



PERFORMANCE OF EXTERNALLY FUNDED PROJECTS

(December 2024 – May 2025)

REPORT

July 2025



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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
AnGRC	Animal Genetics Resource Centre
ART	Antiretroviral Therapy
AVCP	Agriculture Value Chain Development Programme
AWMZ	Albert Water Management Zone
BADEA	Arab Bank for Economic Development in Africa
BINP	Bwindi Impenetrable National Park
BMAU	Budget Monitoring and Accountability Unit
BoQ	Bill of Quantity
BoU	Bank of Uganda
BTJET II	Business, Technical, and Vocational Education and Training Support Project – Phase II
BTJET	Business, Technical, and Vocational Education and Training
CARs	Community Access Roads
CFM	Collaborative Forest Management
CFR	Central Forest Reserve
CGV	Chief Government Valuer
CITCC	China International Telecommunication Construction Corporation
CMP	Catchment Management Plan
COVID-19	Coronavirus Disease-2019
CPHL	Central Public Health Lab
CPI	Cost Performance Index
CRI	Crisis Response Initiative
CRM	Collaborative Resource Management
CSA	Climate-Smart Agriculture
CV	Cost Variance
DAB	Disputes Adjudication Board
DACUM	Developing A Curriculum (used in curriculum development)
DC	Development Committee
DCZ	Disease Control Zone
DDEG	Discretionary Development Equalisation Grant
DLG	District Local Government
DLI	Disbursement Linked Indicator
DLP	Defect Liability Period
E&S	Environment and Social Safeguards
EAC	Estimated Cost at Completion
EDF	European Development Fund
EHS	Environmental, Health, and Safety
EIA	Environmental Impact Assessment



EIB	European Investment Bank
EPC	Engineering, Procurement and Construction
ESHS	Environmental, Social, Health, and Safety
ESIA	Environmental, Social and Impact Assessment
ESMP	Environmental and Social Management Plan
EU	European Union
EUR	Euros
EV	Earned Value
EVM	Earned Value Management
EXIM	Export-Import Bank
FAR	Farm Access Road
FAT	Factory Acceptance Test
FIEFOC-2	Farm Income Enhancement and Forestry Conservation Phase 2
FPAs	Forest Protected Areas
FSTFs	Feacal Sludge Treatment Facilities
FY	Financial Year
GAVI	Global Alliance for Vaccine Initiative
GEF	Global Environmental Fund
GEMS	Geo-Enabling Initiative for Monitoring and Supervision
GoU	Government of Uganda
GOVNET	Government Network
GRCs	Grievance Redress Committees
Ha	Hectare
HC	Health Centre
HIV	Human Immunodeficiency Virus
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HMIS	Health Management Information System
HPV	Human Papillomavirus
HV	High-voltage
HWC	Human-Wildlife Conflict
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
IFPA-CD	Investing in Forests and Protected Areas for Climate-Smart Development
IGG	Inspectorate General of Government
IIC	Independent Investment Committee
INVITE	Industrial Transformation and Employment
IP	Internet Protocol
IPC	Interim Payment Certificate
IPO	Implementing Partner Organisation
IsDB	Islamic Development Bank
ISO	International Organization for Standardization
IT	Information Technology



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	Kreditanstalt für Wiederaufbau
KIBP	Kampala Industrial and Business Park
KNP	Kibale National Park
KRA	Key Result Area
kV	Kilovolts
KW-LVWATSAN	Kampala Water-Lake Victoria Water and Sanitation
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
MARKUP	Market Access Upgrade Programme
MDALGs	Ministries, Departments, Agencies and Local Governments
MDAs	Ministries, Departments and Agencies
MFNP	Murchison Falls National Park
MIS	Management Information System
MOBIP	Developing a Market-Oriented and Environmentally Sustainable Beef Meat Industry
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
MR-1	Measles Rubella
MSMEs	Medium, Small, and Micro Enterprises
MT	Metric Tonne
MTIC	Ministry of Trade, Industry and Cooperatives
MTR	Mid-Term Review
MV	Medium-voltage
MW	Megawatts
MWE	Ministry of Water and Environment
NaCRRI	National Crops Resources Research Institute
NAGRC&DB	National Animal Genetic Resources Centre and Databank
NARO	National Agricultural Research Organisation



NaSARRI	National Semi-Arid Resources Research Institute
NBI PV	National Backbone Infrastructure-Phase V
NBI	National Backbone Infrastructure
NDF	Nordic Development Fund
NDP	National Development Plan
NDP III	The Third National Development Plan
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NGO	Non-Governmental Organisation
NICU	Neonatal Intensive Care Unit
NITA-U	National Information Technology Authority-Uganda
NML	National Metrology Laboratory
NMS	National Medical Stores
NOPP	National Oil Palm Project
NOSP	National Oil Seeds Project
NP	National Park
NUCAFE	National Union of Coffee Agribusinesses and Farm Enterprises
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	Off-Grid Solar
OPBL	Oil Palm Buvuma Limited
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 Budgeting System
PDPO	Personal Data Protection Office
PDWs	People with Disabilities
PFI	Participating Financial Institutions
PIM	Project Implementation Manual
PIM	Public Investment Management
PIP	Project Implementation Plan
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	Project Operations Manual
POM	Programme Operations Manual
PPDA	Public Procurement and Disposal of Public Assets Authority
PPP	Public-Private Partnership
PrEP	Pre-Exposure Prophylaxis
PSFU	Private Sector Foundation Uganda



PSNs	Persons with Special Needs
PSP	Pay for Service Provider
PSP	Public Stand Post
PV	Planned Value
PWDs	Persons with Disability
QENP	Queen Elizabeth National Park
RAP	Resettlement Action Plan
RBF	Results-Based Financing
RGCs	Rural Growth Centre
RHA	Refugee-Hosting Area
RHC	Refugee Host Community
RMNCAH	Reproductive Maternal Newborn Child and Adolescent Health
RMNP	Rwenzori Mountain National Park
RoW	Right of Way
RRH	Regional Referral Hospitals
RWS	Rural Water Supply
SACCO	Savings and Credit Cooperative Organisation
SAR	Saudi Arabian Riyal
SCB	Standard Chartered Bank
SDG	Sustainable Development Goal
SDR	Special Drawing Rights
SFD	Saudi Fund for Development
SME	Small and Medium Enterprise
SNP	Semuliki National Park
SOPs	Standard Operational Procedures
SPI	Schedule Performance Index
SRWSSP	Support to Rural Water Supply and Sanitation Project
STWSSP	Strategic Towns Water Supply and Sanitation Project
SV	Schedule Variance
SWC	South Western Cluster
TB	Tuberculosis
TI	Technical Institute
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training
TVET-MIS	TVET Management Information System
UBOS	Uganda Bureau of Statistics
UBTS	Uganda Blood Transfusing Services
UCDA	Uganda Coffee Development Authority
UCF	Uganda Coffee Federation
UCF	Uganda Consolidated Fund
UCFA	Uganda Coffee Farmers Association
UCI	Uganda Cancer Institute
UCREPP	Uganda COVID-19 Response and Emergency Preparedness Project
UCSATP	Uganda Climate-Smart Agricultural Transformation Project
UDAP	Uganda Digital Acceleration Project
UECCC	Uganda Energy Credit and Capitalisation Company



