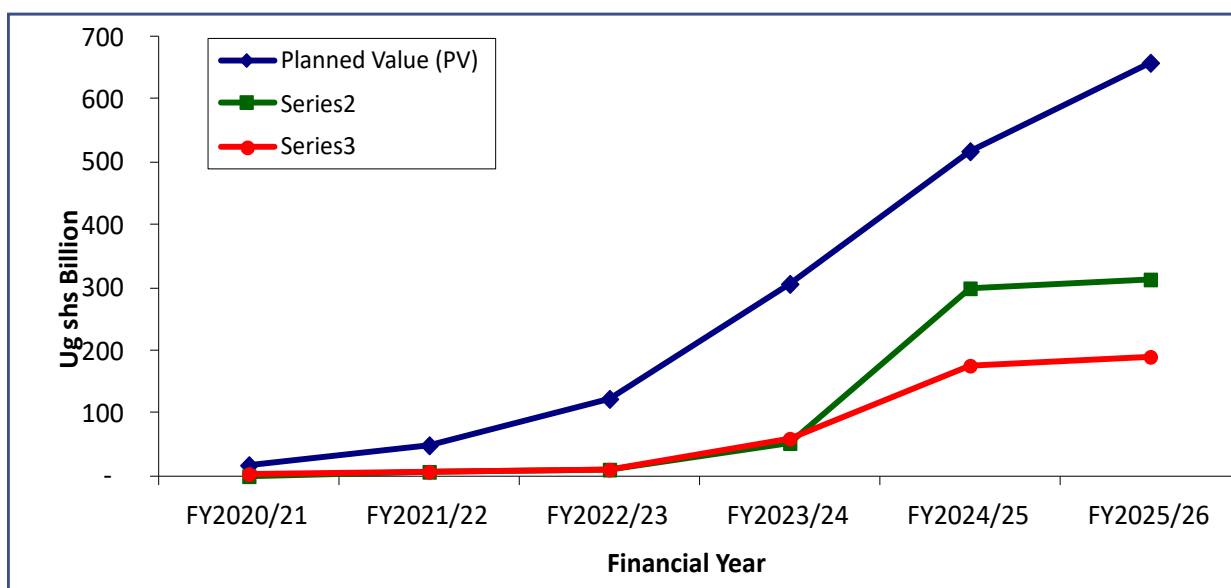
¹¹¹ Equivalent Ug shs 111 billion

¹¹² Exchange rate of 1 USD=3,750 is used to translate to UShs 312.32bn

Physical performance

By 30th September 2025, the project had achieved 52% physical progress—but remains behind schedule. Notable gains were registered in forest restoration, tourism enhancement, and community livelihoods. Key outputs included road works, boundary demarcation, invasive species control, enrichment planting alongside support to Collaborative Forest Management (CFM) and Collaborative Resource Management (CRM) groups. However, there was limited progress with staff/administrative and tourism infrastructure development. The Cost Performance Index (CPI) shows the project is operating below the planned budget and is behind schedule. The higher earned value was attributed to pending payments to suppliers for completed work.

Figure 1: Performance trend of the Investing in Forest and Protected Areas for Climate smart Development project as at 30th September 2025.



Source: Authors' analysis based on MWE, IFPA-CD Project Progress Report September 2025 IFMS Data PBS Reports FY 2019/20 – FY 2025/26, OAG VFM report

The detailed physical performance achieved by the respective implementing agencies by component is indicated as follows.

Component 1: Improved Management of Protected Areas

This component seeks to strengthen the management of Forest Protected Areas (FPAs) through improved infrastructure, restoration of degraded ecosystems, community participation, and enhanced protection of Central Forest Reserves (CFRs), especially those near refugee settlements. It is jointly implemented by the National Forestry Authority (NFA) and Uganda Wildlife Authority (UWA).

Under NFA, the planned activities included constructing 145 km of new roads in CFRs, demarcating 521 km of boundaries with 2,627 pillars, and constructing/renovating 47 office blocks and 57 staff housing units. Invasive species management was planned for 6,050 ha in Budongo, Kalinzu, Matiri, and Maramagambo, plus 1,000 ha of bamboo in Echuya. Other planned activities included, Community engagement through the establishment of 19 Collaborative Forest Management (CFM) groups. Restoration efforts for



enrichment planting for 5,000 ha. Seedling production targets that were revised from 2.5 million to 988,000.

By September 2025, NFA Boundary survey and demarcation of 85 km in Otzi East and West were completed with 450 pillars installed, concluding CFR boundary work under IFPA-CD. The draft TORs for new forest roads and invasive species inventories were reviewed and submitted to the World Bank. The draft contracts for station buildings and Visitor Information Centres were approved by the Solicitor General but not yet signed. NEMA approved the Environmental and Social Impact Assessment (ESIA) for Budongo canopy walk; BOQs were prepared in preparation for construction bidding. Training of 19 CFM groups in craft making was completed, with startup equipment provided. Two new CFM groups in Wati Central Forest Reserve received 600 beehives and equipment. The 19 new CFM groups now manage 7,731.9 ha across 13 CFRs. Enrichment planting of 1,670 ha in eight CFRs was completed, bringing the cumulative total to 4,834 ha. Restoration planting of 500 ha in Bugoma CFR was completed, bringing the cumulative restored area to 2,365 ha, with maintenance continuing to 2026.

UWA's interventions included constructing and maintaining 400 km of new and existing murrum roads, managing Human-Wildlife Conflict (HWC) through 25 km of trenches, 1,173 m of boardwalks, and 162 km of electric fencing (61 km in Queen Elizabeth National Park (QENP) and 101 km in MFNP). Other targets included establishing 800 acres of buffer tea, constructing a 15 km buffalo wall, building 46 staff houses, and enhancing fire management with one fire truck. Equipment for invasive species management, mobility, and surveillance (20 vehicles, 82 motorcycles, 11 drones, and 8 digital cameras) was to be procured. Community support involved provision of energy-saving stoves and water tanks to 50 CRM members.

By September 2025, procurement of local contractors for maintenance works had just commenced. A total of 49.1 km of electric fencing (80% of the 61 km target) was completed in QENP. Extension services supported 31 farmers in preparing and planting 200 acres of tea, with supervision and seedling replacements ongoing. Procurement of 250 smartphones and all binoculars was completed. In protected areas, communities were mobilized, households selected, and sites mapped for water harvesting tanks, though procurement of the tanks was still ongoing. CRM funds were disbursed, and the review of MoUs for sustainable use of non-timber forest products continued. A booklet guiding the creation of a medicinal access zone and MoUs for Batwa medicinal plant collection was finalized and printed.

Component 2: Increase Revenues and Jobs from Forests and Wildlife Protected Areas

This component focuses on increasing tourism investments and job creation through infrastructure and service development in forests and wildlife areas. It is implemented by NFA, UWA, and MWE.

NFA planned to construct three Visitor Information Centres (VICs) in Budongo, Echuya, and Bugoma CFRs, habituate chimpanzee groups in



Kalinzu and Budongo, and develop a canopy walk and picnic site in Budongo. Other attractions included jetties and bird hides in Kasyoha–Kitomi CFR, boardwalks in Echuya, and eco-gates. Trail maintenance was planned for 81 km and development of new trails for 70 km. Fifty staff were to be trained in tourism, and an online tourism reservation system was to be developed.

By September 2025, NFA a Central Reservation System (CRS) for tourism was completed and is now accessible on the NFA website for direct bookings. Procurement for the construction of the three VICs had been approved by the Solicitor General, with contract signing pending the conclusion of the supervision procurement process. Approval from the Solicitor General for the supervision procurement was still awaited. Continuous maintenance of 81 km of tourism trails in Budongo and Kalinzu CFRs was carried out with support from CFM communities. Chimpanzee habituation in both Kalinzu and Budongo progressed well, with encounter rates reaching 80% at a distance of 35 meters. The sites were expected to be ready for visitors by June 2026, although further improvements were still required.

By September 2025, Procurement for the 3-peak trail in MGNP and the canopy walk advanced and awaited signed minutes for further processing. Construction of the picnic site in BINP began. All ten project briefs for tourism infrastructure received NEMA approval, and bid evaluations were completed. However, contract signing and related supervision procurements were put on hold due to social-safeguard concerns at one site involving government law-enforcement teams.

VIC construction contracts in multiple parks were signed following budget approval, though supervision contracts remained on hold for the same safeguards concerns. Road maintenance progressed, with 59 km maintained in MFNP (a cumulative 332 km) and 53.5 km in QENP (a cumulative 169.2 km). Stream-crossing procurement in MFNP progressed to the contract-signing stage, and construction of boardwalks and ladders in MGNP and SNP was underway. In addition, UWA faced approval delays caused by budget shortfalls, which were resolved after the Bank granted budget top-ups, enabling progress on several tourism infrastructure projects.

Support to the 10 CBTEs progressed slowly: procurement for business-development training shifted to direct selection, while the design and ESMP consultancy contracts remained uncleared by the Solicitor General. Most of these activities were delayed by lengthy procurement procedures.

MWE's role under this component included establishing 18,000 hectares of forest plantations, developing curricula for diploma and certificate programs at Nyabyeya Forestry College, and conducting a study on sustainable financing models for plantation forestry.

Procurement processes for the related consultancy services were ongoing at different stages. The development of the Curricula for wood processing and forestry course at Nyabyeya Forestry College encompassing both diploma and certificate were approved. Technical specifications for the equipment to support the delivery of the courses were collaboratively developed with WB support. For the establishment of 18,000 hectares of forest plantations, the Best Evaluated Bidder was selected and negotiations concluded; draft



contract was returned by WB to MWE on Sep 3, 2025. The contract signing was subject to confirmation of the project extension. Government agency rationalization and a prolonged restructuring process significantly delayed the start of key project contracts.

Component 3: Improved Landscape Management in Refugee Hosting Areas

The objective of this component is to increase tree cover and promote sustainable land use practices in refugee-hosting areas, primarily within the Albertine Rift. The Ministry of Water and Environment (MWE) leads implementation.

Planned outputs included the development of mixed-use agroforestry systems on 17,500 hectares targeting 87,000 households, and the establishment of 9,700 hectares of woodlots for 39,000 smallholder farmers. Nineteen District Local Governments (DLGs) were to be supported with 19 motorcycles, laptops, and annual operational support. The project also aimed to supply firewood to Persons with Special Needs (PSNs) in 24 refugee settlements.

As of September 2025, the draft contract for establishing woodlots on smallholder farms adjacent to refugee settlements was approved by the SG and signed. The contracted firm was preparing its inception report. Nineteen motorcycles, laptops, and printers were procured and delivered to the 19 beneficiary DLGs to strengthen transport and logistics capacity for effective project implementation. MoUs for district financial support were also concluded, and funds were disbursed to all DLGs. The final report on the investment plans designed to improve the management and protection of natural forests on community and private land was also submitted. The MWE contracted 15 wood-fuel suppliers, 4 distributors, and 5 monitors. Suppliers currently have 52,538 m³ of wood in stock. In total, 155,134 refugee Persons with Specific Needs (PSNs) had been listed and verified, and 6,000.3 m³ of wood were distributed to 22,390 beneficiaries and this was due to the slow pace by the distributors.

Implementation Constraints

1. Government agency rationalization and a prolonged restructuring process significantly delayed the start of key project contracts.
2. Cases of fatalities involving Government (NFA and UWA) law enforcement teams caused temporary suspension of project activities to pave way for investigations.
3. Slower than forecasted pace of fuelwood delivery by the selected suppliers caused a backlog which still needs to be covered.
4. Long periods required to complete procurement processes have delayed implementation of activities.
5. Delayed accountability of funds after activity implementation at the field level further caused delays in funds remittances for the next activities.



Conclusion

The IFPA-CD project has achieved 52% physical progress against 85% of the elapsed project time and remains behind schedule. Significant advancements have been made in forest restoration and enrichment, installation of electric fences around Wildlife Protected Areas, road maintenance in MFNP and QENP, and chimpanzee habituation. However, progress has been slower in developing infrastructure for Visitor Information Centres and station buildings, establishing forest plantations, and maintaining forest trails. Overall performance has been hindered mainly by the rationalization processes within UWA and NFA, delays in revising the financing agreement, and the late submission of financial accountabilities following activity implementation. Going forward, the project's success will rely on accelerating implementation, particularly by executing infrastructure development contracts and ensuring timely delivery of contracted works.

Recommendations

1. MWE should establish a high-level coordination mechanism and adopt interim institutional arrangements to fast-track decision-making and ensure the timely commencement of key contracts, thereby mitigating delays caused by agency rationalization and extended restructuring.
2. To mitigate future fatalities involving law-enforcement teams, NFA should strengthen safeguards, enhance training, and establish clear incident-response and community-engagement protocols to ensure safer operations.
3. To accelerate the slow fuelwood delivery process, MWE should contract additional service providers.
4. MWE should streamline procedures, strengthen procurement capacity, utilize framework contracts, and adopt digital workflow-tracking systems to reduce long procurement processing timelines.
5. To resolve delays in field-level financial accountability, UWA should adopt digital reporting tools, enforce stricter accountability schedules, and strengthen financial-support mechanisms at the unit level to ensure timely fund remittances.

3.6.5: Integrated Water Management and Development Project (1530)

Introduction

The Integrated Water Management and Development Project (IWMDP) is financed through loans and grants from the International Development Association (IDA), Kreditanstalt für Wiederaufbau (KfW), and counterpart funding from the Government of Uganda (GoU). The total project cost is USD 313 million¹¹³ (equivalent to USh 1,162.17 billion).¹¹⁴ The financing became effective on 27th June 2019, with an initial closing date of 2nd December 2024, later revised to 31st January 2026. The Ministry of Water and Environment (MWE) and the National Water and Sewerage Corporation

¹¹³ GoU counterpart (USD 8 million), KfW financing (USD 25 million) and IDA (USD 280 million)

¹¹⁴ Exchange rate is USD 1 = USh 3,713.



(NWSC) are the implementing agencies. The project objective is to improve access to water supply and sanitation services, capacity for integrated water resources management, and the operational performance of service providers in the project areas. It comprises four components: (i) Water Supply and Sanitation (WSS) in Small Towns and Rural Growth Centres (RGCs), and support to refugee host districts; (ii) WSS in Large Towns and Support to a district hosting refugees; (iii) Water Resources Management; and (iv) Project Implementation and Institutional Strengthening.

Summary of Key Outputs Completed

By May 2025, the projects' achievements included: completing water supply systems and sanitation facilities in Busia, Karuma–Gulu, Ngora, Koboko, and Rukungiri; designing the Kyegegwa–Mpara–Ruyonza WSS; and procuring and installing pipes, fittings, and water meters. Capacity-building support was provided to the Umbrellas of Water and Sanitation and the Water Utility Regulation Department. The Albert Water Management Zone Strategy and Water Information System were developed and rolled out, regional water quality laboratories equipped, a 5.4 km section along River Nyamwamba reinstated, and priority catchment management measures implemented in the Nyamwamba and Lwakhakha catchments.

Financial Performance

By 30th September 2025, cumulative releases amounted to USD 225.7 million, representing 72.1% of the approved project cost, of which 92.4% had been absorbed (Table 3.6.4). No loan disbursements were made during the reporting period as funds were still available on the project accounts. Government of Uganda (GoU) expenditure exceeded its approved commitment level by 96.3%, due to higher than budgeted land compensation costs and the additional expenditures arising from the redesign of River Nyamwamba works, which were not included in the original project scope. The overall value of work completed outpaced¹¹⁵ actual expenditure¹¹⁶ (Figure 3.6.4), due to improved implementation progress across several ongoing contracts.

Table 3.6.4: Financial performance of the IWMDP as at 30th September 2025

Funder	Committed Funds (USD million)	Disbursement (USD million)	Expenditure (USD million)	% disbursed or released	% of disbursement spent
IDA (Loan)	280.0	184.2	167.3	65.8	90.8
KfW (Grant)	25.0	25.8	25.8	103.2	100
GoU counterpart	8.0	15.7	15.5	196.3	98.7
Total	313	225.7	208.6		

Source: NWSC; Quarterly project progress report September 2025; PBS performance reports FY 2019/20 - FY 2025/26.

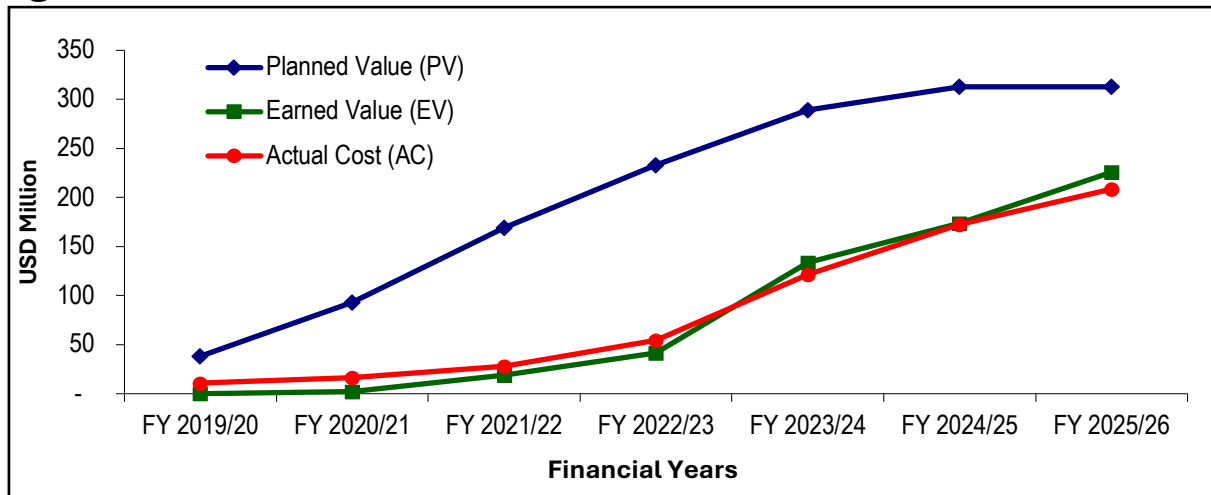
¹¹⁵ Earned Value (EV) = USD 225.8 million

¹¹⁶ Actual Cost (AC) = USD 208.6 million

Physical Performance

Overall, project performance improved, rising to 78.4% by November 2025 up from 58% in May 2025 (Figure 3.6.4), although it was behind schedule with 97.5% time spent. This improvement in physical performance was attributed to progress made in the construction of Butaleja-Busolwe WSS, Nyamugasani GFS, the 15 RGC schemes, and 13 refugee host community solar water schemes among others.

Figure 3.6.4: Performance of the IWMDP as at November 2025.



Source: Authors compilation with data from MWE; Quarterly project progress reports; PBS performance reports FY 2019/20 – FY 2025/26

The following sections provide a detailed breakdown of performance status for each component.

Component 1: Water Supply and Sanitation in Small Towns, Rural Growth Centres, and Support to Refugee Host Districts

The overall performance of component 1 was fair at 67.1% by November 2025 an improvement from 53% in May 2025. The component comprises three sub-components:

The water supply and sanitation services in small towns sub-component maintained very good progress at an average of 96.5% completion. The Namasale WSS in Amolator District was in the defects liability phase at 100% physical progress, and snags rectification was ongoing. Works progressed steadily across other systems, with Kaliro-Namungalwe in Kaliro District advancing to 70% from 62%, Tirinyi-Kibuku-Budaka-Kadama to 92% from 69%, and Butaleja-Busolwe to 97% from 81%. The Tirinyi-Kibuku-Budaka-Kadama WSS experienced setbacks due to delayed permits issuance for road reserve and swamp crossings, as well as extended processes to secure rock blasting permission from the Ministry of Internal Affairs and a railway crossing permit from Uganda Railways Corporation.

The water supply and sanitation services in Rural Growth Centres (RGCs) sub-component recorded good progress at 83.6%. For the two large Gravity Flow Schemes, Nyamugasani in Kasese District advanced to 74%



completion from 54%, while Bitsya in Buhweju District stalled at 85% with a time lapse of 173%. Redesign requirements, compensation disputes and delayed payment of PAPs in Nyamugasani as well as the contractor's cash flow constraints in Bitsya affected completion timelines.

Progress across the RGCs varied, with several achieving substantial completion as follows: Kikoora and Mwitanzige in Kakumiro District reached 100% from 96%. Kasese and Lwentulege both in Rakai District (achieved 99% from 83%), Kabamba and Bugwara both in Kagadi District (90% from 43%), Bukizibu-Bumwena in Mayuge District (70% from 28%), Lugala in Namayingo District (81% from 16%), Kitenga in Kaliro District (72% from 27%), Kidera and Igwaya both in Buyende District (98% from 75%), Bugomolwa and Kikonge-Nakasero both in Kyankwanzi District (82% from 27%), Kikooge in Nakasongola District (76% from 30%), and Labaali in Kassanda District (76% from 30%).

The water supply and sanitation services in refugee-hosting community sub-component performed poorly, achieving only 21.2% progress by November 2025 compared to 10% in May 2025. The Ala-Ora Gravity Flow Scheme covering Madi-Okollo, Yumbe, and Terego districts had very low physical progress with Lot 1 at 3%, Lot 2 at 29%, Lot 3 at 23%, and Lot 4 at 26% despite 83% contract time spent. There was restricted access to project sites from uncompensated PAPs, design mismatches, requiring redesign and modification and low contractor capacity, stemming from inadequate skilled staff, which led to weak planning, delayed decision-making, and slow response to instructions.