UEDCL	Uganda Electricity Distribution Company Limited
UEPB	Uganda Export Promotion Board
UETCL	Uganda Electricity Transmission Company Limited
UFZEPA	Uganda Free Zones and Export Promotions Authority
UgIFT	Uganda Intergovernmental Fiscal Transfers Programme
UHI	Uganda Heart Institute
UK	United Kingdom
UKEF	United Kingdom Export Finance
UMCS	Unified Messaging and Communication System
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNMA	Uganda National Meteorological Authority
USD	United States Dollar
USDP	Uganda Skills Development Project
USEEP	Uganda Secondary Education Expansion Project
USh	Ugandan Shilling
USSIA	Uganda Small Scale Industries Association
UWA	Uganda Wildlife Authority
UWS	Urban Water Supply
VAT	Value Added Tax
VHTs	Village Health Teams
VICs	Visitor Information Centres
VSLA	Village Savings and Loan Association
WB	World Bank
WCS	Wildlife Conservation Society
WfP	Water for Production
WHO	World Health Organization
WIS	Water Information System
WR	Wildlife Reserve
WSDF–N	Water and Sanitation Development Facility North
WSS	Water Supply System
WUC	Water User Committee
WWF	World Wildlife Fund
WWTP	Wastewater Treatment Plant
ZARDI	Zonal Agricultural Research and Development Institute



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) with the planned progress ($SPI = EV/PV$). An SPI equal to 1 means the project is on schedule; whereas an SPI greater than 1 means the project is ahead of schedule; and an SPI 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 ($EAC = \text{Total Budget}/CPI$). 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.) $TCPI = (\text{Budget} - EV) / (EAC - AC)$. 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

Over the years the Ministry of Finance, Planning and Economic Development has 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 December 2024. The report shows improvements as more projects were completed, while half of those that had stagnated in the previous review period picked up significantly. The reasons noted for stagnation are the usual challenges that Accounting Officers can 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 journey towards the exponential growth of the economy, performance 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, Cabinet (in 2023) requested performance assessment of externally funded projects. The assessment has been conducted by the Budget Monitoring and Accountability Unit (BMAU). This is the third monitoring report on the performance of externally funded projects.

The previous assessment of the externally funded projects was done by BMAU in November 2024. In May 2025, the Unit made a follow-up assessment on the then ongoing projects. The assessment covered 66 projects compared to the 70 projects covered in November 2024. This was because some projects had been completed then, while others were just starting¹.

1.1 Methodology

Scope

The report is based on 66 projects that were monitored, from 11 programmes (Table 1.1).

Table 1.1: Projects assessed by programme

Programme	No. of Projects November 2024	No. of Projects May 2025
Agro-Industrialisation	12	7 ²
Human Capital Development (HCD)	13	14
Integrated Transport and Infrastructure Services (ITIS)	21	21
Private Sector Development	2	1
Digital Transformation	1	2
Manufacturing	1	1
Natural Resources, Environment, Climate Change, Land and Water Management (NRECCLWM)	9	10
Sustainable Energy Development (SED)	6	5
Mineral Development	1	1
Regional Balanced Development	2	2
Sustainable Urbanisation	1	1
Cross-cutting – UgiFT	1	1
Total	70	66

Source: Authors' compilation from Public Investment Plan (PIP) 2023

¹ The New Standard Gauge Railway line project, is yet to conclude its financing. Additionally, the Construction of the Muko-Katuna Road project has not had the loan signed. Additionally, the UgiFT Programme that was presented as four separate sector projects in November 2024 is now a single multi-sectoral programme.

² Three projects were reclassified under Natural Resources.

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, the Projects Operations Manual, progress reports, Project Evaluation Reports and aide- memoires, among others.
- ii) Review and analysis of data from the Integrated Financial Management System (IFMS), the 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 approved³ 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)	Green
50% – 69%	Fair (Achieved at least 50% of outputs)	Yellow
49% and below	Poor (Achieved below 50% of outputs)	Red

Source: Author's compilation

This was blended with the Earned⁴ Value Management (EVM) analysis that illustrated the degree of risk in implementation among the projects. This entailed analysing project information right from inception. The earned value management (EVM) tool was used to determine the variances in schedule and cost of project implementation. In addition, the tool

³ Approved at project inception.

⁴ The metrics used are explained in the Glossary of Terms.



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. For longstanding projects this was a constraint, especially where either staff had moved on or institutions had poor record-keeping practices.
- 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.

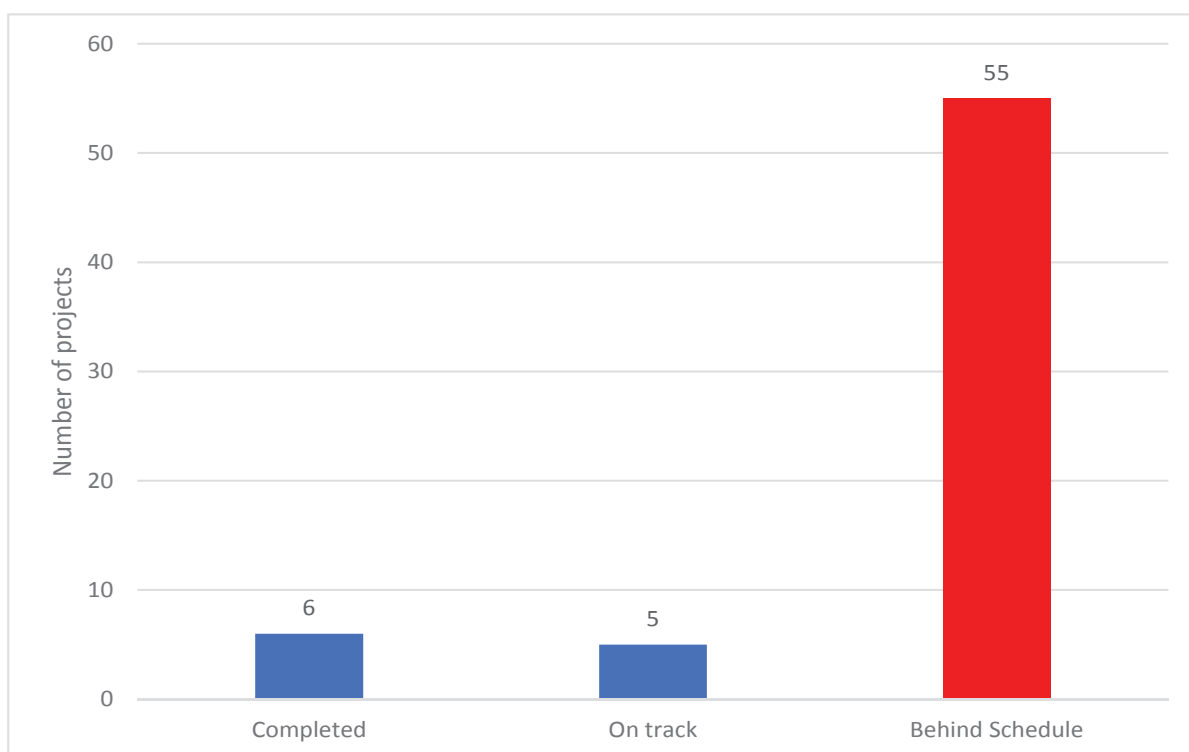
CHAPTER 2: OVERALL PERFORMANCE

This chapter gives the overall performance of the 66 projects by programme.