The solar-powered systems for refugee communities progressed as follows: Goboro 24%, Lomunga 30% and lobe 30% in Yumbe District; Laropi 7% and Gwere 7% in Moyo District; Gulinya 37% and Arinyapi 37% in Adjumani District; Agoro 16%, Pangira 16%, Padibe west 16% in Lamwo District; Gaspa 12%, Mutunda 23%, Nyakabale 25% in Kiryandongo District.

Component 2: Water Supply and Sanitation for Large Towns and a Refugee-Hosting District

The component targets improved water supply, sanitation, and sewerage in Gulu and Mbale Cities, Adjumani-Pakele Town Councils, and parts of Adjumani District, including source protection in Arua, Gulu, Mbale, and Bushenyi. By November 2025, overall progress reached 70.8% up from 47% in May 2025.

Mbale City WSS was behind schedule, at an average performance of 48.75% with over 75% time spent. Delays were caused by lengthy preparation and approval processes for contract amendments, and the challenges of laying pipelines in the congested city center. The Adjumani-Pakele WSS progressed to 87% from 40% completion against 100% time spent.

The implementation of source protection measures advanced to 90% in Arua, Gulu 60%, and Mbale 90%, while in Bushenyi, progress was at 20%. Ongoing

works included the protection of river banks at Nabijo, Namatala, and Nabuyonga in Mbale District, Oyitino in Gulu District and Enyau in Arua District. Environmental protection through tree planting in the catchment areas and awareness creation were undertaken.



L: A raw water sump and pump house; R: Aeration structure for Adjumani WSS in Adjumani District.

Component 3: Water Resources Management

This component focuses on the implementation of priority catchment management measures, and improved water resources monitoring and information systems across the country. By 30th November 2025, the average achievement was very good, at 97.44% up from 92% in May 2025. The progress for each output is presented below.

The implementation of priority catchment management measures: Priority catchment management measures were implemented across the remaining sub-catchments, with Aswa-II reaching 100% implementation, up from 95%, while Kochi progressed to 94% from 85% and Lower/Middle Awoja to 90% from 78%. Cumulatively, tree planting covered 2,693 hectares. Soil and water conservation measures was completed, 1313 households benefited from alternative livelihood support, and gully control achieved 100%. Riverbank stabilization and wetland restoration reached 95% and 98% of targets, respectively, while water source protection achieved 81%.



L: Eucalyptus plantation; R: A fishpond in Awoja sub-catchment in Katakwi District



Catchment Management Plans (CMPs): The preparation of the CMPs for all four catchments of Nyamugasani, Kafu, Sezibwa and Okweng was finalised in the reporting period.

Groundwater assessment: A countrywide study assessing groundwater quantity and sustainability progressed to 85% from 70% completion level.

Monitoring stations: The establishment of 17 hydro-meteorological monitoring stations (5 surface water, 5 groundwater, 2 climate, and 5 atmospheric deposition) and equipment supply were completed. Five atmospheric deposition equipment were supplied and installed, and air quality monitoring for the shorelines of Lake Victoria in the Greater Murchison Bay was ongoing. The 12 hydro-meteorological stations (5 Groundwater, 5 Surface water, and two (2) Weather Stations) were under the DLP.

Component 4: Project Implementation and Institutional Strengthening

The component, implemented through the Project Support Team (PST), provides coordination and implementation support to NWSC and MWE. During the period under review, it continued to oversee funds allocation, utilization, and reporting, as well as track works implementation and procurement processes. The performance assessment for this component is aligned with the progress of Components 1, 2, and 3, resulting in an average performance of 78.4%.

Implementation Constraints

1. Delays in implementation arose from contractors' cash flow limitations, slow mobilization, inadequate skilled staff, and slow decision-making.
2. Implementation was derailed by design discrepancies requiring modifications and difficult terrain.
3. Restricted access to sites due to uncompensated PAPs.

Conclusion

Overall, the IWMDP made progress, with physical performance rising to 78.4% in November 2025, up from 58% in May 2025. The upward trend was driven by advances in the construction of water supply and sanitation systems and the implementation of catchment management interventions. The value of work completed exceeded actual expenditures, but the project was behind schedule. This suggests that the project is likely to deliver its outputs at a lower¹¹⁷ budget, but it will require additional time to complete all activities to recover lost time. Nevertheless, the achievements to date demonstrate progress toward achieving the project objective. To ensure timely completion, the project must intensify schedule recovery efforts, and accelerate implementation of critical activities.



Recommendations

1. The MWE should ensure timely payments to contractors and consultants in line with contractual provisions, while enforcing strict delivery on agreed performance targets.
2. The MWE and NWSC should prioritize technical reviews and ensure early verification of designs to identify discrepancies before implementation.
3. The MWE should prioritise compensation of PAPs to secure site access and strengthen community engagement programs to reduce resistance.

3.6.6: Irrigation for Climate Resilience Project (1661)

Introduction

The Irrigation for Climate Resilience Project (ICRP) is funded by the International Development Association (IDA) and the Government of Uganda (GoU). The total project cost is estimated at USD¹¹⁸ 211 million (approximately USh 784.5 billion) comprising an IDA credit, GoU counterpart funding, borrower/recipient contributions and beneficiary contributions. The project commenced on 1 July 2019 with the IDA loan becoming effective on 17 December 2020. The revised project closing date is April 2026.

The Project Development Objective is to provide farmers in designated areas with access to irrigation and complementary agricultural services while establishing effective and sustainable management arrangements for irrigation service delivery. The Ministry of Water and Environment (MWE) is the lead implementing agency working in close collaboration with the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and the National Forestry Authority (NFA). The project is structured around three main components: (i) Irrigation Services; (ii) Support Services for Agricultural Production and Value Chain Development; and (iii) Institutional Strengthening and Project Implementation Support

Financial Performance

By 30th November 2025, the financial performance of the project was poor characterized by under-absorption of the disbursed funds. A total of USh 376.36 was disbursed by November 2025 as compared to the USh 285.5 billion released in May 2025 against a total project cost of USh 784.5 billion. The cumulative expenditure amounted to USh 132.3 billion (35%) of the total releases.

The total loan releases totaled USh 331.61 billion (44.3%) billion with USh 47.77 billion (14% of the releases) absorbed indicating low utilization of external financing. Government of Uganda (GoU) releases amounted to USh 44.75 billion (5.9%). The low absorption is attributed to prolonged procurement processes and extensive preparatory activities including

¹¹⁸ USD 1= USh 3718.27

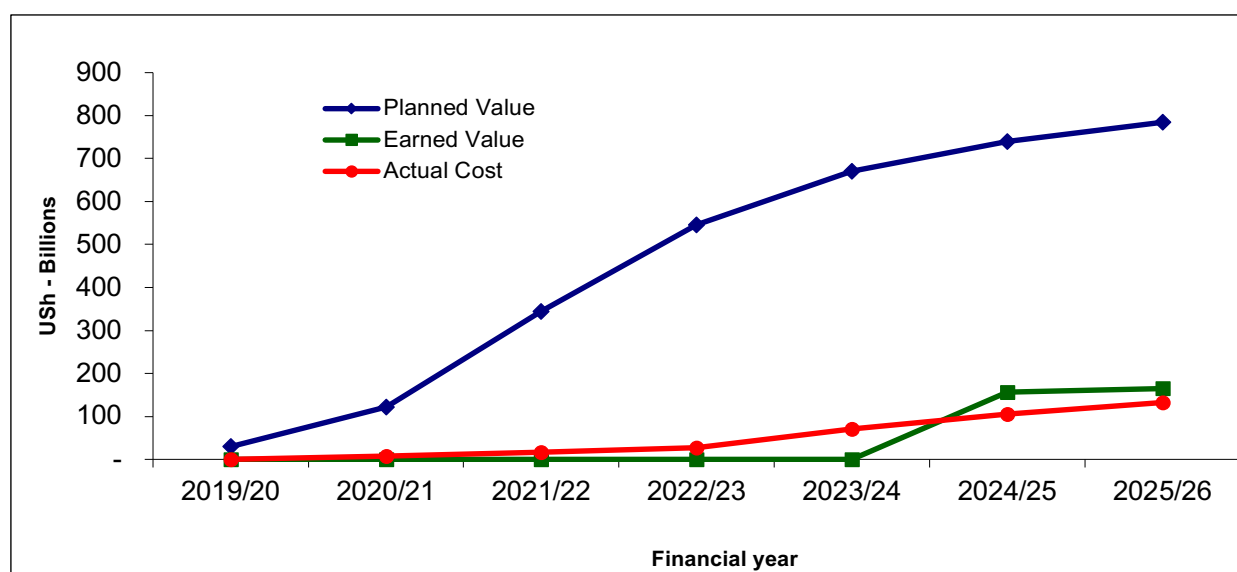


feasibility studies and detailed designs for the Matanda and Amagoro irrigation schemes.

Physical Performance

The overall physical performance increased from 20% in May 2025 to 22% as of 30th November 2025 largely driven by ongoing pipeline works at the Kabuyanda site which had reached 51% completion and the full payment of Project Affected Persons (PAPs) at the same site. Construction of the Kabuyanda dam in Isingiro District stalled at 21% due to absence of a contractor following termination. Works at the Matanda and Amagoro sites had not commenced during the period under review as both sites remained at the procurement stage. At the Amagoro site in Tororo District, delays were primarily due to prolonged design review processes and slow procurement of the detailed design, thereby delaying the start of physical works. The project remains behind schedule as indicated by the persistent gap between the planned value¹¹⁹ and the earned value¹²⁰.

Figure 3.6.5. showing the performance of Irrigation for Climate Resilience Project as at 30th November 2025



Source: Authors analysis of IFMIS data, PBS reports, MWE Report

Component 1: Irrigation Services

Construction of the Kabuyanda off-farm irrigation network had reached 51% physical completion against an elapsed time of 84%. By 30th November, a total of 61.46 km of pipeline had been laid, excavation and trenching had been completed for 61.33 km, backfilling and compaction covered 60.93 km and pressure testing had been carried out on approximately 6.69 km of pipeline.

¹¹⁹ PV = US\$ 784 billion

¹²⁰ EV= US\$ 82 billion

Procurement of the contractor for the construction of the Matanda RCC Dam in Kanungu District had progressed to the contract signature stage. Furthermore, compensation of Project Affected Persons (PAPs) at the Matanda site had reached 70%, which is expected to ease implementation once construction commences.



L; Valve installed and R; intake barrow in Kagoto 2 village Kabuyanda Sub County in Isingiro District

A total of 1,000 hectares of the Rwoho Central Forest Reserve that was restored is under maintenance. 1,008 Project Affected Persons (PAPs) comprising 474 females and 534 males were identified, profiled and selected for support under Income-Generating activities. A total of 45 groups were formed to engage in beekeeping, fruit and coffee farming, energy-saving cook stove production and use, fish farming, banana management and piggery farming across the three micro-catchments area.

Component 2: Support Services for Agricultural Production and Value Chain Development

The component aims to strengthen the capacity of farmers and farmer organizations operating in large-scale irrigation schemes (Kabuyanda and Matanda) as well as medium-scale schemes (Amagoro and Olweny). Its objective is to promote the adoption of appropriate on-farm irrigation practices to improve agricultural productivity, enhance value addition, and facilitate stronger market linkages.

A mini demonstration farm was established in Kabuyanda, showcasing three irrigation systems: drip, hose pipe, and sprinkler systems. This allows farmers to select the most suitable irrigation method once dam construction is completed. Crops grown at the demonstration farm include tomatoes, cabbage, onions and Irish potatoes. Beneficiary community members have been trained and sensitized on the management and maintenance of irrigation systems.



Component 3: Institutional Strengthening and Implementation Support.

Conducted Project awareness/sensitization meetings with beneficiary districts and Sub-counties were conducted by the MWE officials. Stake holder engagement activities for Kabuyanda Irrigation Schemes in Isingiro District were ongoing while implementation stakeholder engagement activities for Kanungu District are pending commencement of construction works for Matanda dam and irrigation net work

Implementation Constraints

1. Delayed compensation of the PAPs at Matanda site in Kanungu District which has slowed commencement of the works.
2. Delay to procure a contractor for the Kabuyanda dam which has stalled the construction activities.
3. Lengthy procurement process for the Amagoro irrigation site in Tororo District. Implementation is pending procurement for detailed design consultancy which is currently at evaluation stage.

Conclusion

The project's performance remained poor, as it was in May 2025. The overall physical progress was at only 22%. This underperformance is primarily attributed to delays in the procurement of a new contractor for the Kabuyanda site as well as the lengthy procurement processes at the Matanda and Amagoro sites. The project was behind schedule with 95% of the time spent. With only four months remaining to project closure, the project is unlikely to achieve its intended objectives.

Recommendation

The MFPED and IDA should provide an extension for the completion of Kabuyanda works and MWE rescopes the other project outputs under a new phase.

3.6.7: Kampala Water-Lake Victoria Water and Sanitation Project (1193)

Introduction

The Kampala Water-Lake Victoria Water and Sanitation (KW-LVWATSAN) project is funded under a Mutual Reliance Initiative with an initial total budget allocation of EUR 372 million¹²¹. An additional loan financing amounting to EUR 45m from AFD was secured in March 2025, thereby increasing the budget allocation to EUR 417 million. The funding details under separate financing agreements, referred to as KW-LVWATSAN I, II, and III are presented in Table 3.7.5.

¹²¹ KfW (30m grant), EU-ITF (8m grant), EIB (75m loan), AFD (225m loan) and GoU counterpart contribution (34m)



The financiers include KfW Entwicklungsbank (KfW), the European Union Africa Infrastructure Trust Fund (EU-ITF), the European Investment Bank (EIB), Agence Française de Développement (AFD) and the Government of Uganda (GoU). The project objective is to: “increase coverage, reliability and access to clean, affordable and economically viable water supply services for the population of metropolitan Kampala in particular the urban poor for sustainable growth until 2035.” The project commenced in January 2011, with an original planned end date of February 2022, which was later revised twice to 30th June 2028¹²²

**Table 3.6.5: Project financing data**

Approved funding	KW-LVWATSAN I	KW-LVWATSAN II	KW-LVWATSAN III
Approved amount	EUR 222 million	EUR 150 million	EUR 45 million
Counterpart funding	EUR 34 million	Nil	Nil
Loan commencement date	28 th April 2011	25 th January 2019	12 th March 2025
Loan closure date	30 th December 2024	25 th January 2026	11 th March 2030
Funding duration	13.5years	7 years	5 years

Source: NWSC.

Scope of work: The project comprises five components: (i) Upgrading and Rehabilitation of the Ggaba Water Treatment Complex; (ii) Network restructuring and rehabilitation; (iii) Construction of sewerage and sanitation facilities, and the extension of water supply in informal settlements (iv) Construction of the new Katosi water treatment plant east of Kampala and associated network; and (v) Accompanying measures such as capacity building, technical and operational audits, and project support.

Summary of key outputs completed

Works under components 1, 3, and 4 were concluded. They entailed the expansion of the Ggaba Water Treatment Plant, construction of Katosi Water Treatment Plant including reservoirs, booster stations and pipe networks, Nalukolongo Faecal Sludge Treatment Facility, 64 public and institutional toilets, network diagnostic study, water and sanitation master plan, and supply and installation of 664 pre-paid water meters.

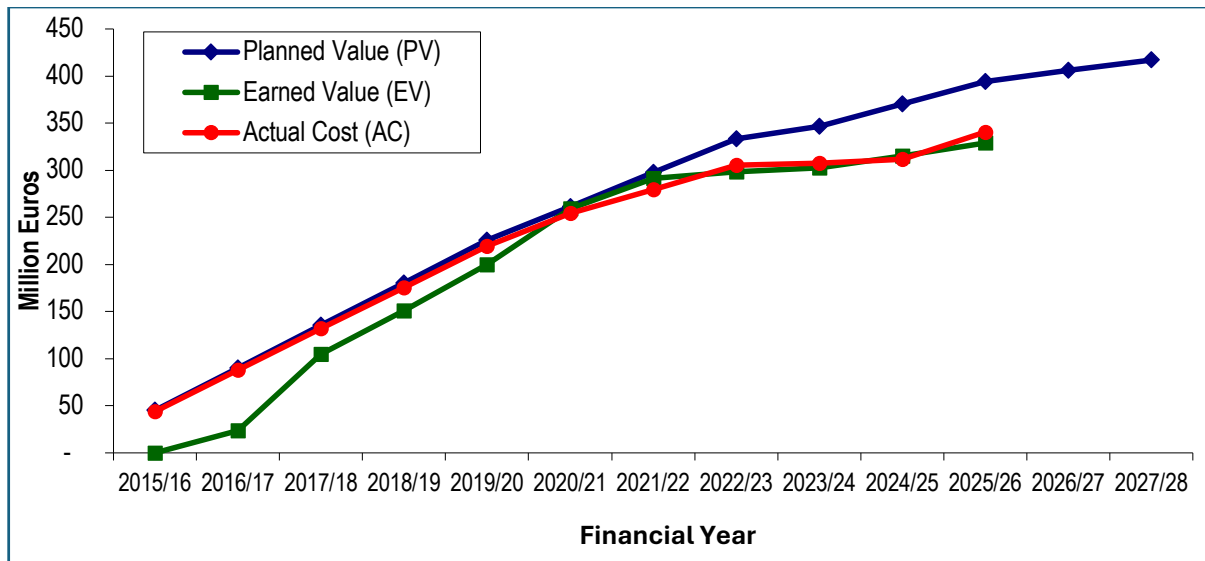
Financial Performance

By 30th November 2025, EUR 349.20 million (94% of the original budget) was released of which 98% (EUR 340.58 million) was absorbed. Actual spending¹²³ exceeded the value¹²⁴ of work completed (Figure 3.6.6), highlighting a risk of cost overruns hence the need for stronger cost control.

¹²³ Actual Cost (AC) is Euros 340.58 million

¹²⁴ Earned Value (EV) is Euros 328.96 million

Figure 3.6.6.: Performance trends of KW-LV WATSAN project



Source: Authors' compilation from NWSC, IFMS and PBS data.

Physical Progress

By November 2025, the projects' overall physical performance increased to 83% from 79% in May 2025. Component 2 achieved 40% of its planned outputs up from 30% in May 2025. The delivery of water pipes for the 70.5 km network was ongoing. Construction of booster stations at Kungu and Kabulengwa in Wakiso District, along with RAP and pipeline route surveys, was in progress. Although implementation was being constrained by costly service-line relocations, inadequate road reserves, and poor physical planning requiring prolonged negotiations for right of way.



L: A booster station in Kabulengwa; R: A booster station in Kungu both in Wakiso District

Component 5, which covers Project Management Support Consultancy Services, capacity development, capacity needs assessment, and Technical Audit Services, achieved 77% of its planned outputs. Action plans for key deliverables, including asset management, Non-Revenue Water management, smart metering, IT support, training, and equipment management, were developed. In addition, a draft report for the operational audit was under preparation.



Implementation challenges

1. Costly utility relocations and insufficient road reserves disrupted the planned alignment of water distribution pipelines.
2. Delays in resettlement compensation arose because some PAPs did not have the necessary documentation.

Conclusion

Overall, the project progressed to 83% in November 2025, up from 79% in May 2025, but remained behind schedule. Network restructuring and rehabilitation works to evacuate water from the Katosi Water Treatment Plant commenced following the acquisition of additional financing, although progress was affected by limited road reserves. Project expenditure exceeded the value of work completed, underscoring the need for stronger cost control and re-scheduling of activities to accelerate completion of the remaining works.

Recommendations

1. The KCCA should strengthen physical planning enforcement to prevent unplanned developments along utility corridors to accommodate current and future infrastructure expansion.
2. **The NWSC should provide technical assistance to PAPs in obtaining ownership records.**

3.6.8: South Western Cluster Project (1531)

Introduction

The South Western Cluster (SWC) Project is funded through a loan from the Agence Française de Développement - French Development Agency (AFD). The total project cost is EUR 126 million (approximately US\$ 529.2 billion) of which US\$ 504 billion is a loan from AFD, and US\$ 25.2 billion is co-financed by the National Water and Sewerage Corporation (NWSC). The project start date is 1st July 2019, with the first end date of 30th June 2025 extended to 30th June 2027. It is implemented by the NWSC. The objective of the project is to improve access to water supply and sanitation services in Mbarara, Masaka, and surrounding towns.

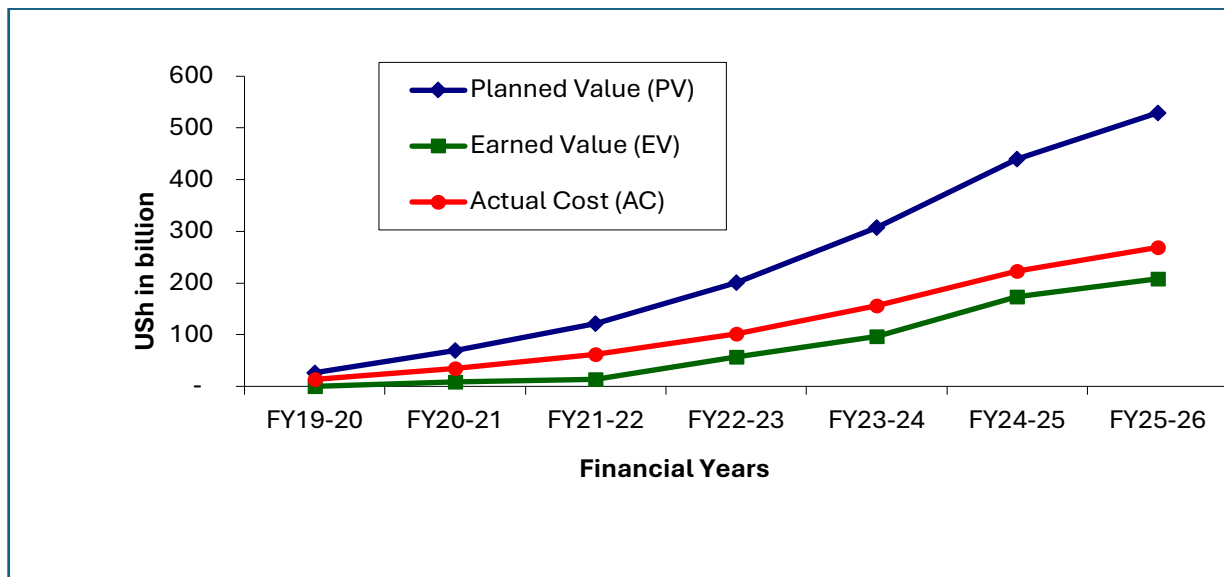
The project has 3 components of i) Kagera water works (Package 1), ii) Mbarara water works (package 2), and Masaka water works (Package 3). The expected outputs of the project are:

- i) A new water intake on Kagera River at Nshungyezi constructed.
- ii) A new Water treatment plant in Kagera and associated infrastructure constructed.
- iii) Mbarara water supply expanded from 7000 to 12000 cubic meters per day and sanitation system rehabilitated.
- iv) Masaka water supply expanded from 8000 to 14000 cubic meters per day and sanitation system rehabilitated.

Financial Performance

As of **31 October 2025**, total project expenditure amounted to **US\$ 258.848 billion**, representing **48% of the total project cost** (US\$ 529.2 billion). Overall, the project was operating **under budget**¹²⁵, despite the major expenditures incurred under **Kagera Works (Package 1)**. In contrast, **Masaka (Package 3)** recorded advance payment of **US\$ 58.8 billion only**, while **no expenditures were recorded for Mbarara (Package 2) since works had started**. The value of works executed remained **below the actual project cost** (Figure 3.6.7). This was mainly due to changes in scope for intake works and the accumulation of overhead costs resulting from prolonged project delays.

Figure 3.6.7: Performance of South Western Cluster Project by the end of November 2025



Source: Project Documents and Field Findings

Physical performance

By the end of **November 2025**, overall project performance was rated **poor at 42%**, although this reflected an improvement from **32% in May 2025**. The project remained **behind schedule**¹²⁶. **Package 1 (Kagera Treatment Plant)** was **99% complete** and awaiting commissioning. **Package 3 (Masaka WSS)** recorded **5% progress**, mainly due to design changes for the new water source and land disputes at the treatment plant site.

The contractor in Masaka was still undertaking preliminary activities, including mobilization, engineering, and survey works. **Package 2 (Mbarara Works)** had not yet been re-tendered because available resources were insufficient to meet the previous bid costs.

¹²⁵ CPI= 2.08

¹²⁶ Schedule Performance Index = 0.29



The Water Treatment Process Tanks and Laboratory at Kagera in Isingiro District

Implementation Constraints

1. Land conflicts with the landlord for the treatment plant, which caused delays in works for Masaka works (Component 3).
2. The Mbarara works (Package 2) retendering was delayed due to insufficient resources.

Conclusion

The performance of the South Western Cluster Project was **poor**, with **42% physical completion** against **25% financial performance**. By the end of **November 2025**, only the **Kagera Treatment Plant (Package 1)** had been completed. **Masaka WSS works (Package 3)** were at **5% progress**, while **Mbarara works (Package 2)** had not commenced due to **insufficient financing**. Overall, the project **was behind schedule**. There is a need to **re-scope the Mbarara component for implementation under a future phase** and to **intensify supervision of the Masaka WSS works** to accelerate progress and achieve completion within the planned timeline.

Recommendations

1. NWSC should strengthen supervision of the Masaka WSS works to ensure strict compliance with contractual obligations and timely completion, thereby avoiding further delays.
2. MWE/NWSC should re-scope the Mbarara works for implementation under a subsequent phase, in line with available financing and project priorities.

3.6.9: Support to Rural Water Supply and Sanitation Project (1614)

Introduction

The Support to Rural Water Supply and Sanitation Project (SRWSSP) is implemented by the Ministry of Water and Environment (MWE) to improve access to safe and reliable water and sanitation services in rural areas of Uganda. The project is financed through loans from the Agence Française de Développement (AFD) and the EXIM Bank of India, complemented by counterpart funding from the Government of Uganda. The AFD loan specifically supports the Isingiro Water Supply and Sanitation Project, while



the EXIM Bank of India loan focuses on supplying solar-powered water pumping systems to selected rural sub-counties where safe water coverage is below 50%.

The project commenced on 1st July 2020 and is scheduled to conclude on 30th June 2027. Although the total estimated cost is US\$ 1,911 billion¹²⁷ (approximately USD 502.77 million)¹²⁸, funding secured to date amounts to USD 114.65 million (Table 3.6.7). Its core objective is to increase access to safe and clean water through a source per village strategy as part of capacity building for DLG promoted improved sanitation in rural areas.

Table 3.6.7: Project Financial data

Total funds available for the project	USD 114.65 million of which: Exim Bank of India – USD 30 million loan, AFD – EUR 69 million loan (equivalent to USD 79.35 million) ¹²⁹ , and GoU counterpart – USD 5.3 million	
EXIM Bank loan	Date loan declared effective	01st July 2022
	Closing date	30th June 2027
AFD loan	Date loan declared effective	11th August 2024
	Closing date	30th November 2027

Source: MWE

The project planned outputs are:

- (i) Solar-powered systems in the rural communities rehabilitated.
- (ii) New and dilapidated piped water supply system rehabilitated and/or expanded.
- (iii) High-yield boreholes with solar-powered systems motorised and upgraded.
- (iv) Capacity of DLGs built through the regional decentralised unit.
- (v) DLGs monitored to ensure compliance with sector standards.
- (vi) District databases on the existing water and sanitation systems updated.
- (vii) Support to Rural Water Supply and Sanitation Project benchmarked and documented.

Financial Performance

By 31st October 2025, US\$ 242.304 billion (54.6%) had been released against a budget of US\$ 443.744 billion, and expenditure totaled US\$ 194.94 billion (80.45% of released funds). However, the actual expenditure lagged (Figure 3.6.7), placing the project under budget¹³⁰. The loan release performance was at 40.98% (US\$ 97.428 billion) whereas Government of Uganda (GoU)

¹²⁷ Integrated Bank of Projects; Public Investment Plan

¹²⁸ Exchange rate is USD 1 = US\$ 3,800.

¹²⁹ Exchange rate is USD 1.15 = EUR 1.

¹³⁰ Cost Performance Index = 4.31; this is greater than one (1), meaning the project is under budget.



counterpart was at 70.32% (US\$ 144.876 billion). The project earned value¹³¹ was higher than the actual cost¹³² and this was mainly because the contractors had pending payment certificates.

Table 3.6.8: Financial performance of the Support to Rural Water Supply and Sanitation Project as of October 2025

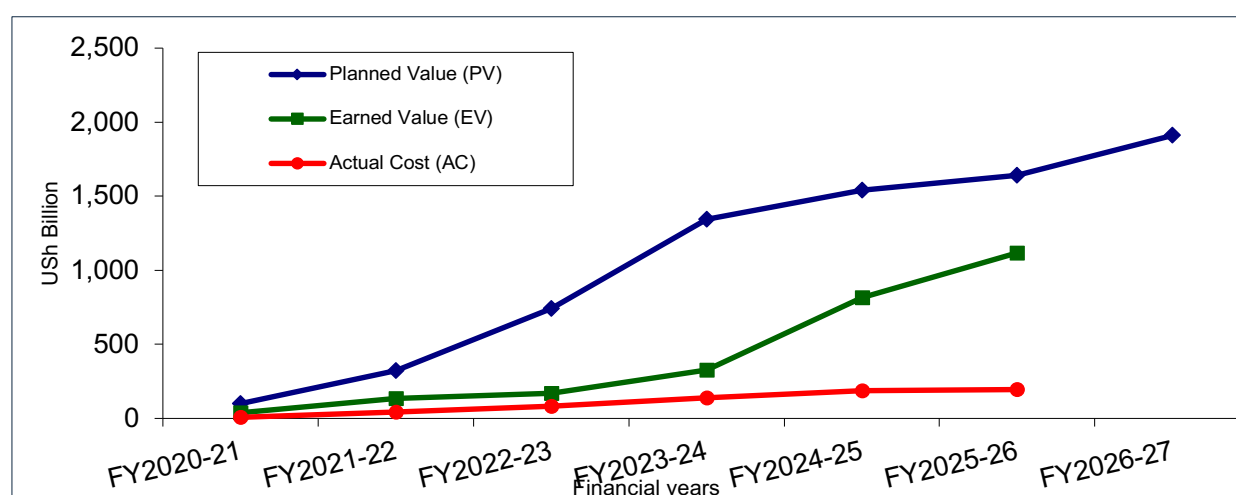
Funding Source	Amount (USD)	Disbursed (USD)	Absorbed (USD)
AFD	79.35m	29.95m	29.95m
Exim Bank loan and GoU counterpart	35.30m	19.28m	19.00m
Total	114.65m	49.23m	48.95m

Source: MWE Project progress reports

Physical Performance

As of 30th November 2025, overall physical progress was at 58.5%, an increase from 42.8% in May 2025. This improvement was attributed to progress in the construction of Isingiro WSS and the increase in completed schemes from six in May 2025 to 17 by November 2025. However, it remained behind schedule¹³³, given that 76% of the time had already elapsed. The performance gap resulted from several constraints, including delayed deployment of subcontractors to ready sites, access challenges in island and mountainous areas, and community-related issues, especially land disputes. The gap between time progress and physical progress underscores the risk that the project may exceed its planned timeframe.

Figure 3.6.8: Performance of the Support to Rural Water Supply and Sanitation Project as of November 2025



Source: Authors' compilation from MWE, externally funded projects reports; PBS progress reports FY 2020/21 – FY 2025/26

¹³¹ Earned Value = US\$ 1117.662 billion

¹³² Actual Cost = US\$ 194.868 billion

¹³³ Schedule Performance Index = 0.68; this is less than one (1), meaning the project is behind schedule.

The detailed performance by output is presented below:

Solar-powered systems in the rural communities rehabilitated

The initial target was to construct 130 solar-powered water supply schemes, but this was later adjusted to 50 schemes in 22¹³⁴ districts. By 31st November 2025, overall physical progress was at 78.5%. A total of 33 schemes¹³⁵ had been completed, while construction of 17 schemes in seven districts¹³⁶ was still ongoing. The works had reached varying stages of completion across pumping stations, reservoirs, transmission and distribution mains, and installation of electro-mechanical equipment.

Simu-Kikuyu and Bukhalu WSSs in Bulambuli District were extended from existing Bulegeni WSS. Works included gravity and distribution mains, storage reservoirs, intensification networks, and service connections. By November 2025, physical progress reached 85% for Simu-Kikuyu and 95% for Bukhalu. The progress was affected by compensation delays, community vandalism, including theft of chamber boxes and damage to pipelines, which caused interruptions and additional costs. In addition, mudslides affected sections of the intake infrastructure, further slowing implementation and requiring corrective works.



L: Newly installed household connection at Simu-Kikuyu Water Supply System; R: Reservoir at Simu-Kikuyu Water Supply System in Simu-Kikuyu Sub County, Bulambuli District,

¹³⁴ Kyegegwa, Buyende, Lyantonde, Kyankwanzi, Namayingo, Buliisa, Bulambuli, Mityana, Agago, Amudat, Yumbe, Kaabong, Sembabule, Rakai, Buvuma, Kasese, Mubende, Kisoro, Rubanda, Kassanda, Nakaseke and Bulambuli districts.

¹³⁵ Nkandwa WSS, Kiryanongo WSS, Ntwetwe WSS and Kitabona WSS in Kyankwanzi; Kyabarungu WSS and Kizzi WSS in Buliisa; Kalangalo WSS and Kyamusisi WSS in Mityana; Lamingonen WSS, Lakwa WSS, Labima WSS and Lomoi WSS in Agago; Mijikita WSS and Kerwa extension WSS in Yumbe; Lotim RGC WSS and Morukoli RGC WSS in Kaabong; Tingas RGC WSS, Loro WSS and Abiliyep WSS in Amudat; Birembo WSS, Kakindo-B WSS, Kikwaya WSS and Igayaza WSS in Kakumiro; Bukhalu WSS and Simu WSS in Bulambuli; Kirinda WSS and Mijumwa WSS in Nakaseke; Kabugudho WSS and Kisakye WSS in Buyende; Musozi WSS in Kassanda; and Mijwala WSS, Lugusulu WSS and Mitima WSS in Sembabule.

¹³⁶ Kasese-2, Kisoro-4, Mubende-3, Kyegegwa-2, Namayingo-1, Rakai-1 and Buvuma-4



New and dilapidated piped water supply system constructed, rehabilitated and/or expanded

The target for this output was to construct 16 water supply and sanitation systems (WSSs). However, only the Isingiro WSS was financed, to enhance equitable access to safe and reliable water and sanitation services in Isingiro District. Construction began in August 2024 and is expected to be completed by September 2026. By November 2025, the financial progress was at 43% while physical progress was 48% up from 20.5% in May 2025, despite initial delays related to land compensation. With 58.6% of the contract period elapsed, the project remained behind schedule.



Construction ongoing at Nyabushenyi Sump at Isingiro WSS in Isingiro District

Key components constructed include reservoirs, sumps, pumping stations, transmission and distribution pipelines, and service connections. Additional lines to link the system with existing networks in Kabaare, Masha, and Kabuyanda were underway, pending pipe deliveries from the UK.

High-yield boreholes with solar-powered systems motorised and upgraded.

The project aimed to motorise and upgrade 344 high-yield boreholes using solar-powered systems to support 50 rural water supply schemes. By November 2025, assessments had been completed for 83 boreholes, translating to only 24% of the target. Progress remained stagnant, with no additional work recorded since May 2025, largely because funds required for drilling, installation, and related preparatory activities were not released.

Capacity of District Local Governments (DLGs) built through the regional decentralised unit

The target was to strengthen the capacity of 127 DLGs through the Regional Support Units (RSUs). By November 2025, 68 DLGs had received technical assistance, reflecting 54% of the target. Support provided by the RSUs covered areas such as engineering design reviews, procurement processes, and general policy and technical guidance. The other budget support areas included contract staff salaries and essential operational expenses.

DLGs monitored to ensure compliance with sector standards

The monitoring target was expected to cover 127 DLGs. By November 2025, 68 DLGs had been reached, reflecting 54% of the target. Compliance checks were conducted by the Regional Support Units (RSUs), integrated with ongoing capacity-building efforts. The exercise focused on assessing adherence to sector guidelines and strengthening the quality of planning and implementation for water and sanitation activities at district level.



District databases on the existing water and sanitation systems updated

The target was to update water and sanitation databases across 127 districts, and this was fully achieved. The activity is being jointly implemented under the UgIFT programme. The MWE successfully completed and launched the Water and Environment Management Information System (WEMIS), which was fully operational as of November 2025.

Support to Rural Water Supply and Sanitation Project benchmarked and documented

The target was to document and benchmark two key support activities under the project. As of November 2025, no documentation outputs had been completed (0%). However, a mid-term review by an external firm and a separate documentation process were still ongoing.

Implementation Constraint

The project was significantly constrained by delays in resolving land and community issues, which slowed access to sites and delayed construction. In cases like Bulambuli, compensation funds were not allocated, further delaying project activities.

Conclusion

By November 2025, the project physical progress had improved from 42.8% in May 2025 to 58.5%. However, the project remained behind schedule. The financial performance was fair, with 54.6% of the budget released. The low levels of absorption were mainly because of delays in land acquisition, slow procurement processes, late delivery of materials and late mobilization of subcontractors. At this pace, the project is likely to take an additional 3.3 years to finish. This shows the need for stronger efforts to speed up implementation and ensure timely delivery.

Recommendation

MWE should prioritise funding for land compensation in all affected areas for construction to start or resume without further delays.

3.6.10: Water and Sanitation Development Facility North Phase II (1534)

Introduction

The Water and Sanitation Development Facility North Phase II (WSDF-N II) is implemented across the Lango, Acholi and West Nile sub-regions. The project commenced on 1st July 2019 with an initial end date of 30th June 2025, which was later extended to 30th June 2026. Its objective is to improve the socio-economic situation and the opportunities for people living in the Small Towns (STs) and Rural Growth Centres (RGCs) through the provision of safe, adequate, reliable, sustainable and accessible water supply and promotion of improved practices of hygiene and sanitation.



The project total budget is US\$ 172.73 billion¹³⁷ (approximately USD 45.46m)¹³⁸, jointly financed by the Government of Uganda (GoU) and grant funding from development partners, including the European Union Trust Fund (EUTF) and the Republic of Germany through the German Development Bank (KfW). The funding details are presented in Table 3.6.9.

Table 3.6.9: Funding details for the Water and Sanitation Development Facility North II Project

Approved grants in the project period	Grant 1: Water Supply and Sanitation in Refugee Hosting Communities in Northern Uganda.	Grant 2: Water Supply and Sanitation in Refugee Hosting Communities in Northern Uganda.
Date of grant approval	23rd October 2018	30th September 2020
Date grant declared effective	01st July 2019	12th November 2020
Approved grant amount	USD 9.48 m	USD 17.78 m
Counterpart funding amount	USD 4.84 m	USD 5.56 m
Grant closing date	23rd Dec. 2023	12th Nov. 2025

Source: MWE/WSDF-N.

The projects scope of work includes the following outputs¹³⁹:

- i. A total of 62 piped water supply systems, inclusive of public and institutional sanitation facilities constructed for: STs (14), RGCs (36) and refugee settlements (12). Each of the 62 towns provided with satisfactory water source protection measures, Public Stand Posts (PSPs), and established Operation and Maintenance (O&M) structures.
- ii. Engineering designs for 52 piped water and sanitation systems completed and reviewed by the Directorate of Water Development (DWD) design review committee.
- iii. The construction of ten (10) Faecal Sludge Treatment Facilities (FSTFs) completed.
- iv. Ten (10) piped water schemes with system capacity less than 50% rehabilitated/improved.
- v. Trainings on sanitation and hygiene promotion practices conducted.

Summary of key outputs completed

By May 2025, a cumulative total of 21 water supply systems, 40 engineering designs, and three (3) faecal sludge treatment facilities had been completed.

¹³⁷ Public Investment Plan FY 2019/20 - FY 2025/26.

¹³⁸ Exchange rate is USD 1 = US\$ 3,800.

¹³⁹ Public Investment Plan FY 2019/20 – FY 2025/26.



Financial Performance

As of 30th September 2025, the total funds releases was 93.95% of which 97.1% was absorbed (Table 3.6.10). Overall, the project spent more¹⁴⁰ money than the value¹⁴¹ of physical work achieved (Figure 3.6.9). The persistent over expenditure are attributed to price escalations in major construction inputs, increased borehole drilling depths due to declining groundwater levels, and rising administrative and project management costs among others.

Table 3.6.10: Financial performance of the Water and Sanitation Development Facility North – Phase II Project as of 30th September 2025

Funding	Committed funds (USD Million)	Disbursement /releases (USD Million)	Expenditure (USD Million)	Disbursed or released (%)	Disbursement spent (%)
Water Supply and Sanitation in Refugee Hosting Communities in Northern Uganda (Grants 1)	9.48	9.48	9.48	100	100
Water Supply and Sanitation in Refugee Hosting Communities in Northern Uganda (Grants 2)	17.78	17.78	16.54	100	93
GoU financing	18.20	15.45	15.45	85	100
Total Project funding	45.46	42.71	41.47	93.95	97.10

Source: MWE/WSDF-N II; Programme Budgeting System progress reports FY 2019/20 - FY 2025/26.

Physical Performance

The overall physical performance improved to 67.8% in November 2025, up from 63% in May 2025. This increased performance was driven by the completion of three additional water supply systems and progress across other systems during the reporting period. Despite this fair progress, the project remained behind schedule¹⁴², having already utilised 91.6% of the planned implementation time.

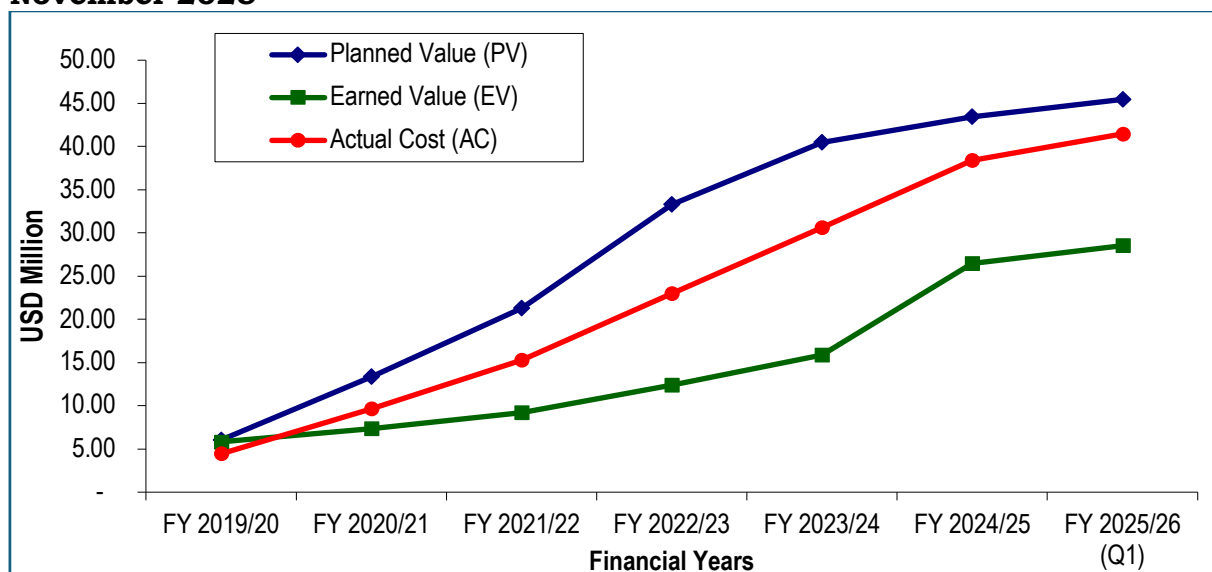
¹⁴⁰ Actual Cost = USD 41.47m.