2.1: Trends in Project Performance since December 2024

Overall, 17% of the projects showed good implementation, recording either completion or on track status (Figure 2.1). On the other hand, 83% of the projects were behind schedule.

Figure 2.1: Trends in project performance, December 2024–May 2025



Source: Field findings

This project performance is better than what was reported for the last assessment, where only one project had been completed during the review period.

2.2: Programme Performance

The best performing programme was Sustainable Housing and Urbanisation that had its only project on track. This was followed by the Digital Transformation Programme with one of its two projects being on track. On the other hand, the Agro-industrialisation Programme had three of the seven projects (43%) posting good performance (Table 2.1).

Of the 11 programmes with externally funded projects, five (45%) had **all** their projects behind schedule. 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: December 2024 – May 2025**

Programme	Status of Implementation			Total
	Completed	On Track	Behind Schedule	
Agro-Industrialisation	2	1	4	7
Digital Transformation		1	1	2
Human Capital Development	1	1	12	14
Integrated Transport Infrastructure and Services	2	1	18	21
Manufacturing			1	1
Mineral Development			1	1
Natural Resources			10	10
Private Sector Development			1	1
Regional Development			2	2
Sustainable Energy Development	1		4	5
Sustainable Housing and Urbanisation		1		1
UgIFT			1	1
Total	6	5	55	66

Source: Field findings

Of the 55 projects that were behind schedule, 10 (18%) had stagnated, while 41 (75%) showed slight improvement (Table 2.2). The Integrated Transport Infrastructure and Services Programme accounted for 60% of the stagnated projects.

Table 2.2: Changes in implementation of projects that are behind schedule: December 2024–May 2025

Programme	Status of Implementation during the Review Period			Total
	Improved a lot ⁵	Improved slightly ⁶	No change	
Agro-Industrialisation		4		4
Digital Transformation		1		1
Human Capital Development	3	8	1	12
Integrated Transport		12	6	18
Manufacturing		1		1
Mineral Development		1		1
Natural Resources		8	2	10
Private Sector Development		1		1
Regional Development		2		2
Sustainable Energy Development	1	2	1	4
UgIFT		1		1
Total	4	41	10	55

Source: Field findings

The detailed trends in performance for the individual projects is shown in Chapter 3.

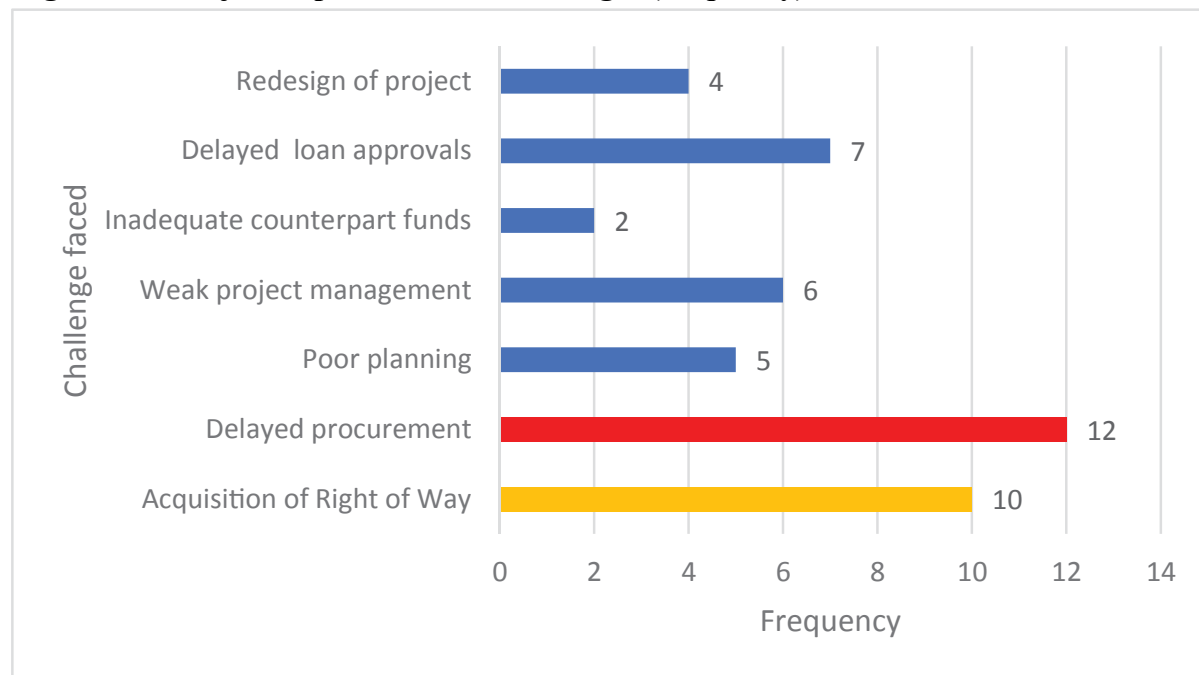
⁵ More than 50% of period's targets were achieved.

⁶ 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, and acquisition of right of way (RoW) (Figure 2.2). These were followed by delayed approvals for new loans, reallocation of funds in cases of rescoping, as well as requests for additional funding.

Figure 2.2: Project implementation challenges (frequency)



Source: Field findings



CHAPTER 3: DETAILED PROJECT PERFORMANCE

3.1 Agro-Industrialisation

3.1.1 Agriculture Value Chain Development Programme (1444)

Introduction

The project 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 were: establishment of irrigation, animal disease control and trade facilitation infrastructure; provision of business development services; and research and development along the maize, rice and dairy/beef value chains. 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 commercialisation of agriculture.
Coverage	40 districts ⁷
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/donor	African Development Bank
Date loan declared effective	7th December 2018
Initial closure date	30th June 2023
Revised closure date	30th December 2027

Source: MoFPED budget documents 2021–2025; project appraisal document

Financial Performance

By 31st March 2025, US\$ 240.68 billion was disbursed to the project, representing 74.2% release performance. The loan release performance was at 72% (US\$ 208.207 billion) whereas Government of Uganda (GoU) counterpart funding was at 89% (US\$ 32.474 billion). The project expenditure as at 31st March 2025 was US\$ 231.161 billion, indicating 96% performance in relation to the resources made available. The project expenditure increased from US\$ 182.439 billion in September 2024 to US\$ 231.161 billion in March 2025. The value of the achieved outputs was lower than the actual cost, with an efficiency level of less than 1⁸.

Physical Performance

The project was implemented since December 2018 and the following were achieved by 30th November 2024: supported the Department of Crop Inspection and Certification to inspect 20,000 and 4,470 acres of maize and rice, respectively; the seed storage laboratory at the

⁷ Kyegegwa, Kamwenge, Masindi, Kiryandongo, Kasese, Buhweju, Mitooma, Nakaseke, Mukono, Luweero, 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.