¹⁴¹ Earned Value = USD 28.54m.

¹⁴² Schedule Performance Index = 0.63, which is less than one, an indicator of time lag. The project is behind schedule by 37%.



Figure 3.6.9: Performance trends of the WSDF North Phase II as at 30th November 2025



Source: Author’s compilation with data from MWE; PBS progress reports FY 2019/20-FY 2025/26.

The detailed performance of the project outputs is presented hereafter:

- i) A total of 62 piped water supply systems, inclusive of sanitation facilities, with 50 serving STs and RGCs, and 12 for refugee settlements.**

Five (5) water systems¹⁴³ of the 62 targeted were taken over by other projects and development partners, leaving 57 systems under this output. A total of 24 systems up from 21 in May 2025 were fully completed, and functional, representing an increase of three (3) during the reporting period. The three newly completed systems were Palabek-Kal and Lamwo TC in Lamwo District, and Lacekocot in Pader District.



Reservoir tank, chlorine dosing house for Arra/Dufille WSS in Moyo District

System test runs for water tightness checks were conducted for Rhino Camp TC WSS in Madi-Okollo District, which progressed to 99% up from 80%, and for Arra/Dufille WSS in Moyo District at 99% from 78% in May 2025. Boroli

¹⁴³ Acholibur WSS in Pader District; Apala WSS, Alebtong Town Council WSS, and Aloï WSS in Alebtong District; and Namasale WSS in Amolatar District.



A VIP latrine for Girls in Boroli P/S, Adjumani District.

WSS in Adjumani District and Lobule WSS in Koboko District reached 90% and 87% completion respectively, up from 5% and 55%. Each system had gender-responsive institutional sanitation facilities, with separate stances for boys, girls, and people with disabilities. The quality of work in Boroli and Arra/Dufile was good.

ii) Engineering designs for 52 piped water schemes and sanitation facilities completed

The number of completed designs remained unchanged at 40 since May 2025. Nonetheless, design consultancy work for Erusi in Nebbi District, Adilang in Agago District, and Awach in Gulu District progressed from the feasibility study stage to the final engineering design. Additionally, procurement of a consultant to design piped water supply systems for Maracha TC in Maracha District, Ullepi in Madi-Okollo District and Itula in Obongi District was ongoing.

iii) The construction of ten (10) faecal sludge treatment facilities completed

The construction of Loro FSTF in Kole District reached 19% physical progress.

iv) Ten (10) piped water systems in STs and RGCs rehabilitated/improved

This output was re-scoped after an assessment of the existing schemes identified that they required a complete overhaul. As a result, new water supply schemes were proposed for those towns instead of rehabilitation or improvement.

v) Sanitation and hygiene promotion practices conducted

Sanitation and hygiene promotion campaigns were conducted in Boroli and Lobule refugee settlements for the communities benefiting from the two water systems through community training, and awareness campaigns. In addition, awareness campaigns on cross cutting issues of HIV/AIDS and gender mainstreaming were undertaken.

Conclusion

The WSDF–North Phase II achieved 67.8% physical progress by November 2025, up from 63% in May 2025, but remained behind schedule, having spent 91.6% of the planned project time. The value of work completed lagged behind the corresponding expenditure, meaning that more money was used than the outputs delivered. With only seven months remaining until the end of the project, it is unlikely that all planned outputs will be fully completed.

Recommendation

The MoFPED should consider closing the WSDF-North Phase II project and repackage its remaining outputs under another phase.



3.7 Private Sector Development

The project under the Private Sector Development programme is the Investment for Industrial Transformation and Employment (“INVITE”), funded by the World Bank.

3.7.1 Investment for Industrial Transformation and Employment Project -1706

Introduction

The Investment for Industrial Transformation and Employment (INVITE) is a collaborative programme between the Government of Uganda, represented by Ministry of Finance, Planning and Economic Development (MoFPED) and Bank of Uganda (BoU), the Private Sector and development partners (the World Bank Group, the Swedish International Development Cooperation Agency (SIDA), the United Kingdom (UK) Government, and the Ministry of Foreign Affairs of the Netherlands).

The USD 218 million equivalent to US\$ 798.97 billion (comprising of USD 96 million IDA Credit, USD 104 million IDA Grant, and USD 18 million Multi-Development Partner Trust Fund) project aims to create private-sector manufacturing jobs and increase incomes across Uganda by supporting manufacturing and exporting firms.

The five-year project was planned to start in 2022 and end in 2027. However, due to delays in approval, the project effectiveness date was 13th November 2023, and the closing date is 31st January 2027. The project is targeted to benefit 140,000 Medium, Small, and Micro Enterprises (MSMEs) and 120,000 refugees; of these, at least 40,000 are expected to be women-led micro-enterprises. The larger-sized firms will also benefit from project interventions.

Objectives and Scope

The overall objective of the project is to mitigate the effects of COVID-19 on private-sector investment and employment and to support new economic opportunities among refugees and host communities.

The project is structured to provide liquidity to MSMEs through three key innovative products:

1. Extending the amortisation period of loan providing firms and banks with the capacity to sustain such extensions, buying precious time and reducing risks of excessive insolvencies;
2. Providing liquidity to small and micro firms on better terms to cope with the fall in demand and economic opportunities; and
3. Establishing an innovative factoring facility for MSMEs. This component also supports financial services to Refugee-Hosting Districts (RHD), and communities where transaction costs are high and communities are vulnerable.

**Table 3.7.1: INVITE Project Summary**

Project Title	Investment for Industrial Transformation and Employment (INVITE) Project
Project Amount	US\$ 218 million comprising; US\$ 96 million IDA Credit; US\$ 104 IDA Grant, and US\$18 million Multi-Donor Trust Fund (MDTF)
Project Funders	World Bank -International Development Association (IDA) and MDTF Partners (Sweden, UK, and Netherlands)
Implementing Agencies	The INVITE Trust (MoFPED and BoU-Trustees) and PSFU
Project Period	5years
Sectors	Manufacturing and Exporting
World Bank Board Approval date	December 20, 2021
Parliament of Uganda's Approval	May 26, 2023
Loan Signature date	June 16, 2023
Effectiveness Date	November 13, 2023
Appointment of the Independent Investment Committee (IIC)	December 23, 2024
Registration of the Trust Deed	December 14, 2023
INVITE Trust incorporation Date	February 7, 2024
Recruitment of the Trust Manager	June 30, 2025
Project Closure Date	January 31, 2027
Disbursement Deadline Date:	May 31, 2027
Disbursement Rate	25.2%
Project Components:	
Component 1: Mitigating the Impact of COVID-19 on the Manufacturing and Exporting Sectors Driving Economic Transformation, including Refugee and Hosting Districts. (BoU -INVITE Trust)	
Component 2: Creating New Product and Transformative Assets, including in Refugee and Host Districts (BoU -INVITE Trust and PSFU)	
Component 3: Enhancing Capabilities in Public Institutions and Private Firms (PSFU)	
Component 4: Implementation Support, Monitoring, and Evaluation (BoU -INVITE Trust and PSFU)	
Expected Projected Results:	



Generate 200,000 new jobs; Loans to over 200,000 MSMEs; 42,000 receivables from approximately 2,800 suppliers; 1,000 credit guarantees across a total new loan portfolio of US\$84.8 million; Subordinated Loans target leverage of new private investment of US\$231.4 million.

The project has 13 partner agencies, including UMRA, UNBS, UBOS, UEPB, UWRA, UFZA, UIA, MoFPED, MTIC, UDC, OPM, MoGLSD, and PSFU, and is estimated to cost US\$218 million, comprising US\$96 million IDA from Credit, US\$104 IDA from Grant, and US\$18 million Multi-Donor Trust Fund (MDTF)

Source: INVITE project documents and progress reports

The execution of the project is through the INVITE Trust at the Bank of Uganda. Funds disbursement was to commence on meeting the following conditions: a) Incorporation of the INVITE Trust; b) Completion of the BoU operational manual; c) Preparation of the BoU INVITE Trust and Private Sector Foundation Uganda (PSFU) Environmental and Social Management Framework (ESMF); and d) Finalisation of the Environmental and Social Capacity Building Plan for participating financial institutions under the INVITE Trust. The project is overseen and coordinated by a Project Steering Committee (PSC) chaired by the Permanent Secretary/Secretary to the Treasury (PS/ST) of MoFPED.

Financial Performance

A total of USD 54.9m was disbursed by 30th October 2025 representing 25.2% performance of the budget. A total of USD 1.09m (2% of the disbursed funds) was spent representing poor absorption of funds by the 30th October 2025 (Table 3.7.2).

Table 3.7.2: The INVITE Project budget, disbursement plan, actual releases and expenditure as of 31st October 2025

S/N	Item	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
1	Planned annual disbursement (USD)	4,736,000	58,052,000	71,052,000	84,160,000
2	Planned cumulative disbursement (USD)	4,736,000	62,788,000	133,840,000	218,000,000
3	Actual disbursement (USD)	8,075,272	0	46,900,000	0
4	Actual expenditure (USD)	173,466	498,922	426,332	0

Source: World Bank, and PSFU

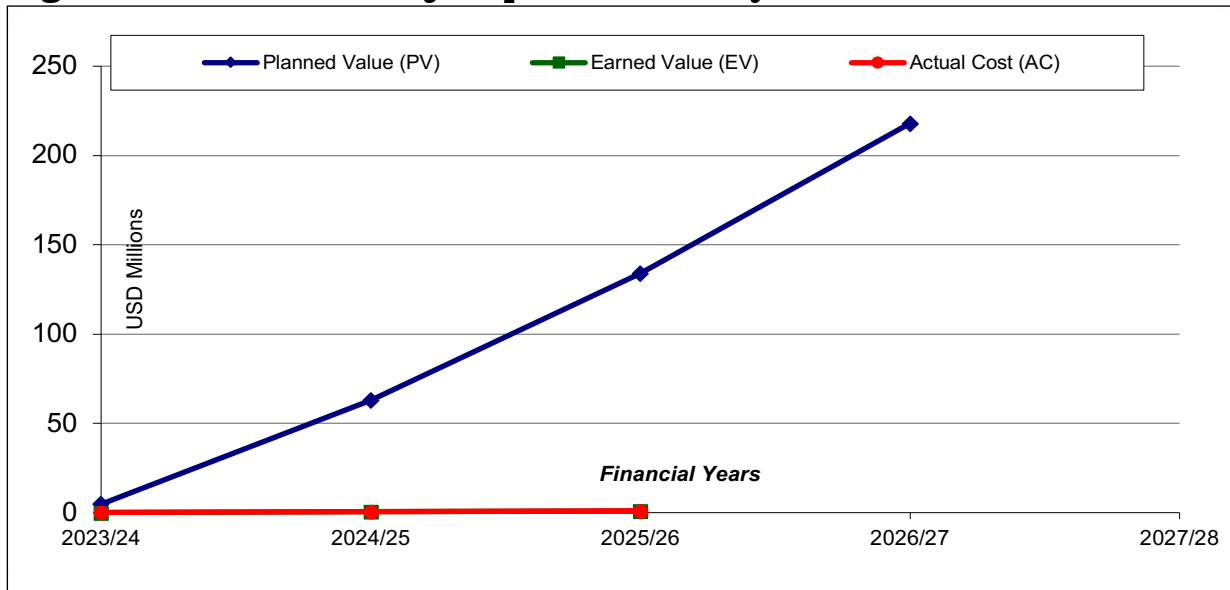
Physical performance

The project performance was still poor (0.5%) compared to 0.3% in April 2025. The project was behind schedule¹⁴⁴ (Figure 3.7.1). This poor performance was attributed to the delayed approval of the project and changes in implementation arrangements (Creation of the INVITE Trust as a special

¹⁴⁴ Schedule Performance Index (SPI) =0.01

purpose vehicle for the execution of the credit windows) with several pre-disbursement conditions.

Figure 3.7.1: INVITE Project performance by 30th October 2025



Source: PSFU & MoFPED.

The Project Implementation Unit (PIU) was established, and key staff were recruited. The establishment of the INVITE Trust and management arrangements: Recruitment and appointment of the Investment Committee (IC) were concluded, and the committee was inaugurated in January 2025. The project attained effectiveness and the disbursement conditions were lifted in July 2025.

Component 1: The INVITE Trust successfully completed preparations for the launch of the priority Working Capital Window (Window 1.2), laying the foundation for the phased rollout of additional windows.

Component 2: The key systems to de-risk MSMEs were established, including the design of a Credit Guarantee Facility to share lending risks with Participating Financial Institutions and a subordinated loan-patient capital instrument to support long-term local currency financing. The RHD Subcomponent Operations Manual was finalized, the Project Advisory Committee for Refugees (PACR) was constituted and inducted, and procurement for a Transactional Advisor reached the contracting stage.

Component 3: The major institutional and operational milestones were achieved. The Export Firm Support (EFS) Operations Manual was developed and approved, a fully staffed Component Implementation Unit was established, and a multi-agency coordination committee was constituted. A total of 62 consultants were engaged to deliver Business Development Services, while nationwide outreach activities reached 252 MSMEs across Central, Eastern, and Western regions.

A web-based INVITE Online Platform was developed and launched to manage EFS applications end-to-end. The EFS was officially launched, with two Calls for Applications attracting 309 proposals. Following screening, 209 firms were



deemed eligible, and 114 grant agreements worth US\$ 2.6 billion were signed. All supported firms are currently implementing their grants, marking a significant step toward strengthening export-oriented MSMEs.

Component 4: Under the project implementation component, Project Accounts were opened in BoU and set up in IFMS. The project budget allocation for FY 2025/2026 was made and submitted to World Bank. External audit was conducted by the Office of the Auditor General (OAG) for FY 2023/2024, and the project received an unqualified report. A Project Procurement Strategy for Development (PPSD), was developed and a procurement manual, and Plan prepared.

The project communication strategy was completed. The website was revamped and the content updated on INVITE Windows. This can be viewed via the link: <https://invite.go.ug>. Project branding, and social media platforms were created and are in use. The Information Education, and Communication (IEC) materials were ready for production.

Preparation, adoption, and public disclosure of the Environmental and Social Management Framework (ESMF), Capacity Building Plan and Grievance Redress System for the INVITE Trust were finalized. The project Environmental, Social, and Governance (ESG) Policy for the INVITE Trust, was updated.

Implementation constraint

- Lengthy approval processes with over ten conditions precedent to disbursement of funds and changes in context post COVID-19.

Conclusion

The INVITE Project recorded very low physical progress of approximately 0.5% and remains significantly behind schedule despite the level of financial disbursement achieved. While important institutional and administrative milestones have been attained. However, the pace of translating these foundations into tangible outputs remains slow. Prolonged approval processes, extensive pre-disbursement conditions, and changes in implementation arrangements have constrained timely rollout of core interventions, resulting in poor schedule performance and limited achievement of project results.

Given the remaining implementation period and the fact that the project was originally designed to mitigate COVID-19-related shocks, the relevance of the original objectives has diminished in the current economic context. With limited time remaining to the project closing date, it is unlikely that the intended outcomes will be fully realised under the existing design and results framework.



Recommendation

- The project implementing partners (MoFPED, BoU, and PSFU) should engage the World bank to re-assess the project priorities, objectives, and implementation approach. This will enhance relevance, accelerate delivery, and ensure that the remaining resources are utilised effectively to generate meaningful impact and value for money.



3.8 Regional Development Programme

3.8.1 Local Economic Growth Support Project (LEGS – Project 1509)

Introduction

The Local Economic Growth Support (LEGS) Project is a Government of Uganda initiative designed to improve household incomes among smallholder farmers by increasing agricultural productivity and strengthening priority value chains.

Jointly financed by the Government of Uganda and the Islamic Development Bank (IsDB), the project supports inclusive, parish-level economic transformation in line with the Parish Development Model by improving access to productive infrastructure, value addition, and markets. The Local Economic Growth Support (LEGS) Project is structured around two complementary components, each designed to address specific dimensions of rural development and local economic transformation.

Comprehensive project profile details are provided in Table 3.8.1.

Table 3.9.1: Project Profile

Project Name	Description
Project goal	To improve individual and household incomes in districts that have low levels of water availability for both production and domestic use.
Project development objective	To enhance agricultural production and productivity through: (i) Water for enhanced agricultural productivity and environmental conservation; and (ii) Support to value chain development.
Coverage	Component A: Alebtong, Bunyangabu, Gomba, Kabarole, Katakwi, Kibuuku, Kumi, Kyenjojo, Nakaseke, and Ntoroko Districts. Component B: 10 districts of Component A and an additional 7, namely Adjumani, Buikwe, Buyende, Luweero, Nwoya, Rukungiri, and Tororo.
Lead agency	Ministry of Local Government
Total project cost	USD 50.4 million to be contributed as follows: USD 43.0 million by IsDB, USD 4.8 million by GoU; USD 2.60 million community input.
Project financier	Islamic Development Bank (IsDB)



Date loan declared effective	7th January 2018
Date signed	25th February 2019
Original completion date	30th June 2022
Revised completion date:	31 st December 2025
Components	<p>A. Rural Infrastructure for Agricultural Productivity and Environmental Conservation</p> <p>B. Support to Household Livelihoods and Value Chain Development</p>

Source: LEGS progress reports

Key Planned Outputs and Targets

Under Component A, the Project focused on strengthening productive infrastructure in water-stressed areas by constructing seven water-for-production systems for irrigation and livestock, and eight water-for-consumption systems to improve access to safe domestic water. Market access was to be enhanced through rehabilitation of 200 km of community access roads.

The Project also promoted value addition and aggregation through the establishment of 11 agro-processing facilities, 12 market sheds, and two multipurpose bulking centres. Livestock productivity was supported through 90 artificial insemination units and six milk collection centres, alongside improved access to productive energy through six shared solar mini-grids and institutional clean-energy solutions.

Under Component B, the Project emphasised expansion of Sharia-compliant rural finance, provision of agro-mechanisation assets and working capital, implementation of an agricultural input voucher system for 20 cooperatives, and capacity building for farmer groups and rural financial institutions. Together, these interventions were designed to drive rapid productivity improvements and increase household and parish-level incomes.

Financial Performance

The project had a cumulative allocation of US\$ 144.7 billion, jointly financed by the Government of Uganda and the Islamic Development Bank. Disbursement performance was at 70% for the Islamic Development Bank and 50% for the Government of Uganda. By 30th November 2025, cumulative

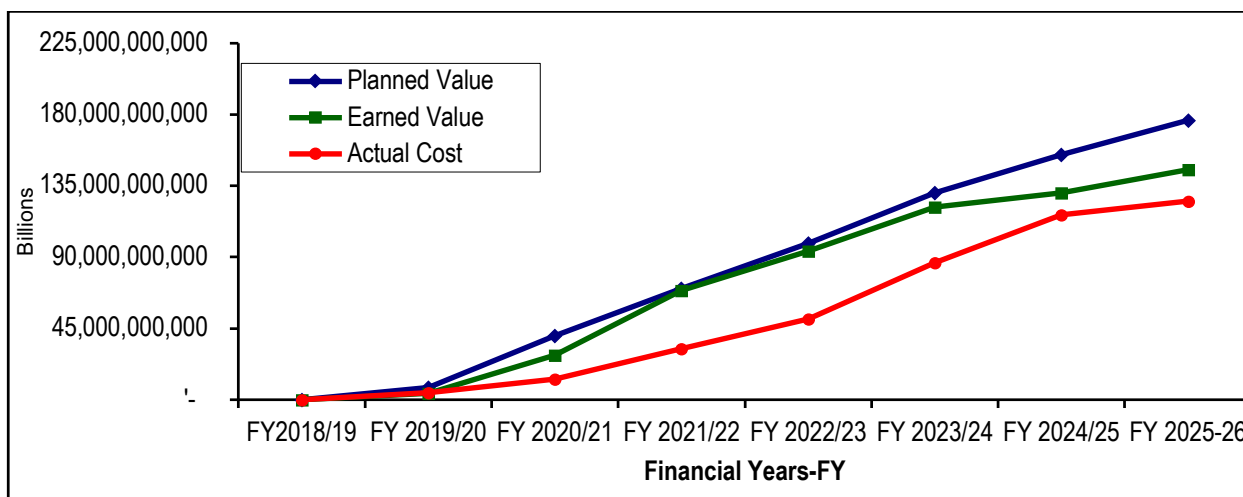


release and expenditure was US\$ 125.39 billion, representing an absorption rate of 87%, from 78% in May 2025. The value of work executed exceeded recorded expenditure¹⁴⁵, largely due to outstanding payments for the construction and rehabilitation of seven valley tank surface water (water-for-production) schemes as illustrated in Figure 3.8.1

Overall Physical Performance

Overall physical performance improved from 78% in May 2025 to 80% in November 2025. Despite this progress, the Project remained 18% behind schedule, largely due to procurement delays, slow earthworks, and limited contractor capacity. Performance was strong in road works, market infrastructure, renewable energy, livestock productivity, and livelihood support under Component B. However, delays in completing and commissioning water-for-production schemes and some agro-processing facilities continued to limit functionality, weakening the translation of physical outputs into sustained productivity and income gains.

Figure 3.8.1: Performance Trends of the LEGS Project



Source: LEGS project financial reports and MoFPED IFMIS

Component A: Rural Infrastructure for Agricultural Productivity and Environmental Conservation

Component A aimed to enhance agricultural productivity and environmental sustainability through targeted investments in water infrastructure, rural connectivity, energy, livestock services, and value addition. Implementation is discussed below:

Water for production: Construction/rehabilitation of seven valley tank surface water schemes (irrigation): By 30th November 2025, construction and rehabilitation of seven valley tank and surface-water irrigation schemes had reached 63% physical progress against a 70% target, with no facilities completed or operational. Financial absorption stood at 52% of the USD 4.09 million contract. Progress was slow from May 2025 due to slow civil works, late

¹⁴⁵ Cost Performance Index 1.61

payments, prolonged rains, difficult terrain, land access constraints, and procurement delays. While Kajamaka, Kimara, and Rwakibira dams performed relatively better, Kinoni and Palaam lagged behind, and Ominya and Nangaiza had not commenced.



L-R: Ongoing works at Rwakibira Valley Dam in Gomba District and Kajamaka Earth Dam in Kumi District

Construction and/rehabilitation of eight valley tanks, surface water schemes (water for consumption): The water-for-consumption component was at 90% completion by 30th November 2025, with six¹⁴⁶ of eight systems completed and operational across seven districts. The interventions improved access to safe water for about 63,683 people and significantly reduced walking distances. Performance improved markedly from about 75% in May 2025, with remaining delays limited to minor works and design adjustments.



Left: Rehabilitated Gayaza–Mityomere–Kalungu Road (27.5 km) in Nakaseke District ; Right: Constructed Mahumbuli-Kabanda road (2km) in Bunyangabu District

Construction/rehabilitation of 200 km of community access roads (CARs): By 30th November 2025, rehabilitation of Community Access Roads was nearly complete at 98%, up from about 90% in May 2025, with 195.5 km of the planned 200 km delivered under a USD 3.03 million (US\$ 10.61 billion) contract. Major

¹⁴⁶Alanyi water and sanitation project in Alebtong District, Buyanja Gravity Flow Scheme in Gomba District, Kaizikashya Gravity Flow Scheme in Kyenjojo, Orungo corner water scheme in Katakwi District, Bunaiga Gravity Flow Scheme in Bunyangabu District, Mugusu piped water system in Kabarole District, Tisai Island in Kumi District, Nyakatooke Gravity flow scheme in Ntoroko District



road sections across Gomba, Nakaseke, and other districts were completed or close to completion, with progress on previously delayed sections improving after a shift to force account. The improved roads enhanced rural mobility, reduced travel time and transport costs, and improved access to markets and social services for an estimated 181,374 people. However, isolated quality gaps particularly inadequate murrum cover and missing culverts on swampy sections of the Gayaza–Mityomere–Kalungu Road required corrective works before final handover.

Capacity Building for local community and Water User Associations (WAUs) for sustainable use and management: By 30th November 2025, capacity building had reached 39%, with 14 groups trained and 94 participants supported including 56 women and 38 men. Unlike May 2025, when progress was mostly preparatory, the training led to improved governance, asset management, women’s participation, collective marketing, and loan recovery, strengthening the sustainability of community-managed facilities.

Agro-Processing Facilities: Performance of the eleven¹⁴⁷ agro-processing facilities improved notably between May and 30th November 2025. The number of completed and operational facilities increased from four to six, with grain and coffee processing centres beginning to support local aggregation, value addition, and more reliable market access for farmers.

Previously stalled facilities at Gatyanga and Ocorimongin were successfully re-tendered, and works resumed, reaching about 82% completion, with only machinery installation and final finishing works outstanding. At Kikwata and Kiwoko, civil works were largely complete at around 90%, with commissioning delayed mainly by pending power connections. Once these outstanding issues are addressed, overall functionality and contribution to local agro-industrialisation are expected to improve further.



L-R: On going civil works at Gatyanga Coffee Processing plant in Bunyangabu District; R-ongoing construction of Ocorimongin rice processing factory in Katakwi District

¹⁴⁷ Rwimi Rice Processing Facility in Bunyangabu, Kasiina Maize Processing and Storage Facility and Kigoyera Maize Processing and Storage Facility in Kyenjojo, Itojo Rice and Maize Processing Facility, Nombe Coffee Processing Facility in Ntoroko, Gatyanga Coffee Processing Facility in Bunyangabu, Ocorimongin Rice Processing Facility in Katakwi, Kikwata Coffee Processing Facility (85%) and Kiwoko Coffee Processing Facility in Nakaseke (90%), Apaala Oil Seed Processing Facility in Alebtong (87%), Kajamaka Rice Processing Facility in Kumi (86%).

Market Sheds and Bulking Centers: The project fully met its planned output targets for both market sheds and multipurpose bulking centres. All twelve market sheds were completed By 30th November 2025, achieving 100% of the construction target and providing improved rural trade infrastructure intended to serve about 368,266 people across the participating districts. In addition, the two multipurpose bulking centres were constructed as planned, fully meeting the physical performance targets under the value chain development component.

However, some market sheds were non-functional due to poor road access, limiting trader and customer use as observed at Magoma Market; construction quality and management gaps, particularly at Nyamiseke Market; and trader preference for roadside trading locations, such as at Kihondo Market. The bulking centres, while structurally complete, also faced operational limitations linked to weak management arrangements and limited cooperative engagement.



L-R: Interior of completed but non-functional Kihondo Market in Kabarole District and Completed and non-functional Nyamiseke market in Bunyangabu District.

Livestock Productivity, Dairy Value Addition, and Renewable Energy: Between May and 30th November 2025, livestock productivity interventions continued to perform well. Operational artificial insemination units increased from 75 to 84, improving access to breeding services and supporting better conception rates in dairy cattle.

Six milk collection centres were constructed at a cost of about USD 1 million (US\$ 3.5 billion), fully meeting project targets. By 30th November 2025, five centres were operational and serving about 28,386 beneficiaries, improving milk handling, storage, and market access. These improvements raised farm-gate milk prices by about 20–25% and strengthened household incomes. One centre at Katooke (Kyenjojo) remained non-functional due to low milk volumes and competition from private buyers, while installation of solar power at Tisai (Kumi) was ongoing to reduce operating costs.

Renewable energy investments made very good progress, with delivery increasing from 80% in May 2025 to 95% by 30th November 2025. Five¹⁴⁸ of six planned solar mini-grids were operational, supporting agro-processing, health facilities, and water systems. The solar mini-grid in Nyakalango village, Kinoni sub county, Nakaseke District, was at 30% completion due to land

¹⁴⁸ Gomba - Kalyamaholo village, Maddu S/C, Katakwi - Kanapa village, Magoro S/C, Kumi - Acera village, Tisai S/C, Kyenjojo - Katunguru village, Nyantungo S/C, Kabarole - Kalangura Village, Karangura Sub-County



acquisition delays. All institutional biogas plants and clean cookstove installations were completed, reducing firewood use.

Component B: Household Livelihood and Value Chain Development

Component B aims to increase household incomes and resilience by expanding access to Sharia-compliant rural finance, mechanisation, working capital, and cooperative capacity building to improve agricultural productivity, reduce post-harvest losses, and strengthen market participation. Implementation is coordinated by the Ministry of Local Government in partnership with the Microfinance Support Centre and District Local Governments across 17 districts¹⁴⁹, with technical support from district production and commercial officers.

Islamic Finance and Working Capital Performance: Between May 2025 and 30th November 2025, Component B performance improved markedly, with physical progress increasing from 66% to 74% and stronger links established between financing, asset utilisation, and income generation.

By 30th November, US\$ 8.08 billion in Islamic financing had been disbursed to 132 groups, reaching about 58,900 beneficiaries, nearly half of whom were women, with significantly improved utilisation compared to May 2025.

Mechanisation support became more effective, with 32 projects operating tractors, trucks, boats, and processing equipment at about 90% utilisation. Income gains of over 25% were reported in Alebtong and Katakwi, while Kumi and Kibuku Districts recorded higher rice and groundnut output and reduced post-harvest losses. In Ntoroko, boat operations on Lake Albert reduced transport costs by about 30%, improving market access for lakeshore communities.

In Western Uganda, cooperatives in Bunyangabu District improved produce bulking and prices through truck and coffee huller financing, while in Kabarole, tractor financing enabled Kijura SACCO to serve 1,428 members directly and an additional 400 farmers through hire services. In the same district, Kihondo Tukwatanize SACCO used US\$ 140 million to acquire a truck, improving market access for an estimated 9,390 beneficiaries.



Left: A Boat distributed to Businge VSLA group in Ntoroko District; Right: A truck distributed to Kihondo Tukwatanize SACCO in Kabarole District

¹⁴⁹Alebtong, Bunyangabu, Gomba, Kabarole, Katakwi, Kibuuku, Kumi, Kyenjojo, Nakaseke, Ntoroko, Adjumani, Buikwe, Buyende, Luweero, Nwoya, Rukungiri, and Tororo. Districts



By 30th November, US\$ 2.25 billion had been disbursed to cooperatives and VSLAs, benefiting about 3,200 farmers and women entrepreneurs, while 5,800 participants were trained in governance, financial literacy, business skills, and Islamic finance. Districts such as Gomba, Alebtong, Kibuku, Bunyangabu, and Kabarole recorded stronger cooperative performance, including input cost savings of 15–25% and improved market access.

Agro-Input Voucher and Horticulture Support: By 30th November 2025, the agro-input voucher system had met its target of supporting 20 cooperatives, supplying improved seed, agro-chemicals, and farm tools worth US\$ 3.65 billion. The system improved input access and accountability, with strongest uptake in Kibuku, Katakwi, and Kyenjojo, though high unmet demand, funding gaps, and rainfall-related planting delays constrained wider impact.

The horticulture and high-value crop initiative also largely met its targets, distributing 6.7 million seedlings and 338 tonnes of fertiliser across 15 districts and achieving about 90% of planned outputs. Benefits were most visible in Kabarole, Katakwi, and Gomba, while slower uptake in Kumi and Alebtong reflected limited training and extension support. Overall performance was moderated by weather shocks and uneven extension coverage, underscoring the need for stronger climate-resilient practices, better extension services, and improved coordination.

Implementation Constraints

1. Delays in infrastructure delivery and funding flows: Project implementation was slowed by late release of funds, unresolved land acquisition and compensation issues, delayed utility relocations, and weak enforcement of contractor performance, resulting in schedule slippages and cost pressures.
2. Delayed operationalisation of completed assets: Several completed facilities remained underutilised due to slow commissioning, outstanding approvals, and unclear handover and operational responsibility between national and district institutions, weakening the translation of outputs into service delivery outcomes.
3. Weak institutional capacity, coordination, and sustainability arrangements: Limited inter-agency coordination, inadequate technical and financial capacity of beneficiary institutions, and weak governance and post-delivery support undermined effective asset management and long-term value for money.

Conclusion

By 30th November 2025, the LEGS Project had made good progress at 80% physical completion and 87% financial absorption. Most investments in agro-processing, energy, roads, mechanisation, and rural finance were completed or nearing completion, leading to operational facilities, stronger cooperatives, expanded Sharia-compliant financing, and improved livestock productivity through 84 functional artificial insemination units.

Despite these gains and alignment with the National Development Plans and the Parish Development Model, overall implementation remained behind



schedule. Delays in water-for-production infrastructure, commissioning, utility connections, and procurement slowed the full utilisation of assets and constrained the realisation of expected agricultural productivity and income gains.

Recommendations

1. The Ministry of Finance, Planning and Economic Development, in collaboration with the Ministry of Local Government and District Local Governments, should ensure timely release of funds, fast-track land acquisition processes, and strengthen enforcement of contractor performance to minimise delays.
2. The Ministry of Local Government and relevant sector ministries should standardise and enforce clear commissioning and handover frameworks to ensure completed infrastructure is promptly operationalised and delivers intended services.
3. The Ministry of Local Government, the Microfinance Support Centre, and District Local Governments should enhance inter-agency coordination, build operational and maintenance capacity of beneficiary institutions, and strengthen governance and post-delivery support to safeguard sustainability and value for money.

Lessons Learned

1. **Coordination:** Weak and late coordination among districts, technical teams, and communities led to redesigns, slow decision-making, and delayed commissioning, while early joint planning and supervision reduced implementation delays and improved timely use of facilities.
2. **Community preparedness:** Infrastructure remained functional and better utilised where communities were trained early in governance, operation, and maintenance, but where ownership structures were weak or formed late, facilities were underused and deteriorated faster.
3. **Upfront readiness:** Delays in land acquisition, power connections, and beneficiary preparedness significantly slowed implementation and increased costs, demonstrating that confirming land, utilities, and user capacity at inception is essential for timely delivery and sustainability.

Sustainability Plan

1. **Ownership and accountability:** Ownership of LEGS project assets will be formalised through handover certificates, updated asset registers, and clear custodial roles, ensuring District Local Governments and community institutions take full responsibility for post-project operation and oversight.
2. **Institutional integration:** LEGS project assets will be integrated into district planning, budgeting, and supervision systems through inclusion in District Development Plans, annual work plans, routine inspections, and cost-recovery arrangements to support sustainable operation and maintenance.
3. **Community sustainability:** Long-term sustainability will be strengthened through empowered user committees and cooperatives responsible for day-to-day management and basic maintenance, supported by defined post-closure risk mitigation measures to prevent asset deterioration and service disruptions.



3.8.2 Rural Development and Food Security in Northern Uganda Project -1760

Background

The Rural Development and Food Security in Northern Uganda (RUDSEC) Project is a five-year programme (2023–2028) financed by Kreditanstalt für Wiederaufbau (KfW) with a total budget of EUR 32.13 million, including Government of Uganda counterpart funding. Implemented by the Ministry of Local Government, the project covers nine districts in the Acholi, Lango, and Teso sub-regions.

The project seeks to increase smallholder household incomes by improving rural roads, upgrading agricultural markets, and strengthening local government capacity. It is aligned with National Development Plan IV and supports the Parish Development Model by improving market access, reducing transport costs, and promoting production, value addition, and income growth.

Project Outputs and Targets

The project is structured around four key planned outputs, which are presented hereafter:

1. Upgrading of 718 km of district and community access roads to all-weather, climate-resilient standards to improve mobility, reduce travel time, and lower transport costs for smallholder farmers.
2. Rehabilitation and modernisation of 13 rural markets, including improved trading shelters, sanitation facilities, drainage, and storage spaces to enhance hygiene, trading efficiency, and local revenue mobilisation.
3. Preparation and implementation of and Environmental and Social Management Plans (ESMPs), including land acquisition processes, community engagement, grievance redress mechanisms, and regular environmental and social safeguards monitoring across all project sites.
4. Establishment of a comprehensive M&E framework, including baseline datasets, digital reporting tools, and district-level capacity building to support evidence-based decision-making and results tracking.

Financial Performance

By 30th November 2025, the total disbursement was US\$ 51.5 billion (49%) of its total allocations of US\$ 105 billion. Expenditures totaled US\$ 6.193 billion, with most spent on paying consultants, salaries and project monitoring. The low absorption rate¹⁵⁰ was mainly due to delays in contract approvals and procurement, which prevented the commencement of infrastructure works.

Physical Performance

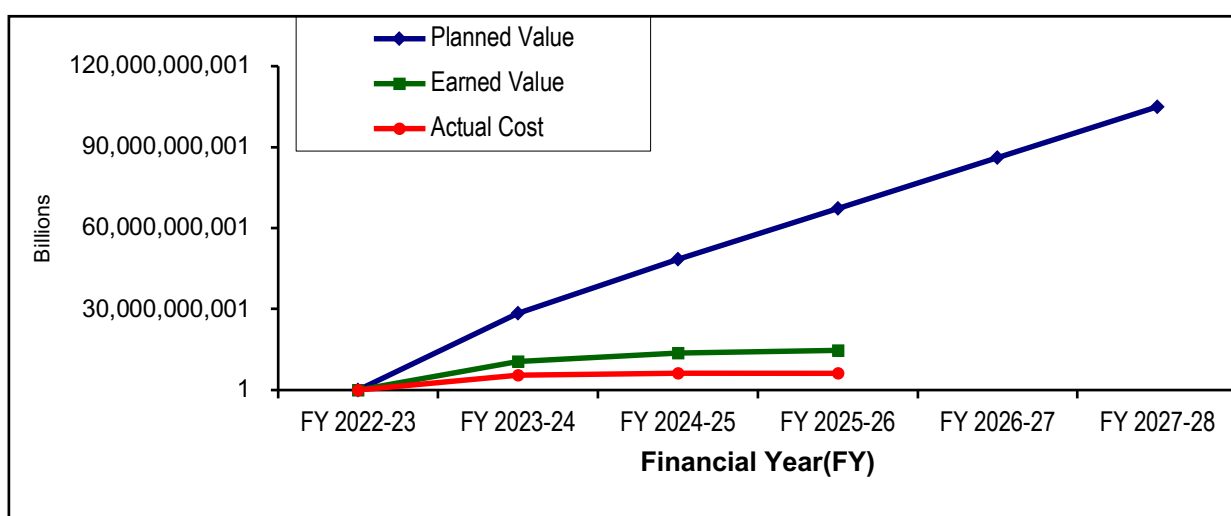
In terms of physical execution, progress was at 18% . By 30th November 2025, stagnated as of May 2025. While most preparatory activities had been

¹⁵⁰ CPI 2.37



completed, the start of civil works was delayed by slow delivery of consultant outputs, prolonged review processes, and pending approvals from KfW. Consequently, project spending during the period focused almost entirely on staff-related costs. With less than two and a half years remaining to deliver the bulk of planned outputs, the project is behind schedule¹⁵¹, underscoring the urgent need to fast-track procurement and on-site implementation. *Figure 3.8.3* illustrates the trend in project performance over time.

Figure 3.8.3: Performance of the Rural Development and Food Security in Northern Uganda as at November 2025



Source: Compiled from RUDSEC Project Reports, MoFPED IFMS

The subsequent sections provide a detailed review of the project’s physical performance relative to the planned outputs:

Road Infrastructure Component: The road infrastructure component made solid technical progress, with 477.4 km of the 1,327 km pipeline advancing to design and procurement stages. Batch One designs reached about 90% completion but final approvals were delayed due to late consultant submissions. Batch Two designs were completed, approved by KfW and MoLG, and procurement of civil works progressed well, with contract award expected by January 2026. Construction is planned to start in February 2026 for Batch Two roads and May 2026 for Batch One roads, subject to contract signing and environmental approvals.

Environmental and Social Safeguards: Environmental and social safeguards progressed satisfactorily, with three consultancy contracts completed and Batch Two ESIA and Project Briefs submitted to NEMA. Screening confirmed that road alignments avoided sensitive ecosystems and posed manageable risks. Safeguards were embedded in all tender documents. Consultancy contracts for 324.4 km of Batch One roads were signed in Acholi, Lango, and Teso, with inception reports approved and scoping started. However, progress was slower than planned, especially in Acholi and Lango, due to revisions required to

¹⁵¹ SPI 0.22



scoping reports and ESIA TORs, alongside capacity and logistical constraints at district level.

Agricultural Market Infrastructure Development: Thirteen of the sixteen proposed markets were approved after technical, land, and safeguard assessments, while three were excluded due to land tenure challenges. Each approved market has a base allocation of EUR 150,000 (US\$ 615 million), with scope for additional financing for priority sites. Progress on land verification was made, though unresolved disputes remain a risk to procurement timelines.

KfW approved a streamlined procurement approach, and consultancy procurement for market design, Environmental and Social Impact Assessments, and supervision is expected to conclude by January 2026. Designs and ESIA studies are scheduled for completion by June 2026, followed by civil works procurement in late 2026 and construction in 2027, with an eight-month defects liability period.

Monitoring and Evaluation: The M&E component recorded good progress. Baseline surveys covering 883 households and 13 markets were completed, strengthening gender- and district-disaggregated indicators. The roads baseline report was revised in response to KfW comments, and the markets baseline report is expected to be finalised by December 2025. Development of the LGMIS-based M&E dashboard and preparatory sector studies also advanced, supporting improved reporting from 2026.

Implementation Constraints

1. Delays in procurement, design, and approvals: Prolonged procurement processes, late or revised designs, slow environmental and social assessments, and delayed no-objection approvals have postponed the start of civil works. These upstream delays remain the main constraint to timely project delivery.
2. Slow transition from planning to physical implementation: Implementation has been heavily concentrated on planning and procurement, with limited progress in construction. This has resulted in significant schedule slippage and increased pressure toward the end of the project period.
3. Weak decentralisation and governance arrangements: Centralised decision-making, unclear district-level roles, irregular Project Steering Committee meetings, and weak follow-up have undermined local ownership, supervision, and accountability, slowing timely problem-solving during implementation.
4. Inadequate counterpart funding and sustainability preparedness: Limited Government of Uganda counterpart funding has constrained district engagement and delayed operation and maintenance planning, increasing the risk of asset deterioration and higher future rehabilitation costs.

Conclusion: By 30th November 2025, the Project had completed most preparatory work but remained far behind schedule due to delays in procurement, approvals, safeguards, and land processes, which blocked the start of civil works. As a result, financial absorption was low (about 6%) and



physical progress limited (around 18%), with spending largely on consultancies and staff costs.