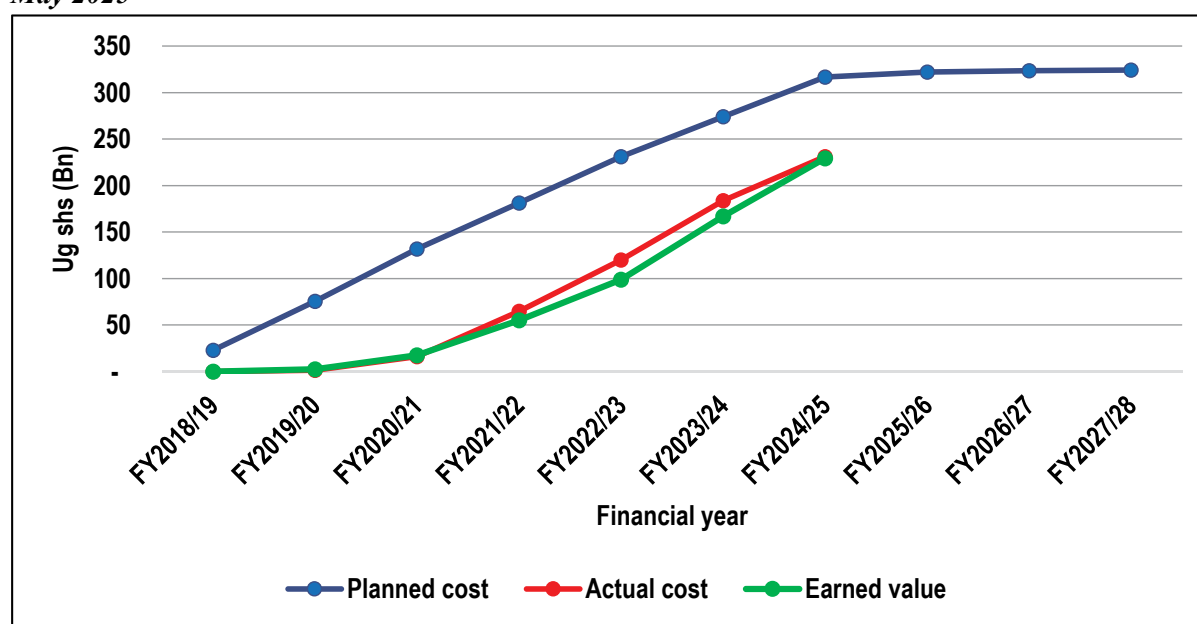
⁸ EV= US\$ 229,411,059,409; AC= US\$ 231,161,091,956; CPI=0.99

National Crops Resources Research Institute (NACRRI) was equipped; supported dairy breeding and procured 22 dairy breeding bulls⁹ and trained 278 artificial insemination technicians; and provided business development services to 625,659 rice and maize farmers in 35 districts.

The project also supported the equipping of the National Dairy Analytical Laboratory and completed the construction of Got Apwoyo animal disease control centre, National Metrology Laboratory (NML) at Uganda National Bureau of Standards (UNBS) and five mini-irrigation schemes.

The project physical performance improved from 68% in November 2024 to 72%¹⁰ in April 2025 (Figure 3.1.1). This was mainly attributed to completed works for the rehabilitation of the National Sanitary and Phytosanitary Laboratory at Namalere; construction of the Nabiswera milk collection centre and semen laboratory at NAGRC&DB; and construction of animal diseases control centres (Sanga, Rubona and Katine). However, the project was behind schedule, with activities worth USh 87 billion yet to be implemented. It was reported that the project had received a no-cost extension up to 30th December 2027 and was thus likely to complete the planned output targets within the new project lifetime.

Figure 3.1.1: Performance of the Agriculture Value Chain Development Programme as at 30th May 2025



Source: Author analysis based on MoFPED and MAAIF data

The delay in implementing planned activities was attributed to delays in fulfilling the loan conditions and setting up the National Project Coordination Unit (PCU) that amounted to 14 months' time loss. The conditions precedent to the use of the first disbursement included land for project infrastructure to be free of encumbrances and having a consultant for the development of the Acomai Irrigation Scheme designs. The detailed physical performance is provided in Table 3.1.2.

⁹ 19 bulls were in stock as at 9 May 2025; two bulls had died of anaplasmosis and East Coast fever diseases.

¹⁰ SPI=0.72; SV= USh 87,177,727,064



Table 3.1.2: Physical performance of the Agriculture Value Chain Development Programme as at 31st May 2025

Component	Target	Achieved	Remark
Component 1: Production and Productivity Enhancement			
Dairy and beef (increase dairy yield from 3 to 6 litres a day; and beef yield from 300 to 600 kg at 2 – 3 years)	National semen laboratory renovated and equipped.	Renovation and construction of the national semen laboratory was completed in January 2025 and under Defects Liability Period up to September 2025, whereas delivery of laboratory equipment was yet to happen.	Good performance was observed at output level. However, data on outcome performance was not available.
Animal disease control	Two animal disease control centres constructed and equipped. Assorted animal disease prevention and control equipment procured. Animal disease surveillance enhanced.	Construction of three disease control centres was ongoing at varying stages (Katine at 35%; Rubona at 11%; and Kiruhura at 38%).	The Got Apwoyo disease control centre was not functional and the quality of civil works was not satisfactory. It was observed that the Kiruhura-Sanga and Rubona sites were behind schedule.
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 91.3% as at 30 April 2025; and a time progress of 100%. The sections of the dam were completed: head works, irrigation supply canals, drainage canals, storage reservoir, and hydromechanical gates. Implementation of watershed activities had not happened; the activity implementation plan was developed.	The construction of Acomai Irrigation Scheme was behind schedule after several extensions from the original end date of July 2023 to April 2025. The delayed completion of the scheme was attributed to delays in compensation of PAPs, flooding of the river and additional works to the original scope. Five mini-irrigation schemes were constructed. However, the scheme at Kamenyamigo was not functional due to spillages at the gates, as well as lack of a drain channel for the last block, and the facility was yet to be handed over to the beneficiary institution (NARO).
Component 3: Market Development and Trade Facilitation			
Strengthen sanitary and phytosanitary and quality infrastructure	National Phytosanitary Laboratory at Namalere (NSCS HQ) rehabilitated; equipment for the NSCS procured.	Rehabilitation of the NSCS laboratories was completed and assorted laboratory equipment was installed.	Good performance

Source: Field findings and project progress reports, mission supervision reports (2021 to 2025)

Implementation Challenge

- i) Weak contract management by implementing entities.

Conclusion

The project registered an improvement in the attainment of planned output targets from 68% in November 2024 to 72 % in April 2025. However, it was behind schedule, with activities worth US\$ 87.177 billion not yet implemented, though likely to be achieved within the revised project lifetime of up to 30th December 2027. The delay in implementing planned activities and the project extension is likely to cost the project (GoU) an additional US\$ 2.473 billion, thus the need to expedite implementation of the remaining activities.

Recommendation

MAAIF should consider diligent contract management for contracted infrastructure activities (Acomai Irrigation Scheme; Kiruhura, and Rubona animal disease control centres; and equipment supply for NML and the mobile dairy analytical laboratory).

3.1.2 Developing a Market-Oriented and Environmentally Sustainable Beef Meat Industry (1493)

Introduction

The Government of Uganda (GoU), through MAAIF, has been implementing the Developing a Market-Oriented and Environmentally Sustainable Beef Meat Industry (MOPIB) Project, with a total cost of EUR 15.6 million. The project development objective was to contribute to a competitive, profitable and job-intensive gender-responsive and environmentally-sustainable agriculture sector in Uganda, in order to reduce poverty and improve food and nutrition security.

The MOPIB Project, implemented through a consortium of six partner institutions and affiliate entities¹¹ with MAAIF as the lead agency, was designed to improve the beef/meat sub-sector in three key result areas: policy, legal, regulatory and institutional frameworks; production, productivity and quality assurance; and quality and marketing. The summary project profile is presented in Table 3.1.3.

Table 3.1.3: Basic data for the Developing a Market-Oriented and Environmentally Sustainable Beef Meat Industry Project

Project Goal	To use a holistic value chain approach in the targeted geographical areas, to leverage an increase in the overall performance of the Ugandan beef meat value chain.
Project coverage	Disease Control Zone 1 (DCZ 1): Bullisa, Kayunga, Kiboga, Kiryandongo, Kyankwanzi, Luweero, Masindi, Nakaseke, Nakasongola. DCZ 2: Lwengo, Lyantonde, Masaka, Mbarara, Mityana, Mpigi, Mubende, Ntungamo, Greater Rakai, Greater Kibale, Sembabule, Kiruhura, Kalungu, Bukomansimbi, Butambala, Gomba, Isingiro.
Total Project Cost	EUR 15.6 million of which European Union Grant EUR 15.3 million and GoU counterpart funding EUR 0.3 million.
Start date	13th June 2018
Original end date	30th June 2022
Revised end date	12th June 2024

Source: MAAIF Project documents 2017 to 2024

¹¹ Uganda Small Scale Industries Association (USSIA); Private Sector Foundation Uganda (PSFU); Uganda Meat Producers Cooperative Union (UMPCU); Makerere University – COVAB; National Animal Genetic Resources Centre and Databank (NAGRC & DB); and National Agricultural Research Organisation (NARO).

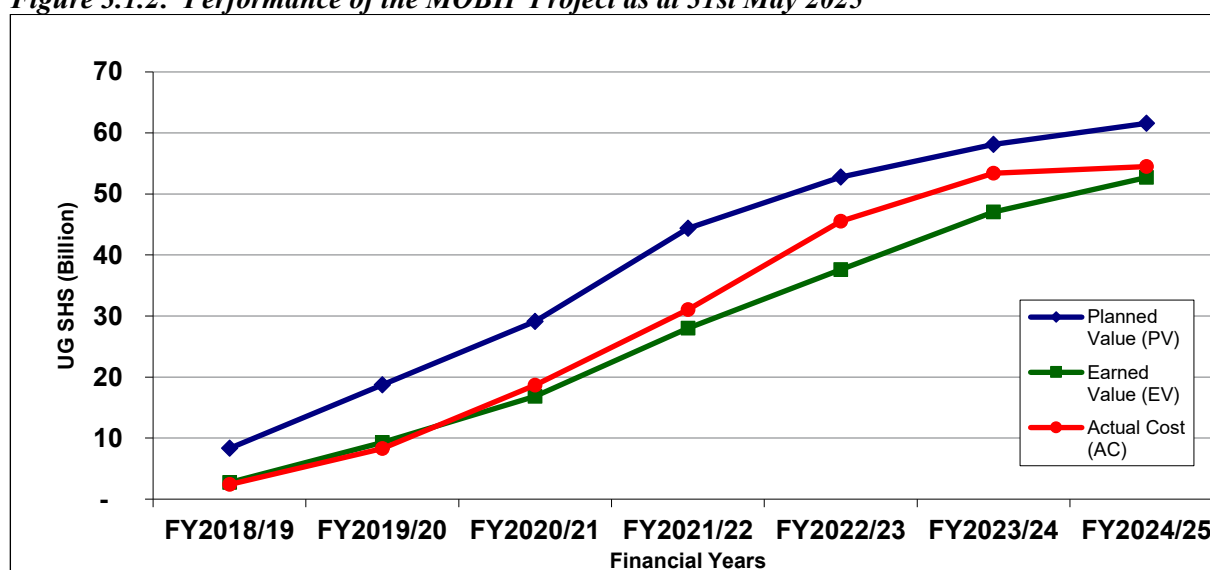


Financial Performance

The project budget was revised to EUR 14,899,609 (USh 61.677 bn) during implementation due to the appreciation of the local currency against the Euro. The GoU counterpart funding was increased to USh 15.44 billion whereas the grant component was reduced to USh 46.237 bn. By August 2024, USh 58.1 billion (94.2% of the project budget) was released. The project expenditure was USh 54.5 billion against an earned value of USh 52.7 bn, which is an indicator of inefficient utilisation of availed resources (Fig 3.1.2). A total of USh 3.6 billion was committed awaiting conclusion of the payment process by MoFPED.

In FY 2024/25, the project was appropriated USh 421.882 billion, and by 31st March 2025 USh 221.448 billion and USh 194.142 billion was released and spent, respectively. The additional financing in FY 2024/25 was purposed for procurement of livestock vaccines, which was not a deliverable of the project.

Figure 3.1.2: Performance of the MOBIP Project as at 31st May 2025



Source: Authors' analysis of MAAIF data

Physical Performance

The project physical performance as at 31st May 2025 was 86% attainment of planned output targets. During the review period, a few works were undertaken on completion of valley dams. However, the monitored dams were incomplete and not in use. The implemented works included construction of pump houses and watering pumps. The cumulative project performance by result area is provided in Table 3.1.4.


Table 3.1.4: Performance of the MOBIP Project by 31st May 2025

Results/Outputs	Target	Achieved	Remarks
Result Area 1: Legal and Policy Framework			
Enabling policies and legal frameworks for the beef industry developed	Six policies and acts reviewed and updated	100%	Principal legislation was developed ¹²
Result Area 2: Beef Production and Productivity			
Animal checkpoints/holding grounds constructed to promote animal disease prevention.	9	6	Three animal checkpoints and three animal holding grounds were established and operationalised at Ekitindo in Isingiro District, Kamuli in Rakai District and Kasali in Kyotera District, though they were not functional at the time of monitoring.
Strengthen livestock farmer associations (of beef platforms established).	3	100%	Formed one national, and two regional stakeholder platforms for stakeholders. along the beef value chain engaged (57 members – 14F/43M)
Sustainable support to the local brood-stock (number of exotic and cross-breed cattle) promoted.	3000	2,860 straws & 50 embryos	Six liquid nitrogen/semen preservation tanks were procured and distributed to the districts of Kiruhura, Sembabule, Gomba, Nakaseke, Nakasongola, and Kyankwanzi. The banks facilitated the storage and distribution of semen with superior genetic merit.
Improved pasture management plots established.	450	100%	The project trained 810 farmers in the use of labour-saving technologies and equipment for forage production and conservation.
Integrated water management infrastructure (tanks) constructed (number of IWM facilities established).	17	100%	Eighteen 30,000-litre tanks were built, supplying 540,000 litres of water for production. These improved water access for small livestock (sheep, goats, chickens, calves, pigs) and enabled beneficiaries to diversify into vegetable farming and agroforestry, such as tree nurseries.
Water harvesting infrastructure established (valley tanks)	14	09	Ongoing at a rather slow pace and overall progress was estimated at 70% as at 31st May 2025. However, some of the monitored sites seemed abandoned. Examples and illustrations are provided below under reference (A).
Result Area 3: Meat Marketing and Quality Improvement			
Output 3	<i>Improved marketing, transportation, and value addition for beef/meat</i>		
Slaughter facilities rehabilitated	02	01	The slaughter facility in Sanga Town Council, Kiruhura District was fully

¹² The Animal Diseases Act, Cap. 38 of 1964; The Veterinary Surgeons Act, Cap. 277 of 1958; The Animal Breeding Act of 2001; The Animal Feeds Policy; The Meat Policy; the National Livestock Identification and Traceability System/Policy.