With less than two and a half years remaining to deliver most planned outputs, the project faces serious schedule risks. Rapid acceleration of procurement and approvals, early start of construction on ready packages, stronger district-level implementation, and timely release of counterpart funding are critical for recovery and achievement of NDP IV and Parish Development Model objectives.

Key Recommendations

1. The Ministry of Local Government, working with MoFPED, KfW, the Solicitor General, and NEMA, should implement a time-bound mechanism to clear outstanding procurement, safeguards, and approval delays.
2. The Ministry of Local Government, in collaboration with District Local Governments and KfW, should immediately start works on all road and market packages that have met minimum readiness requirements.
3. The Ministry of Local Government, together with District Local Governments and the Ministry of Public Service, should formally assign and resource district technical staff to lead site supervision and routine monitoring.
4. The Ministry of Local Government, with support from MoFPED, should strengthen Project Steering Committee oversight, ensure timely release of counterpart funding, and undertake interim maintenance to prevent further asset deterioration.

3.9 Sustainable Energy Development

3.9.1 Kampala Metropolitan Transmission System Improvement Project (1492)

Introduction

The Kampala Metropolitan Transmission System Improvement Project aims to construct a 220kV transmission grid around the Greater Kampala Metropolitan area, ensuring a reliable future electricity supply for the growing population. The project is being implemented by Uganda Electricity Transmission Company Limited (UETCL), and funding is a loan of USD 125 million (JPY¹⁵² 13.659 bn) from the Japan International Corporation Agency (JICA), while the GoU counterpart funding (Ush 32.267 billion) is to cater for the implementation of the Resettlement Action Plan.

The project commenced in 2017 with an initial completion date of May 2021, with the last revised completion to August 2026. The scope of the project includes the following components:

¹⁵² Japanese Yen



Lot 1: Construction of Buloba Substation and associated Transmission Lines and Upgrading of Mutundwe and Bujagali Substations (USD 34.4 million)

Lot 2: Construction of New Mukono Substation and associated Transmission Lines, Upgrading of Kawaala Substation, and Reconductoring of Mukono-Kampala North; Kampala North-Lugogo; Kampala North-Mutundwe transmission lines to High Temperature Low Sag (HTLS) Conductor (USD 53.1 million)

Lot 3: Procurement of a Mobile Substation (USD 3.627 million)

Supervision of works (USD 22.5 Million)

Resettlement Action Plan (GOU funding of USh 32.267 billion)

Financial Performance

The total disbursement of the loan increased to USD 78.5 million (62.8 %) by 30th November 2025 from USD 41.25 million (33%) on 31st May 2025. The total GOU funds released for RAP were USh 27.225 billion, compared to the project RAP budget of USh 32.267 billion. As of November 2025, the expenditure of the RAP funds was Shs 18.132 billion. There was a difference between the actual cost of work completed and the earned value¹⁵³ due to several unpaid invoices for the equipment supplied (Figure 3.10.1).

Physical Performance

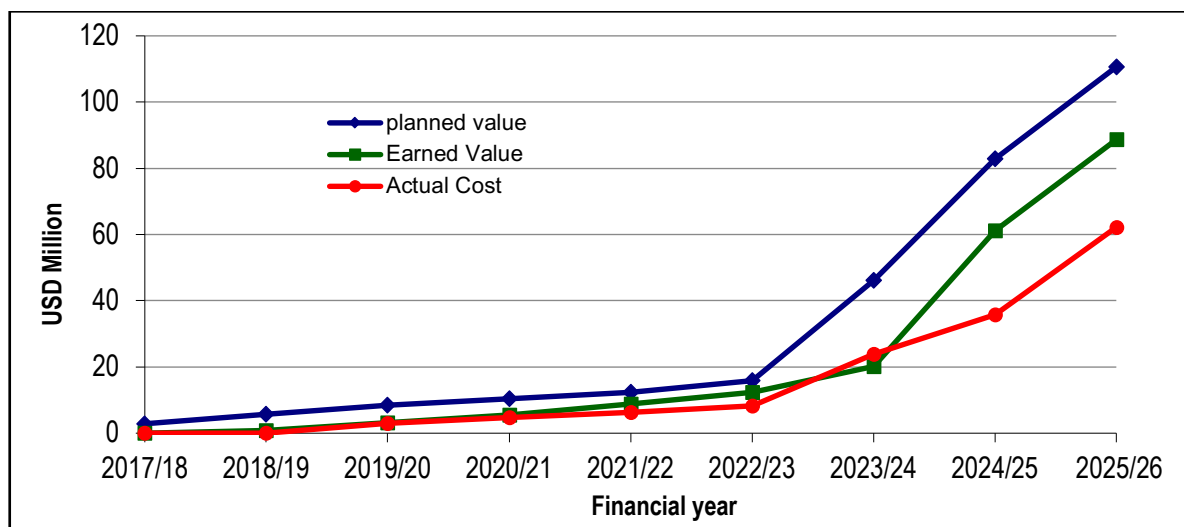
Although the project remains behind schedule¹⁵⁴, good progress was registered, and overall progress improved to 84.5% by 30th November 2025 from 49.3% on 31st May 2025. The project attained overall progress of 84% for Lot 1, 70.7% for Lot 2 and 100% for Lot 3 in November 2025. There was an increase in the value of completed works from USD 61.2 million in May 2025 to USD 88.65 million in November 2025(Figure 3.9.1).

¹⁵³ CPI 1.71

¹⁵⁴ SPI 0.74



Figure 3.9.1: Performance of the Kampala Metropolitan Transmission Project



Source: Authors' compilation and UETCL progress reports FY20/1718- 2025/26

Physical works on Lot 1 and Lot 2 commenced in March 2024, and the following progress had been registered by end of November 2025:

i. Lot 1 works

Overall weighted progress of construction of Lot 1 advanced from 52.3% in May 2025 to 84% against the planned progress of 88.85%. The designs for the civil works and the primary electrical equipment had advanced to 95%. The factory acceptance tests for the equipment were all completed except for the communication equipment.

Buloba substation

Under the civil works, the equipment support, gantry and transformer foundations and cable trenches were completed. The control building construction was at 80% completion, with the transformer oil pit containment pit construction at 50%. The boundary wall foundation and fence installation were at 95% completion

For the electrical installation works, all 430 equipment support structures and all 32 gantries had been erected, while 165/271 of the 220kV primary equipment had been installed. A total of 216/260 of 132kV primary equipment



Installed equipment in the Buloba Substation switchyard at Nakirebe,



had been installed, while a total of 28/84 secondary equipment had been installed, representing 33% completion.

Bujagali Substation

The 250MVA, 220/132/33kV transformer and the overhead gantry structures for the Bujagali substation had been delivered to the site. The assembly of the transformer components was ongoing, with 30% completed. Equipment support, gantry and transformer foundation construction were completed, while cable trench construction was completed. A total of 26/48 equipment steel support structures had been erected while gantry installation was at 60% completion.

Lot 2 works

The overall weighted progress of the construction of Lot 2 improved from 46.4% in May 2025 to 70.7% in November 2025, against the planned progress of 81.5%. The design progress for civil works and primary electrical design was almost complete at 97% while the manufacturing of the protection and control equipment was ongoing.

Mukono substation

The manufacturing of the substation equipment progressed well with 87% of the equipment manufactured and delivered to the site, except for the telecommunication, control and protection equipment. The erection of equipment support, gantry, transformer and High Voltage GIS foundations was completed. The construction of the cable trenches and the control building construction was at 70%.

Under the scope of the electrical works, the equipment support structures, gantry erection, and 220kV GIS equipment installation were completed. A total of 99/139 of the 220kV primary equipment has been installed, representing 71% completion, while a total of 151/174 of the 132kV primary equipment had been installed, representing 87% progress. The installation of 33kV equipment has not yet commenced



New Mukono associated transmission Line



Installed switchgear, gantries and transformers at the Mukono

tower foundations ongoing.

The first batch of 50km of HTLS conductor to be used for re-conductoring was delivered to the Mukono substation site in but the re-conductoring works were yet to commence. The works for the 220kV connection from the substation to the Bujagali-Kawanda Line had commenced, with two

Kawaala substation upgrade

Under Lot 3, the newly installed 132 kV mobile substation at Kawaala was energised to provide a temporary power supply for load centres connected to the Kawaala substation. The decommissioning of the old substation equipment had commenced to pave the way for the upgrade works. The manufacturing of the major substation equipment, in particular, the four power transformers and Gas Insulated Switchgear(GIS) was completed, and the equipment shipped.

Resettlement Action Plan

The corridors of the transmission line and substations along the Mukono, Kawaala, and Buloba project area have been demarcated, and the required substation land procured. The RAP implementation was at 134 (97%) of the 138 PAPs paid.

Implementation constraint

The project is expected to experience a funding shortfall of approximately USD 31.5 million due to the depreciation of the Japanese Yen against the US Dollar.

Conclusion

The project performance had improved, with overall progress increasing from 49.3% on 31st May 2025 to 84.5% on 30th November 2025, although it remained behind schedule. There was also an increase in the loan disbursement from 21.3% in December 2024 to 62.8% by the end of November 2025. The project needs to maintain its current momentum in implementation to get the schedule back on track.

Recommendations

The Ministry of Finance, Planning and Economic Development should collaborate with JICA so that a solution to the funding shortfall is agreed upon before it affects the works in the later stages.



3.9.2 Masaka-Mbarara 400kV Transmission Line Project (1497)

Introduction

The Masaka-Mbarara transmission project plans to construct a new double-circuit transmission link between Masaka West and Mbarara North substations. The project is being implemented by UETCL with funding by the GoU (Ush 128 billion) and loans from KfW¹⁵⁵(Euro 37.1 million) and AFD¹⁵⁶(Euro 35.0 million). The project will upgrade the existing single circuit 132kV, 135km single circuit transmission line between Masaka West and Mbarara North Substations to 400kV to improve the power grid backbone and eventually provide transmission (wheeling) of electricity to Rwanda.

The project commenced in April 2018 with a planned completion date of December 2024, with the project scope comprising:

1. Construction of a 132km long 400 kV double circuit transmission line between the 220 kV Masaka substation and the 220 kV Mbarara North substation
2. Addition of two new line bays at both Masaka West and New Mbarara North substations.
3. Preparation of tendering documents and supervision of works
4. Implementation of the Resettlement Action Plan

Financial Performance

The disbursement of the loan funds was still very low due to a delay in procuring the Engineering, Procurement, and Construction (EPC) contractors. By November 2025, the disbursement registered remained unchanged at Euro 120,687 (0.33%) on the AFD loan and EUR 119,907 (0.32%) on the KfW loan for the past six months.

Under the GOU-funded RAP implementation component (budgeted at Ush 128 billion), the cumulative released funds stagnated at Ush 82.458 billion between May 2025 and November 2025. No funds have been released to UETCL for the RAP component for the past 12 months due to the freeze in the release to the project. The project had made payments cumulating to Ush 85.269 billion in November 2025, beyond what it had received, having borrowed from other projects

Physical Performance

Works on the project were yet to commence due to a delay in the procurement of the Engineering, Procurement and Construction (EPC) contractors. The delays in the procurement arose due to whistle-blower complaints to the IGG

¹⁵⁵ German Development Bank

¹⁵⁶ French Development Agency



and PPDA, leading to investigations. UETCL was therefore instructed to select the second-best evaluated bidder. The funders gave no objection to the selection of the second-best evaluated bidder on 23rd August 2024. However, the procurement was disrupted by another bidder who filed a complaint to the PPDA tribunal in September 2025, halting any further progress in the procurement process.

The status of the RAP implementation did not change in the period between May and November 2025. The payments of PAPs remained at 79% of the total 2,689 PAPs due to a funding shortfall. The procurement of the contractor to construct the planned 25 resettlement houses was concluded, and works could not commence due to the funding shortfall.

Implementation constraints

- i. The project has been plagued by delayed procurement of the contractors for both the transmission line and substations works due to recurring complaints lodged by aggrieved bidders.
- ii. No funds were left on the RAP Escrow account, which had greatly hindered progress on the pending RAP cases.

Conclusion

The project performance was rated poor, with all the major project components still at the procurement stage. The project needs to be paid close attention to so that the procurement issues are finally resolved. There is a high risk of losing the financial support from the lenders if the performance of the project continues on the same trajectory.

Recommendations

1. The MEMD, MoJCA, PPDA and UETCL need to resolve the issues that are holding up the conclusion of the procurement issues.
2. The MEMD and MFPED should allocate the required funding to enable completion of the pending RAP to prevent further delays during the construction stage.

3.9.3 Electricity Access Scale Up Project (1775)

Introduction

The Electricity Scale Up Project (EASP) aims to increase access to energy for households, commercial enterprises, industrial parks, and public institutions. The Ministry of Energy and Mineral Development (MEMD) is the lead ministry in implementing the project.

The total project funding is USD 638 million, which comprises a World Bank loan of USD 331.5 million, total Grants of USD 276.5 million, USD 20 million



from the private sector, and GoU counterpart funding of USD 10 million. The project commenced in FY 2022/23 and is scheduled to be completed on June 30th, 2027. The loan became effective in July 2023.

Project Scope

The project comprises the following components:

Component 1: Grid expansion and connectivity targets network expansion and strengthening through the construction of grid extensions, upgrades, and intensification to electrify schools, health centres and other public institutions. The component also intends to achieve more than a million no-pole and one-pole service connections.

Component 2: Financial Intermediation for Energy Access Scale-up, on the other hand, focuses on the provision of a credit facility to boost household solar connections through the Result-Based Financing (RBF) Programme and Credit Support Facility (CSF) and also installation of stand-alone solar technologies to public institutions, water supply schemes, schools and health centres.

Component 3: Energy access in Refugee Host Communities (RHCs) will support increased energy in Refugee Host Districts (RHDs) through the construction of grid extension lines and the provision of household solar technologies. Grant resources allocated to this component will finance interventions of components 1 and 2 within the selected 12 RHDs¹⁵⁷.

Component 4: This will create an enabling environment to cater for the project administration costs of the respective Project Implementation Units (PIUs) at MEMD and Uganda Energy Credit Capitalisation Company (UECCC), and the Project Coordination Units (PCUs) at MEMD

Financial Performance

The total loan and grant cumulative disbursement for the project increased to 13% (USD 79.02 million) by 31st October 2025, from 8.1% (USD 49.17 million) in May, with 82% of the funds spent on facilitating on-grid and off-grid connections. The project expenditure (Actual cost) was far below the projected spending/Planned Value (Figure 3.10.2), three years into the project. The reason for this was that the construction works, which account for about 70% of the project cost, had not commenced. The value of work done (Earned Value) was also slightly higher than the expenditure (Actual Cost) by 15%¹⁵⁸ due to pending claims of the off-grid connections made by the Energy Service Companies (ESCOs).

¹⁵⁷ Adjumani, Isingiro, Kamwenge, Kikuube, Kiryandongo, Koboko, Kyegegwa, Lamwo, Obongi, Madi Okollo, Terego and Yumbe

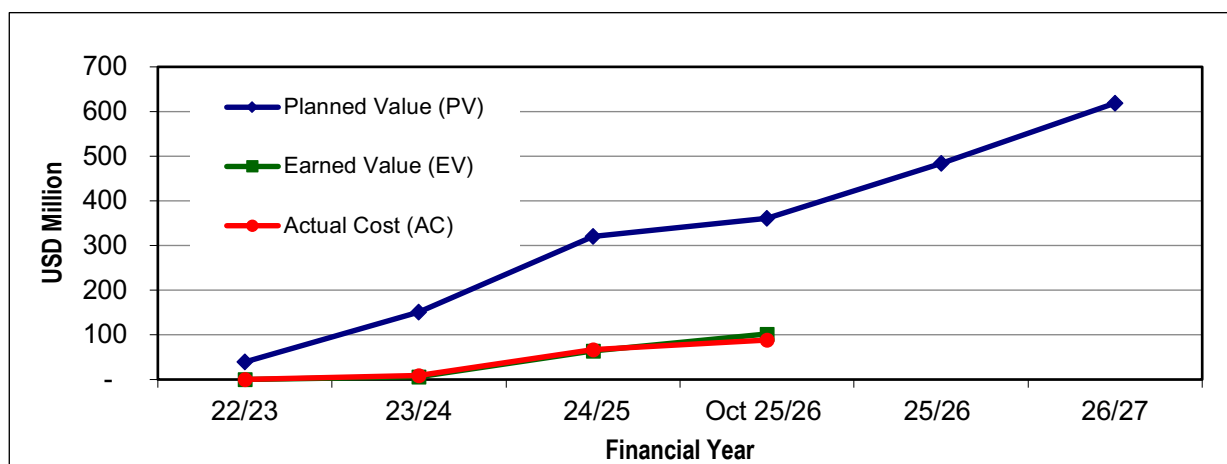
¹⁵⁸ CPI=1.155



Physical Performance

The overall physical performance was poor, but project progress increased to 16% by 30th November 2025 from 10% in May 2025. The project was behind schedule by 79%¹⁵⁹ with the value of work far below the planned value (Figure 3.9.2), 60% of the planned five years for the project had elapsed. The grid extension component showed poor performance, while that of financial intermediation was fair.

Figure 3.9.2: Performance of the Electricity Scale Up Project as at 31st October 2025



Source: EASP Reports FY2022/23 to FY2025/26, IFMS, Author’s analysis

The project had achieved a total of 317,663 grid and off-grid connections out of the overall target of 1,223,500 with 66,703 of these achieved between May and November 2025. The institutional solar PV system installations for water systems were also completed while those for schools and health centres were at contract signing stage. The grid line extensions, on the other hand, had not yet begun due to procurement delays. The recruitment of staff for the Project Implementation Units (PIUs) and the Project Coordination Unit (PCU) was also not yet complete.

The detailed progress under each of the project components is stated here:

Component 1 - Grid Expansion and Connectivity: Only 33,473 on-grid connections were made between May and November 2025 (13% of the target for the period), bringing the cumulative total to 186,765 (17.4% of the project target). This fell short of the anticipated 48% cumulative progress target (515,280 connections) by 31st October 2025. This was because the procurement was still ongoing for sets of 410,000 connection materials and 135,000 ready boards.

For grid extensions and intensification works, which account for 70% of the project cost, the procurement of a Material Logistics Service Provider (MLSP) for

¹⁵⁹SPI of 0.21



grid material logistics was concluded, and a contract was signed on 18th July 2025. The MEMD and the Planning, Design and Supervision Consultant (PDSC) completed all preliminary surveys. However, the construction of the Medium and Low voltage networks had not commenced pending the conclusion of detailed engineering designs and the procurement of Line Installation Contractors (LICs) and Bulk Material Suppliers (BMS).

Component 2 - Financial Intermediation for Energy Access Scale-up: The interventions under this component included the Credit Support Facility (CSF) and Result-Based Financing (RBF) programmes, as well as institutional solar stand-alone and clean cooking systems installations.

Credit Support Facility (CSF)

Under the Credit Support Facility (CSF), more Lines of Credit (LoC) worth USD 3 million were disbursed between May and October 2025, bringing the cumulative total to USD 11.7 million across nine (9) Participating Financial Institutions (PFIs). To that effect, a total of 5,328 loans were disbursed to boost off-grid solar connections, but this was below the targeted 6,574.

Results-Based Financing (RBF)

The Results-Based Financing (RBF), on the other hand, aims to provide subsidy rates (30% - 67%) to promote the usage of the various off-grid technologies. Cumulatively, the credit guarantees extended to UECCC for the Off-Grid Solar (OGS), Clean Cooking Solutions (CCS), and Productive Uses of Energy (PUEs) were USD 28.1 million, USD 6.6 million and USD 5.5 million, respectively. There was an improvement in the performance of the RBF programme from 11.8% to 22% in the six months, with more off-grid connections made. The connections undertaken in partnership with the qualified Energy Service Companies (ESCOs) are summarised in Table 3.9.1.

Table 3.9.1: Result Based Financing (RBF) Project achievements by 31st October 2025

Output	Number of Off-Grid Connections Made				Number of enrolled Energy Service Companies (ESCOs)
	Six Months Achievement (May – October 2025)	Cumulative Project Achievement	End Project Target	Cumulative Progress (%)	
Off-Grid Solar (OGS)	165,691	263,359	940,000	28.0	35
Clean Cooking Solutions (CCS)	49,302	75,958	300,000	25.3	29
Productive Uses of Energy (PUEs)	90	500	4,000	12.5	28

Source: EASP Reports, PAD



The OGS connections included solar lanterns and solar home systems, while that under CCS included Liquefied Petroleum Gas (LPG) cylinder kits, biogas stoves, ethanol stoves and electric pressure cookers. On the other hand, PUE



Pole-mounted solar system with submersible irrigation pump at a farm in Buwama, Mpiigi district.

connections entailed solar water pumps, solar refrigerators, solar water heaters and on-grid refrigerators. The notable success of the RBF programme was largely due to the strong national response to the government's initiative to subsidise access to off-grid technologies.

Institutional Solar Stand-Alone and Clean Cooking Systems Installations

To electrify public institutions, works for solar installations at the planned 40 water stations countrywide under the Ministry of Water and Environment (MoWE) were completed during the review period, and 28 sites were undergoing testing. An additional agreement was signed on 15th October 2025 for four (04) water schemes, and works were in the early stages.

The solar component under the Ministry of Education and Sports (MoES) had concluded the procurement process. The contracts for three lots covering 45 schools were signed in October 2025, and the contractor was mobilising to commence works. The Ministry of Health (MoH) identified 130 sites for health



Water supply scheme upgraded with a solar system in Masheruka, Sheema

centres for the solar installations in the Central, Midwest and Western Uganda. However, the procurement process was still at the bidding stage.