Results/Outputs	Target	Achieved	Remarks
			renovated, upgraded, and equipped, though the contractor had not yet officially handed it over to MAAIF. Traders had not agreed on an operational modality. The 10 renovated meat stalls in the same council remained in use with no reported changes.
Model live animal transportation truck and a refrigerated truck procured and operationalised.	02	50%	Two specialised MOBIP-procured trucks remain idle at MAAIF headquarters, unused since purchase.
Animal traceability system developed.	01	50%	The animal traceability system was developed by MAK-COVAB ¹³ and was yet to be rolled out.

Source: Field, project final report

(A) Examples of the water sites visited, all of which reflected lack of progress

In Rwendama Village, Akaku Parish, Kiruhura District, the construction work on a valley dam (20,000 m³ capacity) had been partially executed by May 2025. However, the facility lacked a water pump to fill the water troughs, leaving them dry. As a result, cows could only drink from the overflow of the dam. Additionally, water vegetation had covered part of the dam, and the surrounding fence – constructed with wooden poles – had already begun to collapse at the time of monitoring.

The renovation and expansion of a valley tank (10,000 m³ capacity) in Kigando Village, Nyabuhama Parish, Mbarara District was incomplete by May 2025. While a pump house was constructed, the pump itself was never delivered, failing to resolve the existing water access problem. During monitoring, farmers were observed using manual pumps to supply water to the troughs. Additional issues included deteriorating wooden fencing and significant soil erosion around the valley dam due to the absence of proper water catchment measures.



L-R: A valley dam in Rwendama Village, Akaku Parish, Kiruhura District, overgrown with aquatic vegetation; A farmer in Kigando Village, Nyabuhama Parish, Mbarara District manually pumping water for livestock from the dam to troughs

¹³ College of Veterinary Medicine, Animal Resources and Bio-security, Makerere University.

All the valley tanks that were monitored were either incomplete, non-functional, or could not be located. The respective District Production Departments were inadequately engaged in project implementation. Furthermore, District Engineers could not conduct proper inspections due to lack of access to Bills of Quantities (BOQs), which hindered their understanding of the scope of the facilities. These gaps pose significant risks to the long-term maintenance and sustainability of the dams by the beneficiary District Local Governments (DLGs).

Conclusion

The project performance was good, at 86% achievement of planned outputs. Key infrastructure like the Sanga slaughter facility, animal holding grounds, animal movement trucks and meat processing facility were not functional. The project intended outputs were key to the development of the beef and meat sub-sector in Uganda, thus the need to ensure functionality and sustainability of the infrastructure.

Lessons

- i) The involvement of district leadership in project implementation is critical for project sustainability.
- ii) Land for construction of public user facilities and infrastructure needs to be encumbrance-free for timely delivery of planned outputs.

3.1.3 EU-EAC Market Access Upgrade Programme MARKUP(1202)

Introduction

The EU-EAC Market Access Upgrade Programme (MARKUP) was a regional initiative for Eastern Africa, funded by the 11th European Development Fund with a total budget of EUR 35 million. It operated at two levels: the EAC-Window and the Partner States Window. The EAC-Window focused on overcoming supply-side and market-access challenges in key export-oriented sectors, particularly agro-industrial crops (such as coffee, tea, and cocoa) and horticulture. Under this window, Uganda received a EUR 3.68 million grant (total project cost) to strengthen its coffee and cocoa value chains.

The project aimed to strengthen Uganda's cocoa and coffee sectors by improving regulations, services, stakeholder capacity, and access to resilient varieties to boost competitiveness. The project expected key outputs included: Cocoa legal and regulatory framework developed; capacity of Uganda Coffee Development Authority (UCDA) and MAAIF staff in market analysis and quality control built; improved cocoa and coffee varieties developed; service delivery of the UCDA Quality Assurance Directorate enhanced and matching grants extended to coffee and cocoa processors and traders. The summary project profile is presented in Table 3.1.5.

**Table 3.1.5: Basic data for the Market Access Upgrade Programme**

Goal	To contribute to the economic development of Uganda, by increasing the value of coffee and cocoa export, with the main focus on exports towards the European Union (EU) and Africa Caribbean and Pacific (ACP) countries.
Coverage	All cocoa and coffee growing regions: Central Region: Luweero, Mukono, Kayunga, Masaka, Mpigi. Eastern Region: Jinja, Iganga, Kamuli, Mbale, Soroti, Kumi. Western Region: Hoima, Kasese, Bundibugyo, Kabarole, Bushhenyi. Southwestern Region: Mbarara, Isingiro, Ntungamo. Northern Region: Gulu, Lira, Oyam.
Lead agency	Uganda Coffee Development Authority ¹⁴ (MAAIF/UCDA, MoFPED)
Project financier /donor	European Union 11th European Development Fund
Project start date	27th December 2019
Project original closure date	31st May 2024
Project revised closure date	31st August 2024 (some activities were pending implementation by closure date; hence completed by May 2025)

Source: UCDA and MoFPED documents 2019–2024

Financial Performance

By 31st May 2025, EUR 3,680,000 was disbursed to the project, representing 100% of the grant and EUR 3,636,554 was spent (98.8% of the release). Of the released funds, EUR 3,146,200 was disbursed to six grantees¹⁵ under the Matching Grant Scheme (MGS) dealing in coffee and cocoa value chains and spent, whereas the Multi-Annual Programme Estimate (MAPE) (UCDA) spent EUR 490,354. The project release and expenditure performance were very good.

Physical Performance

The MARKUP Project **was completed** in August 2024, **having achieved** 93% of its planned targets. The remaining outputs **were flagged** for follow-up monitoring. The programme tackled supply-side and market-access barriers in coffee and cocoa trade. A key driver of this success was the rise in coffee exports, which increased from 5.10 million bags (FY 2019/20) to 6.87 million bags in the 2024/25 coffee year (April 2024–March 2025), generating USD 1.84 billion in revenue. The detailed project performance is presented in Table 3.1.6.

Table 3.1.6: Performance of the MARKUP Project by 31st May 2025

Result Area	Indicator	Target	Achieved	Remarks
Result 01: Improved legal and regulatory framework for cocoa value chain	Principles of the Cocoa Bill drafted	01	100%	Principles approved.
	Cocoa national standards developed	04	100%	Standards adopted, harmonised across the EAC level and published in the Uganda Gazette.
	Technical Guidelines Manual developed	01	80%	Draft handbook ready for presentation to joint MAAIF/UCDA Technical Working Group for validation was developed.
	Cocoa and Coffee Directory Developed	01	100%	Directory approved and both the hard copy and online versions in use.

¹⁴ Formerly UCDA but now merged into MAAIF.

¹⁵ UGACOF Limited; Rubanga Cooperative Society Limited; New Bukumbi Coffee Processors Limited; Uganda Coffee Farmers Alliance (UCFA); AINEA & Sons Limited; Outspan Enterprises Limited.