Under the clean cooking initiative, UECCC intends to promote the uptake of clean cooking by institutions. In the

first phase, UECCC signed a draft contract for the installation of Liquefied



Petroleum Gas (LPG) systems at two referral hospitals and 11 bio latrines at other facilities.

Component 3 - Energy Access in Refugee Host Communities: A total of 17,633 off-grid solar (OGS) connections and 2,572 Clean Cooking Solutions (CCS) were cumulatively made in the Refugee Hosting Districts (RHDs) by 30^{1st} October 2025. Of these, 3,380 connections and 190 CCS were made to refugees. Verification of more 9,013 connections and 4,121 beneficiaries of CCS was ongoing by 30th November 2025. However, the construction of medium-voltage networks in the respective refugee settlements has not started, awaiting the conclusion of detailed engineering designs and MEMD's procurement of contractors.

Implementation constraints

1. The project progress was hampered by slow procurement processes of contractors to undertake grid expansion and the solar installations in the schools and health centres.
2. Some of the project staff, three years into the project, had not been recruited.

Conclusion

The project's physical progress was poor, with a low disbursement level at 13%. The physical progress was 16% against a time progress of 66%. Only grid and off-grid connections, and solar PV installation for water pumping systems had been undertaken. The grid extension component showed poor performance with no work yet and was grappling with procurement delays. Likewise, the institutional solar installation works in education and health facilities were pending the conclusion of the procurement of contractors while recruitment of some key staff under the project implementation and coordination units was still pending. With this trend in performance, the project will not be completed by 30th June 2027. There are anticipated cost overruns from exchange rate losses, and counterpart funding is also anticipated to double with additional US\$ 40 billion required by completion time to cater for project administration costs.

Recommendation

The World Bank and the MEMD should fast-track the ongoing procurements to enable the commencement of the grid and off-grid construction works.

3.9.4 ORIO Mini Hydro Power and Rural Electrification Project(1429)

Introduction

The ORIO Mini Hydro Power and Rural Electrification Project's objective is to provide a captive and reliable electricity access to contribute to the economic



development of the project areas. The implementing agency is the Uganda Energy Credit Capitalisation Company (UECCC).

The total project cost is US\$ 207.4 billion, of which US\$ 49.8 billion (EURO 12.2 million) is a grant from the ORIO Infrastructure Development Fund of the Netherlands Government, while the rest is co-financing from the Government of Uganda. The initial Grant Agreement became effective in June 2017 and was scheduled to expire on 30th June 2025, but was granted a two-year extension up to 30th June 2027. The project commenced in FY 2017/18, and the completion date was revised from 30th June 2025 to 30th June 2028.

Project Scope

This project entails the construction of nine (09) mini hydro power plants with a combined capacity of 6.7MW and is to be undertaken in two phases. The project sites are located in the seven (07) districts of Western Uganda, namely: Hoima, Kabarole, Bundibugyo, Bunyangabu, Kasese, Mitooma, and Bushenyi (Table 3.9.4).

The project will also focus on the construction of local distribution networks with a total length of 288 km, as well as the connection of 71,081 households and 2,300 SMEs. The project is projected to benefit 376,729 people within the project areas.

Table 3.9.4: Orio Mini Hydro Project details

No.	Mini Hydro	Capacity (KW)	Project code	Location	River	Schedule for Construction
1	Nsongya	684	HEPP-2	Bunyangabu	Nsongya	Phase One
2	Igassa	276	HEPP-10	Bunyangabu	Igassa	
3	Nchwera	463	HEPP-3	Mitooma	Nchwera	
4	Hoimo	3,312	HEPP-4	Hoima	Hoimo	
5	Rushobe	234	HEPP-1	Bushenyi	Warugo	Phase Two
6	Kisonko	693	HEPP-5	Bundibugyo	Nyahuka	
7	Tokwe	331	HEPP-8	Bundibugyo	Tokwe	
8	Kabasanja	402	HEPP-7	Kabarole	Wamikira	
9	Katooke	311	HEPP-9	Kasese	Katooke	
	Total	6,706				

Source: UECCC



Financial Performance

The project disbursement improved from 18.8% (US\$ 39.03 billion) in May 2025 to 20.9% (US\$ 43.23 billion) by 30th November 2025. The project Earned Value is lower than the Actual Costs (Figure 3.10.3). The level of disbursement on the grant was 30%. The total project counterpart funding released to UECCC by November 2025 amounted to US\$ 55.246 billion of the budgeted US\$ 64.2 billion, and US\$ 16.47 billion had been spent.

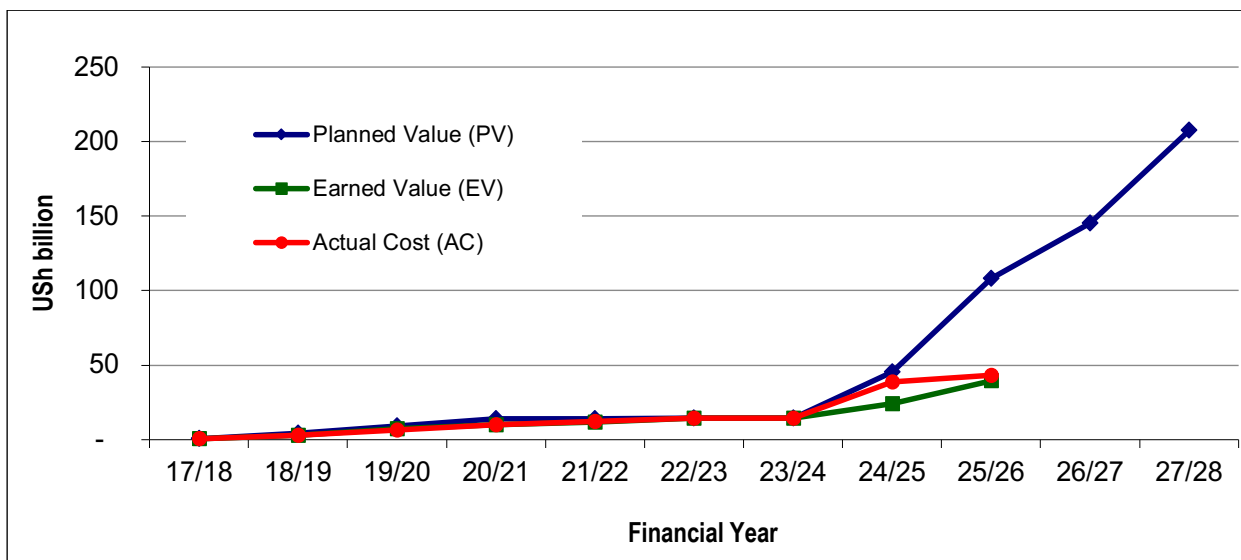
Physical Performance

The overall project construction progress increased to 18% on 30th November 2025 from 5% in May 2025, but remained behind schedule¹⁶⁰. Phase I works, which are scheduled to last for 24 months up to December 2026, had progressed to 35% after a lapse of 11 months. The phase II works, on the other hand, are scheduled to start in October 2026 with a planned duration of 36 months.

The Environment and Social Impact Assessment (ESIA) for Igassa and Nsongya and the detailed designs for Hoimo and Nchwera sites were completed in July 2025. The electromechanical contractor also commenced the manufacture of the E&M (Electro Mechanical) equipment for the Hoimo and Nchwera sites.

The feasibility studies of the Phase I distribution network were ongoing, with 69.7 km (53%) completed, and grid constructions expected to start in May 2026. Construction activities for the Hoimo site commenced in December 2024, while work at the other three power plants under Phase I started in August 2025. The progress at the four sites was at varying stages.

Figure 3.9.3: Performance of the ORIO Mini Hydro Power and Rural Electrification Project as at 30th November 2025



Source: UECCC Progress Report Q1 FY 2025/26, Author’s analysis

¹⁶⁰ SPI of 0.37



Hoimo site in Hoima: The main contractor for civil and hydro-mechanical works had fully mobilised, and works had progressed from 5% in May 2025 to 15% in November 2025. The construction of the site camp & materials yard was complete. River diversion was also completed in August 2025 to enable construction works to commence. The construction works were ongoing on the open water head race water canal, with casting of 700m of the planned 958m completed.



On-going civil works on the open water channel for the Hoimo mini-hydro project

Nchwera site in Mitooma: Works began in August 2025 and were at 10% in November 2025. The construction of the workers' camp, 3.27km of access roads, material and equipment yard was ongoing.

Nsongya and Igassa sites in Bunyangabu: The contractor had undertaken site mobilisation, and site clearance was ongoing during November 2025 for the two sites. The main contractor was also undertaking topographic surveys and geotechnical data collection, and the detailed engineering designs for all the Civil, Hydro-Mechanical (H&M), and Electro-Mechanical (E&M) components of the project.

Implementation constraints

1. The delay in the disbursement of the GoU funding contribution, which was a condition for unlocking the Grant funding, hindered project progress.
2. The slow pace of procurement of contractors affected the timely start of project works.

Conclusion

The project registered fair performance, with grant disbursement at 30% and overall project progress at 18%. While the RAP activities were completed, construction of the first phase for four out of nine mini-hydro power plants was at 35% against a time progress of 48%. Although the project received a two-year grant extension up to June 2027, this will not be sufficient to complete both phases. There is an anticipated projected cost overrun of over US\$ 15 billion arising from exchange rate losses and project administration costs.



Recommendations

1. The MEMD should prioritise the provision of funding to the tune of Ush 12.7 billion to enable completion of Phase I works.
2. The MEMD and UECCC should rescope the project and eliminate the mini-hydro sites planned under phase II.



3.10 Sustainable Housing and Urbanisation

Introduction

The Sustainable Housing and Urbanisation Programme aims to attain inclusive, productive, and livable urban areas for socio-economic development. The achievement of this overall objective is majorly contributed to by the following agencies: The Ministry of Works and Transport (MoWT); the Ministry of Kampala Capital City and Metropolitan Affairs (MoKCC&MA); the Ministry of Lands, Housing and Urban Development (MoLHUD); Kampala Capital City Authority (KCCA); and Local Governments (LGs).

Under the Sustainable Housing and Urbanisation Programme, the Greater Kampala Metropolitan Area Urban Development Programme (GKMA-UDP) as a project was reviewed. The findings are presented hereafter.

3.10.1 Greater Kampala Metropolitan Area Urban Development Program (1798)

Introduction

The Government of Uganda, through the MoKCC&MA is implementing a five-year Greater Kampala Metropolitan Area Urban Development Programme (GKMA-UDP). The programme supports nine sub-national entities, including KCCA, the District Local Governments of Mukono, Mpigi and Wakiso, and the urban authorities of Mukono, Entebbe, Kira, Nansana, and Makindye-Ssabagabo. MoKCC&MA oversees coordination, while the sub-national entities are responsible for implementation.

The total programme cost is USD 1,179.97 million. The World Bank is contributing USD 566 million (48%), comprising credit of USD 518 million (43.9%) and a grant of USD 48 million (4.1%). Agence Française de Développement (AFD) will contribute EUR 40 million (equivalent to USD 42.66 million (3.6%)) as co-financing and GoU counterpart funding contribution is at USD 571.31 (48.4%).

The GKMA-UDP project was approved on 31st May 2022. The World Bank Financing Agreement was signed on 17th November 2023. The grant and loan financing became effective on 17th November and 28th December, 2023 respectively, with a closing date of 31st December 2027 for both facilities. The AFD financing agreement was signed on 12th March, 2025. Project implementation commenced in the FY 2023/24.

The programme development objective is “to improve the institutional capacity of the MoKCC&MA and the GKMA sub-nationals for metropolitan management and increase access to improved infrastructure and services”. The programme seeks to improve urban productivity in the GKMA under four (4) major programme pillars, namely:

- i. Mobility, accessibility, and connectivity-infrastructure development in GKMA targeting over 443 km of roads for an upgrade in five (5) years.
- ii. Improvement of urban resilience and climate-change/disaster risk management focusing on establishing green parks/belts and tree planting



along roadsides, developing solid waste management strategies, and storm water drainage to address the challenge of flooding in the entire GKMA, among others.

- iii. Job creation, with a focus on the creation of workspaces, market improvement, innovation/incubation centres and artisan parks that target the unemployed youths, women, and economic clusters. This focuses on the improvement of 18 markets in various locations within GKMA, mini-industrial parks, and agro-processing zones for value addition, among others.
- iv. Institutional strengthening for metropolitan coordination and management.

Financial Performance

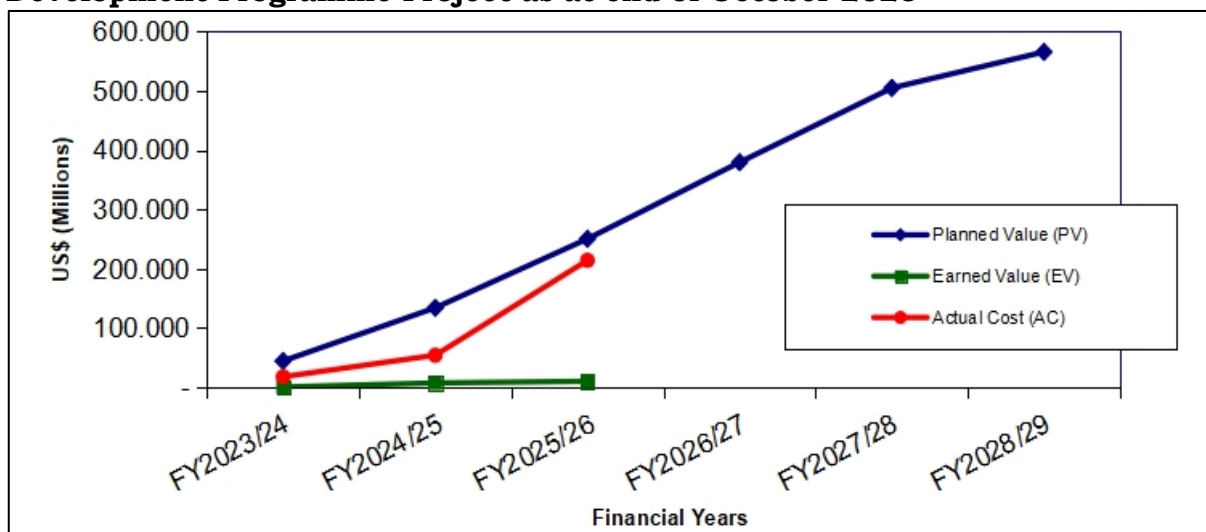
The overall financial progress of the programme improved by 13.63% from 4.5% in March 2025 to 18.13% against a time progress of 49.5% by the end of October 2025. Only the World Bank funding had been utilized on the project. The disbursement performance was at 38.5% for the loan and 49.2% for the grant. Total disbursements from the World Bank amounted to USD 213,960,627 (37.8% of the World Bank contribution). This comprised of a loan of USD 191.261 million (89.48%) and a grant of USD 22.699 million (10.6%). The MoFPED had released the disbursed funds to the sub-national entities for both Institutional Strengthening Grants (ISG) and Metropolitan Development Grants (MDG), for institutional capacity growth and capital investments respectively. The GoU and the AFD had not yet made any financial contributions to the project.

Physical Performance

The overall performance of GKMA-UDP improved from 11% on April 2025 to 17% against a time progress of 47.4% as at the end of October 2025. Several activities under the four pillars continued to be initiated. Program implementation was at different levels for different entities especially for the roads (designs and construction), drainages (designs and procurement) and market infrastructure (designs). The performance of the GKMA-UDP is indicated in Figure 3.10.1. Below is the progress made under the program (Pillar 1, 2, 3 and 4).



Figure 3.10.1: Performance of the Greater Kampala Metropolitan Area Urban Development Programme Project as at end of October 2025



Source: Author’s compilation based on Monthly progress reports (FY 2018 to 2025/26)

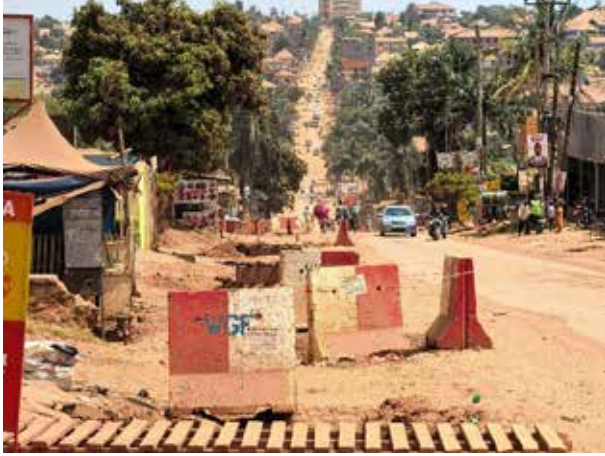
Pillar 1: Mobility, accessibility, and connectivity-infrastructure development in GKMA

All GKMA-UDP implementing entities have signed contracts for roads construction civil works (127.832km) and implementation is at different stages. The development of neighbourhood plans and physical development plans is ongoing. The districts of Wakiso and Mukono; the municipalities of Nansana, Makindye Ssabagabo, and Kira; and KCCA, advertised additional roads (71.9km) for construction and the procurement processes were going on. Except Kira MC and Makindye Ssabagabo MC, all other GKMA-UDP implementing entities had additional roads under design (125.74km). Most of the project roads have PAPs while a few do not have, but the RoW acquisition has over the years improved and only a few pockets of those that need compensation remain.

Kira and Mukono MCs were the first to commence the civil works construction for the flagship projects. A total of 7.62km of roads in Kira¹⁶¹ and Mukono MCs¹⁶² were at the final stages (final asphalt layer added) and are partially opened to the public. The following activities were in progress, that is, installation of signage, pedestrian walkways, road markings, landscaping, streetlights installation, and tree planting in accordance with individual roads designs.

¹⁶¹ Total of 2.42 km of asphalt final road layer were completed on Kungu-Bivanju

¹⁶² Total of 1.272 km of asphalt final road layer completed on Cathedral Rise + Albert Cook + Admin Link; and a total of 4.0 km of asphalt final road layer completed on Nassuti-Nakabago-Ntawo



A section of along the Nansana-Nabweru road at Km 1+350 with ongoing drainage works in Nansana Municipality



A section of Lubugumu-Kakola road with asphalt pending the construction of walkways in Makindye Ssabagabo Municipality



A constructed box culvert at Km 6+225A along the Mpigi-Muduma road in Mpigi District



Ongoing construction works on box culvert at Km 5+187 along the Bukasa-Sentema-Kakiri road in Wakiso District

Pillar 2: Resilience and Environment (Environment, Safety, Health and Social Safeguards Management)

Eighteen drainage channels were earmarked for improvement/construction in the nine implementing entities. None of the GKMA-UDP subnational entities had designed, advertised and contracted out stand-alone drainages. The Entebbe MC and Mpigi DLG had not identified any stand-alone drainage; but the rest have committed resources towards stand-alone drainage including black spots. The KCCA, Makindye Ssabagabo MC, and Mukono DLG had designed drainages; and will advertise for contracts upon acquisition of sufficient ROW. The RoW issues were the leading cause of delayed construction of the stand-alone drainages. Supervision and monitoring of the contractors' conformance with the environment and social safeguards standards was also undertaken under the pillar.



Pillar 3: Job Creation (Local Economic Development - LED)

The LED function aims to promote own source revenue initiatives and create employment especially for the youth and women entrepreneurs and other business groups among the participating entities.

The DLG of Mpigi and Wakiso had contracted out three¹⁶³ (3) markets for construction. Wakiso DLG, Nansana MC, KCCA, Kira MC, Mukono MC and Mukono DLG had contracted out seven¹⁶⁴ (7) markets for feasibility studies and designs. The progress on Kame Valley Market in Mukono MC was hampered by the lack of sufficient funds for its construction. Makindye Ssabagabo MC had earmarked a skilling center under job creation. Relocation spaces were the leading challenges facing construction of markets, with the exception of Wakiso Central Market, USAFI Market and Ggaba market.

Pillar 4: Institutional Strengthening

The MoKCC&MA continued to maintain the PST and the PST offices. The PST continued to support the program implementation in areas of design, environmental and social safeguard management, procurement processes, and financial management including audits.

Implementation Constraints

1. The ROW acquisition is very slow in some places due to absentee landlords, landlords demanding for reinstating of the affected property prior to giving consent, scepticism among some PAPs about the project due to past experiences hence reluctant to give their consent, and lack of funds to compensate the heavily affected PAPs.
2. The Value for Money audit performance of some entities results into lower scores, hence lower amounts accessible under the Performance for Results (PForR) financing modality for program activities.

Conclusion

The overall performance of the GLMA-UDP was estimated at 17% against a time progress of 49.5% by the end of November 2025. The programme had attained an overall financial progress of 18.13%. However, only the World Bank financing had been utilised on the project at 37.8% of its allocation. Implementation across the four GKMA-UDP pillars was progressing at different stages. However, there was a risk of further delays in civil works due to the non-release of funds from the Government of Uganda to support programme operations.

Under Pillars 1–4 of the GKMA-UDP, progress was recorded across infrastructure development, resilience, job creation, and institutional strengthening. Road construction advanced with 127.83 km contracted, 71.9

¹⁶³ Mpigi Central Market, Kawuku Market and Wakiso Central Market

¹⁶⁴ USAFI and Ggaba market located in KCCA, Kame Valley Market located in Mukono MC, Kireka Main Market located in Kira MC, Nansana Daily market located in Nansana MC, Bulaga Market located in Wakiso DLG and Entebbe Fish market located in Entebbe MC



km advertised, and 125.74 km under design, while RoW acquisition improved and Kira and Mukono led in implementing flagship works, with 7.62 km nearing completion. In resilience, 18 drainage channels were identified, but stand-alone drainage works had not been contracted due to RoW constraints, though some designs were completed and ready for advertisement. Job creation efforts progressed with Mpigi and Wakiso contracting three markets and several other entities undertaking feasibility studies and designs for seven additional markets, despite funding gaps and vendor relocation challenges such as those affecting Kame Valley Market. Institutional strengthening continued through MoKCC&MA's support to the PST, which provided technical assistance in design, safeguards, procurement, and financial management.

Recommendation

- i) The MoFPED should allocate financial resources to fast track the RoW acquisition especially for the compensation of the heavily affected PAPs.
- ii) The MoKCC&MA/PST should carry out capacity building across all entities to effectively prepare for Value for Money Audit without compromising the quality of civil works.



ANNEXES

Annex 1: Achievement of outputs for the Uganda Climate Smart Agricultural Transformation Project by 31st November 2025

Component	Output Target	Output achievement
Component 1: Strengthening Climate Smart Agricultural Research, Seed and Agro-Climatic Information Systems		
1.1 Supporting Climate Smart Agricultural Research and Innovations	<ol style="list-style-type: none"> 1) One Call for Competitive Grant Scheme (CGS), 2) 34 Climate Smart Agriculture Technologies, Innovations, and Management Practices research proposals developed and awarded 3) 40 MSc scientists training facilitated 4) 20 PhD scientists training facilitated 5) 100 project and extension staff trained 	<ol style="list-style-type: none"> 1) One CGS call was made 2) 36 research proposals were approved by NARO and submitted to World Bank; of which 24 received clearance for award. 3) 43 MSc scientists were awarded scholarships; orientation and award letters were issued 4) 28 PhD candidates were recommended for award; the process was ongoing. 5) Training Needs Assessment was completed; Training was planned for following quarters.
1.2 Building Competitive and Sustainable Seed Systems	<ol style="list-style-type: none"> 1) Detailed architectural designs for brood stock centre at ARDC Kajjansi 2) Two foundation seed facilities refurbished at ZARDIs and one fish feed production facility and analytical laboratory refurbished 3) 5,000 Nile tilapia and 5,000 African catfish brood stock produced 4) 500 tonnes of fish feed produced 5) 100 acres of pasture established 6) 1 million cassava planting materials multiplied and 1 cassava screen house completed and operational 	<ol style="list-style-type: none"> 1) Designs for the brood stock centre were completed and procurement was initiated 2) Specifications, technical designs and bills of quantities were developed for the three facilities and procurement was initiated 3) 5,000 Nile tilapia were produced; 600 parent stock of African catfish selected for breeding 4) 60 tonnes of assorted fish feeds ingredients and 10 tonnes of floating fish feeds produced 5) 100 acres of pasture were established 6) 28,000 indexed disease free cassava plantlets; screen house was completed 7) Rootstocks of 30 citrus and 3 mango varieties were



Component	Output Target	Output achievement
	<ul style="list-style-type: none"> 7) 100,000 mango and citrus seedlings produced 8) 30 acres of mother gardens of cashew nuts and hass ovacado seedlings established 9) National Seed Testing Laboratory equipped and certified 10) Mapping of seed systems for 10 crops expedited 11) 144 Artificial Insemination (AI) sub centres established and equipped 12) 288 AI Technicians trained, certified and equipped 13) Infrastructure rehabilitated and equipped at Rubona and Maruzi Animal Genetic Resource Centres (AnGRCs) 	<ul style="list-style-type: none"> grafted and put in nursery for propagation 8) 5 acres of cashew nuts mother gardens established in Kifu 9) The specifications for assorted equipment were developed and procurement initiated for National Seed Testing Lab. 10) Seed systems for two crops (maize and soya) out of 10 were mapped 11) Procurements were initiated for AI centres 12) 40 (14%) AI Technicians for Teso and Karamoja were trained 13) Technical Designs and Environment and Social Management Plans (ESMPs) were completed
<p>1.3 Strengthening Agro Climate Monitoring and Information Systems</p>	<ul style="list-style-type: none"> 1) Sites for 30 Automatic Weather Stations (AWS) and accessories identified, installed and equipped 2) Three software packages acquired for weather and climate modelling 3) Community Weather Observers (CWO) trained in the 30 weather sites by the Uganda National Metrology Authority (UNMA) 4) Soil Organic Carbon Measurement, Reporting and Verification (MRV) System established; with 12 MRV tools, 4 Green House Gas (GHG) 	<ul style="list-style-type: none"> 1) Site identification was completed and procurements were at technical evaluation stage 2) Software packages were not acquired 3) Trainings were not conducted 4) Procurement was initiated for 12 MRV equipment and tools, concepts developed and 1 GHG monitoring report was completed



Component	Output Target	Output achievement
	monitoring reports and 12 GHG emissions reports	
1.4 Institutional Capacity Strengthening for MAAIF and Animal Genetics Resource Centres (AnGRCs) under NAGRC&DB	<ol style="list-style-type: none"> 1) Technical inspection, topographical survey, tender documents prepared and site handover done for the rehabilitation of the National Agricultural Data and Logistics Hub in Wandegeya 2) Establishment of a functional livestock research and multiplication facility at Serere initiated; site assessments and ESMP completed 3) 10 tractors and 28 specialised ground transport fleet procured by June 2026 	<ol style="list-style-type: none"> 1) Engineering and Architectural designs completed; hydrological tests conducted in Wandegeya 2) Engineering assessments were done at Serere and ESMP was developed. Preparation of Bills of Quantities (BoQs) was initiated 3) Specifications and technical evaluation for the tractors and transport fleet were completed; <i>the tractor procurement, however was cancelled.</i>
1.5 Institutional Capacity Strengthening for PARIs under NARO	<ol style="list-style-type: none"> 1) Renovation and equipping 9 Zonal Agricultural Research and Development Institutes (ZARDIs) laboratories by June 2026 2) 10 Irrigation facilities at PARIs constructed, rehabilitated and expanded at 10 research stations by June 2026 3) Seed Storage, threshing and drying facilities at 9 stations established and functional by June 2026 4) First phase construction of cattle research and development center block at Maruzi completed in FY 2024/25 	<ol style="list-style-type: none"> 1) Preliminary planning and infrastructure assessments were initiated at the ZARDIs 2) Site evaluations and engineering designs were completed Awaiting submission to World Bank for no objection 3) Site inspections, needs assessments and engineering designs were completed awaiting submission to World Bank for no objection 4) Engineering designs and Environmental screening completed were completed



Component	Output Target	Output achievement
Component 2: Promoting Adoption of Climate-Smart Agriculture Technologies and Practices		
2.1 Productivity Enhancement and Resilience Investments for Income Generation (including SLM)	<ol style="list-style-type: none"> 1) 6,000 farmer groups profiled; 339 farmer institutions established 2) 6,000 beneficiary farmers (300 farmer groups) given matching grants 3) Target beneficiaries selected and market analysis conducted 4) Verification done of 1,820 input service providers with specific targets as 690 (pasture), 100 (fish seed), 250 (livestock), 600 (crop) and 200 (beneficial insects) 5) 567 potential private sector suppliers engaged and enrolled in the system 6) 124,000 farmers trained and enrolled on the e-voucher system 7) Four regional mechanisation centres constructed, equipped and operationalized at Nabuin, Soroti, Nwoya and Sanga 8) 2000 axle tractors procured and provided to small holder farmers 9) 69 district laboratories constructed and equipped 10) 153,000 hectares (Ha) of land bought and mapped under Sustainable Land Management (SLM) 11) Agricultural Carbon Footprint Inventory 	<ol style="list-style-type: none"> 1) 13,215 groups verified; 8147; Stakeholders engaged; 2) Matching Grants not given out as e-voucher system was being finalized 3) Beneficiary groups were selected and mobilized as follows: 6,587 (crop), 3,515 (livestock), 2,388 (beneficial insects), 725 (fisheries) 4) Verification was completed of 1,416 (78%) input service providers and data uploaded as follows: 178 (pasture), 67 (fish seed), 281 (livestock), 598 (crop) and 292 (beneficial insects). 5) 649 private sector suppliers verified and enrolled in system 6) Training and enrolment of farmers not done 7) Site assessments and mapping was conducted for the mechanization centres. <i>Focus was shifted to operationalizing existing centres</i> 8) Procurement was initiated for 1,500 axle tractors 9) Infrastructure designs for the laboratories were completed 10) Mapping of degraded land was completed and SLM implementation manual developed 11) 2,800 soil samples out of the planned 6,000 were collected and delivered to NARO for analysis 12) Procurement of vaccines was initiated 13) Contracts signed for restocking L. Chahafi and



Component	Output Target	Output achievement
	<p>conducted and completed</p> <p>12) Three million vaccines procured and distributed</p> <p>13) Two water bodies restocked with 6 million fingerlings</p> <p>14) Criteria for AI services and for supply of livestock developed and approved</p>	<p>L. Mulehe with 3 million fingerlings</p> <p>14) The criteria were developed and approved</p>
<p>2.2 Productivity enhancement and resilience for food and nutrition security in refugee settlements</p>	<p>1) Value chains validated in 8 refugee settlements</p> <p>2) 2,000 farmer groups in refugee host districts validated, profiled and enterprises selected.</p> <p>3) Eight agreements signed for partnerships between refugees and host communities for land use</p> <p>4) 2,000 groups mobilized and sensitized on grants</p> <p>5) 1,090 Community Based Facilitators recruited and trained</p> <p>6) 56 microscale irrigation equipment procured for refugee settlement</p>	<p>1) Validation completed</p> <p>2) 2,020 groups were validated; profiling and enterprise selection was initiated</p> <p>3) Engagements and formalization of agreements were initiated</p> <p>4) 500 groups were mobilised</p> <p>5) Needs assessments were done and manual to guide implementation was under development</p> <p>6) Procurement of irrigation equipment was initiated</p>
<p>2.3 Building Institutional Capacity for productivity enhancement and resilience and strengthening service delivery</p>	<p>1) 8,266 farmer groups mobilized and trained</p> <p>2) 2,000 extension officers trained on E-extension</p> <p>3) Training materials produced for 12 value chains and distributed</p> <p>4) 3,450 outgrower livestock farmer groups formed and strengthened</p>	<p>1) 13,215 farmer groups were mobilized and trained</p> <p>2) Training of Trainers sessions were held, although number trained could not be established;</p> <p>3) Training manuals were produced</p> <p>4) Mobilization of outgrower schemes was initiated; technical manuals were developed but not yet disseminated</p>



Component	Output Target	Output achievement
Component 3: Market Development and Linkages for Selected Value Chains		
3.1 Investments in market development and linkages for selected value chains	<ul style="list-style-type: none"> ✓ Matching Grants (MG) provided to beneficiary groups in 69 districts ✓ 937 Road chokes prioritized and rehabilitated in 69 districts ✓ Profile and map central fish markets in 64 districts 	<ol style="list-style-type: none"> 1) The MG Implementation process was halted temporarily to complete nomination of committee members 2) 644 road chokes in 1,565.4 km of farm access roads were submitted by districts; rehabilitation was at varying stages in the DLGs 3) Site selection and mapping was done for fish markets
3.2 Investments in market development for selected value chains for farmers in refugee settlements and host communities	<ol style="list-style-type: none"> 1) Market development strategies and market linkage frameworks established 2) 762 business plans developed and validated for refugee and host farmer groups, ACCEs, and agro-enterprises 3) Sensitization sessions on nutrition, production, and marketing grants conducted 4) Capacity building programs on nutrition-sensitive agriculture conducted 	All the outputs were not implemented, waiting for implementing partners to be brought on board.
Component 5: Project Coordination, Management, monitoring, Evaluation and Learning		
5.1 Project Management and coordination and implementation at the national, zonal, district and sub county levels	<ul style="list-style-type: none"> ✓ 26 new staff recruited for national and regional offices ✓ Increased visibility: 20 media briefs, 26 exhibitions, 48 media engagements and press releases, 9 visibility materials ✓ 7 regional and national project coordination unit recruited 	<ul style="list-style-type: none"> ✓ Salaries were paid for 10 contract staff ✓ Achieved 2 media briefs, 2 exhibitions attended, 7 media engagements and press releases and some Information Education and Communication (IEC) and promotional materials printed ✓ The recruitment was completed



Component	Output Target	Output achievement
5.2 Project monitoring, evaluation and learning	<ol style="list-style-type: none"> 1) Monitoring and Evaluation (M&E) working group established and functional; Results Framework updated; Project M&E Strategy and Plan updated 2) M&E Management Information Systems (MIS) developed and operationalized 3) M&E data tools and protocols developed 	<ol style="list-style-type: none"> 1) Achieved 2) The project opted not to proceed with developing a separate MIS but use existing GoU systems 3) The tools and protocols were developed, to be continuously upgraded
5.3 Strengthening the environment, social, health and safety (ESHS) risk management system for MAAIF	<ol style="list-style-type: none"> 1) Environmental and Social Safeguards (ESS) Manuals developed 2) 1,200 DLG officers and 120 national level officers trained in Environment, Social, Safety and Health risk management 	<ol style="list-style-type: none"> 1) Nine core ESS manuals were developed 2) A three-day stakeholder engagement was conducted with 276 participants at national level District level engagements involved 8,147

Source: Field findings; MAAIF UCSATP Progress Report 30th October 2025



Annex 2: Performance of Global Fund for HIV, Malaria and TB as of 30th November 2025

Component	Planned Outputs	Achievement
<p>Supporting Uganda’s Strategy for the Acceleration towards the Elimination of Malaria</p>	<p>Medicines and health supplies procured and distributed.</p> <p>Vector control interventions implemented.</p> <p>Medicine stores constructed for selected health facilities.</p> <p>Larviciding implemented in the malaria prone districts.</p> <p>VHTs and community members trained in larviciding; ToTs of CHWs trained in disability; malaria epidemic guidelines and SOPs disseminated.</p>	<p>The offshore and in-country procurements were completed as planned. The medicines were distributed to the health facilities by the National Medical Stores.</p> <p>Equipped health assistants, facility in-charges, and reporting focal persons with knowledge on index linking, testing, treating, and environmental management in the Training of Trainers (TOT) for Health Assistants and Facility Staff; Trained district teams for IRS activities in West Nile and Mid North Districts in the District TOT for IRS (Indoor Residual Spraying); Disseminated IRS knowledge down to the sub-county level in West Nile and Mid North Districts on the Cascade Training at Sub-Counties for IRS</p> <p>The contracts for construction of the medicine stores in 26 districts were signed and works had commenced. Most of the sites were at finishes levels improving from the substructure level observed in May 2025. The contractors were on-site and being monitored for quality and compliance by the MoH Infrastructure Department.</p> <p>There were, however, noted variations in the pace of project component implementation, attributed to variations in the capacity of the awarded contractors. Some lack adequate financial capacity to enable the provision of advance bank payment guarantee. This is likely to affect timely implementation of the works.</p>



Component	Planned Outputs	Achievement
		<p>Larviciding implementation and post-intervention monitoring were undertaken.</p> <p>Other outputs were to be implemented in the subsequent quarters.</p>
Supporting Uganda's Response to HIV	<p>Medicines and health supplies procured and distributed.</p> <p>Differentiated HIV Testing services and PMTCT implemented</p> <p>HIV Treatment Care and Support</p> <p>Mentorships were undertaken, hotspots verified for functionality.</p>	<p>The offshore and in-country procurements were completed as planned. Distributions were ongoing.</p> <p>Comprehensive PMTCT service delivery trainings in Teso, Bugisu, Mukono, and Wakiso regions; Facilitation for coordination meetings on prevention of mother-to-child transmission; Integrated mentorships for HIV prevention, care & treatment for adolescents and young people (Busoga region); Conducted Integrated Quarterly Regional Performance review to support RRHs for program improvement in 13 Regions</p> <p>Facilitated Differentiated Service Delivery (DSD) Performance Review Data Collection in 3 Regions (Karamoja, West Nile, and Masaka).</p> <p>Conducted an integrated training of health care providers on SRH (Sexual and Reproductive Health) and Condom in Western region and Lango Sub-region; Conducted mentorship of Health Workers and VHTs (Village Health Teams) on Disability in Northern region (Lira, Kitgum, Pader, and Lamwo Districts), West Nile region, and Western region; Conducted Integrated Mentorship on HIV prevention, Care and Treatment targeting adolescents and young people in Eastern Region and Busoga Region; Conducted YAPS (Youth-Adult Partnerships) case-based facility-based coaching and mentorships for teachers and headteachers in Acholi region and Lango region;</p>



Component	Planned Outputs	Achievement
	<p>One annual training conducted all through the three years; capacity of SRs and SSRs to deliver grants and mitigate risks enhanced; 80 facilities mentored; 10 laptops, three multi-function printers and software bought; 105 district mentors trained; 16 Regional Referral Hospitals mentored; 300 hotspots verified for functionality and condom availability; 35 districts mentored in condom programming per quarter; IEC materials completed and linked to the guidelines for PWDs; training of health workers on comprehensive PMTCT package to boost testing for integrated testing for HIV, syphilis and hepatitis B; two call centres strengthened for effective emergency responses and reporting of adverse events.</p>	<p>Conducted mentorship of Health care service providers on provision of psychosocial support to adolescents living with HIV and TB</p> <p>Mentorships were undertaken, hotspots verified for functionality.</p> <p>Annual training was conducted. Sixteen regional referral hospitals were mentored. ICT equipment was procured for the Project Implementation Unit.</p> <p>The rest of the planned outputs were planned for subsequent quarters.</p>
<p>Supporting Uganda's Response to Tuberculosis</p>	<p>Medicines and health supplies procured and distributed.</p> <p>5 mobile labs were procured.</p> <p>Health products management systems strengthened</p>	<p>The offshore and in-country procurements were completed as planned. Distributions were ongoing.</p> <p>The mobile labs or clinics in form of trucks were procured and delivered to the referral hospitals, including Mbale, Mbarara, Lira and Fort Portal.</p> <p>Conducted Integrated Quantification review workshop for NTDs, NCDs, Medical oxygen and related supplies, and PHEs (Public Health Emergencies); Community TB screening using mobile clinics across several regions was undertaken; Conducted training of Health workers on updated PMDT (Programmatic Management of Drug-Resistant TB) guidelines on DRTB in Masaka and Jinja.; Implementation of Integrated Community Surveillance (CAST) in 12 Busoga districts.; Held Annual work planning meetings in various</p>



Component	Planned Outputs	Achievement
	<p>Improved sample transportation system; scaled-up private riders in 40 selected hubs across the country.</p> <p>Specimen referral and transport system supported.</p> <p>Specimen referral and transport system strengthened.</p> <p>80% of health facilities supervised; 120 quality managers trained; 40 lead and technical assessors trained by the consultant; sample tracking accessories procured and distributed to sites; referral systems enhanced; six integrated support supervision activities conducted by the national team in three years; 170 case investigations conducted for every MDR TB patient identified; health workers in 180 sites mentored in DETECT TB.</p>	<p>districts.; Conducted QI (Quality Improvement) Learning Session in ACF (Active Case Finding) toolkit and TSR (TB Surveillance Report) for improvement.</p> <p>Procured 100 phones, 1,800 barcode rolls and 216 barcode ribbons to scale up sample tracking to ensure that all hubs are tracking samples.</p> <p>Supported regionalisation of the sample transport system to improve performance by procuring 12 additional vehicles.</p> <p>Procurement nearly completed pending delivery of the items to support the scale-up of the private riders in 40 selected hubs to improve on the efficiency and effectiveness of the current sample transportation system.</p> <p>National HMIS tools training in health facilities</p> <p>The rest of the planned outputs were planned for subsequent quarters.</p>
COVID-19 Response Mechanism	<p>Construction of incinerator house in selected Regional Referral Hospitals; oxygen plants constructed in Mbarara Regional Referral Hospital; procurement of 1,500 KVA generator for power backup for CPHL; procurement of A/Cs 150 for 100 hubs, five mobile labs and National Referral Hospitals; procurement of advanced ambulances for evacuation; track and trace systems hardware and software enhancements;</p>	<p>The civil works for the incinerators and oxygen plants averaged at 95% and 100% improving from 87% and 95% as of May 2025 respectively.</p> <p>5 mobile labs were procured.</p> <p>The installation work, especially for the incinerators, continues to lag as it were in May 2025. This was mainly attributed to absence of a reliable and stable power source which was requirement for testing and commissioning of the incinerators.</p>



Component	Planned Outputs	Achievement
	<p>training of district IPC focal persons on IPC SOPs at regional level; training of Infection Prevention and Control (IPC) focal persons on IPC SOPs at national level.</p> <p>Recruitment of 638 community health extension workers (CHEWs) in four districts: Maracha, Kyotera, Namutumba and Kazo.</p> <p>Development of a costed operational plan for phased scale-up of the national community health strategy to other districts beyond the current pilot districts. This should include a phased plan for rollout to other districts; and costings and annual mapping of investments (domestic and external) for community health against costed plans.</p>	<p>The initiation of procurement for the generators for the regional incinerators was at initial stages. This had not commenced as of May 2025.</p> <p>A total of 642 CHEWs were recruited, including 222 for Namutumba, 182 for Maracha, 132 for Kyotera and 106 for Kazo. This is 100.63%, thus the target was surpassed.</p> <p>A total of 1,162 CHEWs have been earmarked for training by January 2025. These are from eight districts, including Kyenjojo (334), Ngora (146), Koboko (124), Amudat (88), Kitgum (166), Rubirizi (100) Kalangala (56), Buliisa (78) and Arua (64).</p> <p>The rest of the planned outputs were planned for subsequent quarters.</p>

Source: Field findings



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