Result Area	Indicator	Target	Achieved	Remarks
Result 02: Improved delivery of service by UCDA Quality Directorate for coffee export control	UCDA laboratories quality control accredited to ISO 17025:2017	01	100%	Accreditation certificate awarded in July 2023 by KENAS – Kenya Accreditation Services.
	Procure moisture meters for selected coffee and cocoa sector players	18	100%	Moisture meters were procured pending distribution to selected sector players trained in coffee and cocoa quality.
	Construct 10 solar dryers	10	100%	10 solar dryers were constructed.
	Number of MAAIF/UCDA staff trained in market analysis on coffee and cocoa commodities and project cycle management	106	100%	Additional trainings were conducted in trade analysis and market surveillance for staff from MAAIF, UCDA, UEPB, UCF, NUCAFE, UCFA and MTIC.
Result 03: Capacity building of UCDA/MAAIF staff in trade analysis, market surveillance and project management	Training in buyer requirements	15	100%	Training focused to EU buyer requirements. Participants were from farmer groups, processors, UCDA and traders.
	Training in coffee roasting and soluble coffee production	15	100%	Training was initially on soluble coffee production but due to absence of consultants, coffee roasting was added.
Result 04: Resistant varieties are developed and brought to market	Number of resistant Arabica coffee varieties developed and available for producers targeting international market	2	90%	2 candidate varieties were validated for release by the Variety Release Committee of MAAIF. However, their release was pending genetic characterisation.
	Number of candidate resistant cocoa varieties characterised, phenotyped and identified to make them available for producers targeting international market.	10	100%	Identification and phenotyping of elite varieties were conducted in 04 cocoa growing regions.
Result area 5: Ensure effective communication and visibility of the project	Number of matching grants aiming at reducing post-harvest losses and increasing marketing opportunities for smallholders in coffee and cocoa value chains awarded.	05	80%	One grantee, New Bukumbi Coffee Processors Limited (FED/2021/420-563) requested extension of their grant closure dates, which were approved via no-cost extensions; however, it achieved approximately 33% of its planned output/outcome targets, necessitating an audit of funds utilisation.

Source: Field findings; Project completion report

Conclusion

The MARKUP Project complemented national interventions by addressing both supply-side and market access constraints in Uganda's coffee and cocoa sub-sectors. Planned outputs aimed at improving the cocoa legal and regulatory framework and enhancing research and development were largely achieved. The project created an enabling environment for sector transformation, with future programmes expected to build on these achievements to further modernise farming and marketing practices across the country.



Lessons

- i) To ensure effective management of matching grants, it is necessary for the grantees to pre-finance activities and disbursements to be tagged to attainment of agreed indicators.

3.1.4 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 3.1.7.

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

Table 3.1.7: 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 75.82 million IFAD loan; USD 5.05 million Crisis Response Initiative (CRI) grant and USD 1.210 million original grant; USD 11.2 million GoU counterpart; USD 90.622 million private sector contribution; and USD 31 million loan reflows and farmer contributions)
Project financier/donor	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

Financial Performance

By 31st March 2025, USh 155.759billion (USD 42.509 million) was released to the project (excluding private and beneficiaries' contribution), representing 42.1% release performance. The disbursements by the different project financiers were as follows: IFAD loan at 36%; IFAD grant at 100%; Government of Uganda counterpart at 77%; and CRI at 100%. The project cumulative expenditure was USh 126.619 billion (81% of the resources made available spent) and 99% efficient in utilisation of financial resources made available. However, the project was behind schedule¹⁶.

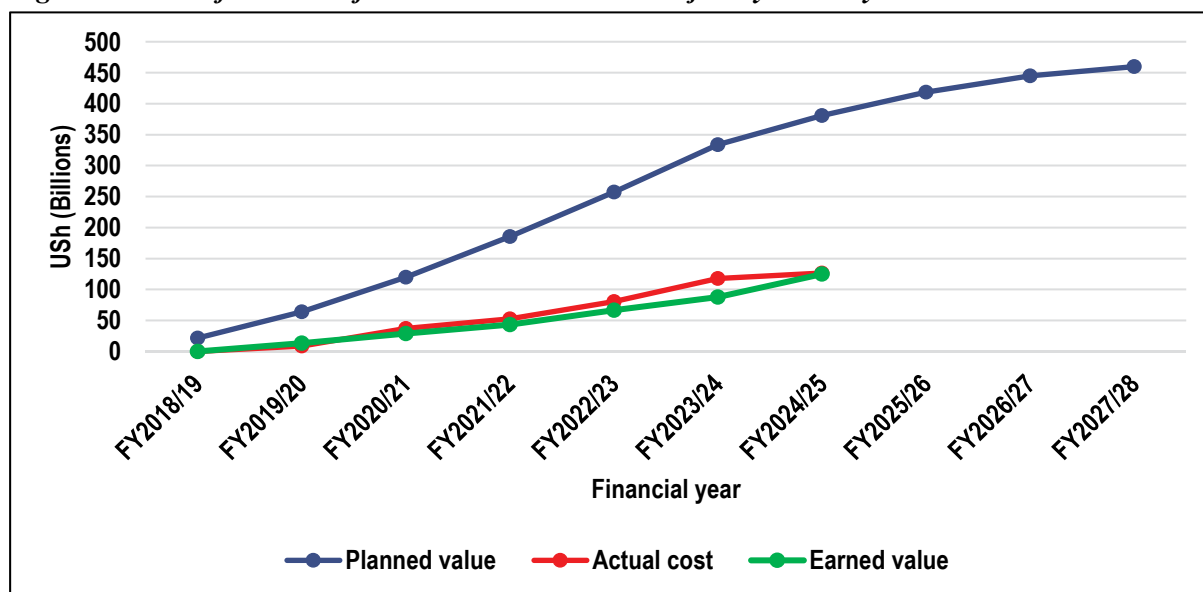
¹⁶CPI=0.99, SV=USh 244,822,891,260

Physical Performance

The project had achieved the following as of 30th November 2024: a Project Management Unit (PMU) was established and operational; 1,823 hectares (Ha) of smallholder oil palm plantations were established; 16.5 km of community access roads (CARs) and 32 km of farm access roads (FARs) were established; a 604 MT capacity ferry for the Buvuma hub was constructed and operational; 2,704 Ha of nucleus estate were established and 101.4 Ha of degraded land were restored, among others.

The cumulative physical performance from the date of effectiveness to 31st May 2025 was poor, with 34% of the planned output targets achieved, excluding the private sector-funded outputs (Figure 3.1.3). The project was behind schedule by 47 months, with activities worth US\$ 244.822 billion yet to be implemented.

Figure 3.1.3: Performance of the National Oil Palm Project by 31st May 2025



Source: Author compilation from MAAIF project documents FY 2018/19 to FY 2024/25

An additional 83 Ha of smallholder oil plantations were established during November 2024 and April 2025, bringing the cumulative establishment to 1,906 Ha, against the target of 15,000 Ha in four new hubs; and three oil palm growers organisations were registered. Shortage of seedlings was cited as one of the challenges in the Mayuge hub, due to non-payment of outstanding dues to Oil Palm Buvuma Limited (OPBL) to enable the provision of inputs and services to farmers.

In the Kyotera/Rakai hub, 1,046 Ha for smallholder plantations were cleared for oil palm growing by NEMA, of which 350 Ha had been lined and holed by 30th April 2025. In Sango Bay (Rakai district), a total of 1,400 Ha (nucleus estate) were planted, against the targeted 6,000 Ha, as at 30th April 2025 by the Oil Palm Sango Bay Limited supervised by Wilmar International Limited. A total of 30 km of farm access roads (FARs) were established out of the targeted 910 km of FARs and construction of a hub store in Buvuma was ongoing at 40% physical progress, with the superstructure at wall plate level, against a 50% time progress as at 30th April 2025.

In addition, 4,789 people were trained in alternative income-generating activities like apiary, pig, poultry, and vegetable farming in Kalangala, Buvuma and Mayuge hubs bringing the cumulative number of people trained to 10,124 against the project target of 23,922 persons. A



total of 10,124 persons in were trained in alternative income-generating activities out of the targeted 23,922 persons. The project also enrolled an additional 311 households in oil palm growing districts into the mentorship programme, bringing the cumulative total to 1,806 households out of the targeted 8,066.

The project, in partnership with Implementing Partner Organisation (IPO) Solidaridad, rehabilitated and restored an additional 40.4 Ha of degraded land in the Kalangala, Buvuma and Mayuge hubs, against the targeted 5,751ha. The oil palm sector and Geographical Information System (GIS) databases were developed and a baseline study for the Kalangala and Buvuma hubs was completed. The use of GIS to demarcate plots for oil palm growing to avoid planting in the protected and restricted areas had not commenced.

Implementation Constraints

- i) Low preparedness to execute project activities (delayed acquisition of land by Government for the establishment of the nucleus estate).
- ii) Non-payment of outstanding dues to OPBL to enable timely provision of inputs and services to farmers.
- iii) Delayed issuance of Environmental Social Impact Assessment (ESIA) certificates for the Kyotera hub by NEMA.

Conclusion

The project physical performance improved from 32% in November 2024 to 34% as at 31st May 2025. However, the schedule variance increased from US\$ 233.6 billion to US\$ 244.8 billion. Thus, the project is behind schedule by 47 months and will also require an additional US\$ 6.539 billion¹⁷ to implement the planned activities. Thus, for the attainment of the envisaged project outputs within the project period, there is need to expedite the implementation of planned activities and embrace the recommendations below.

Recommendations

- i) MoFPED should make additional financial resources available for the acquisition of land to establish the nucleus estate in Buvuma.
- ii) The PMU should consider pre-financing Oil Palm Buvuma Limited (OPBL) to provide seedlings and other support services to farmers.
- iii) The Project Coordination Unit (PCU) should review and re-scope the project activities to focus implementation in hubs where land has been acquired.

3.1.5 The National Oil Seeds Project (1772)

Introduction

The Government of Uganda, through MAAIF and the Ministry of Local Government (MoLG), is implementing the seven-year (2021–2028) National Oil Seeds Project (NOSP). The total project cost is USD 160.68 million that is being financed by IFAD, the OPEC Fund for International Development (OFID), Heifer International, the Kühne Foundation, the GoU, beneficiaries and the private sector.

¹⁷SV= US\$ 244,822,891,260;

EAC= US\$ 466,382,371,093;

SPI= 0.34

The project development objective is to accelerate commercialisation 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 3.1.8.

Table 3.1.8: Basic data for the National Oil Seeds Project

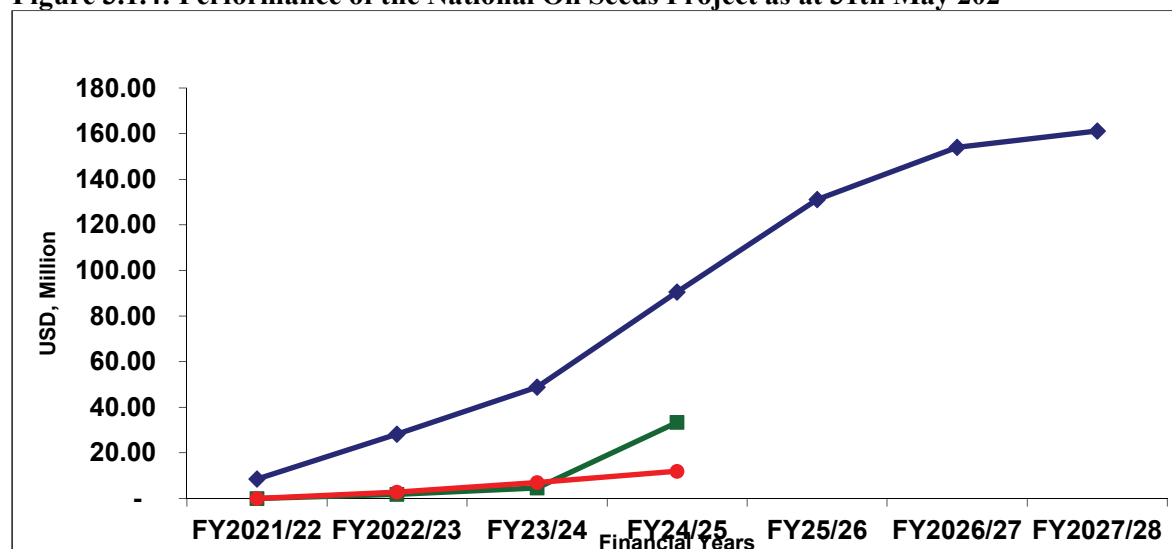
Project goal	Inclusive rural transformation through sustainable development of the oilseeds sector.
Specific objectives	To facilitate the private sector-led growth of competitive, inclusive value chains for priority oilseeds (sunflower, sesame, soya bean, groundnuts) and their associated support markets and to improve local-level public transportation infrastructure to facilitate the commercialisation 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	USD 160.68 million contributed by: IFAD USD 99.56 million (Special Drawing Rights (SDR) 72,300,000); OFID USD 30.002 million; GoU USD 14.427 million; others USD 16.817 million (Heifer international, Kühne Foundation, beneficiaries and private sector)
Start date	12th July 2021
Completion date	11th July 2028

Source: Project design report and field findings

Financial Performance

As at 31st March 2025, a total of USD 20.131 million was released (24% of the project budget), of which USD 19.414 million was external financing and USD 0.717 million GoU counter funding. The project's cumulative expenditure was USD 13.845 million (68.8% of the release). While this reflects fair performance, it was a decline from the 80% registered in September 2024. This drop was primarily attributed to procurement delays, which affected absorption. The project's earned value exceeded the actual cost¹⁸ (Figure 3.1.4), largely due to pre-financed activities under the *Support to Market Linkage Infrastructure Servicing the Oil Sector* component.

Figure 3.1.4: Performance of the National Oil Seeds Project as at 31th May 202



Source: Author analysis

¹⁸ Earned Value = USD 33.3 million; Actual Cost = USD 12 million



Physical Performance

As of 31st May 2025, the project had achieved 42% of its planned output targets, reflecting an improvement from the 13% progress registered in November 2024. This improvement was mainly attributed to the commencement of road rehabilitation works during the period. However, overall performance remained poor, as several planned activities were not implemented due to ongoing and incomplete procurement processes, such as the procurement of tractors. Consequently, the project remained significantly behind schedule¹⁹, with a cumulative delay of 25 months (Table 3.1.9).

Table 3.1.9: Physical performance of the National Oil Seed Project as at 31st May 2025

Component	Planned Outputs	Achievement
Support to Oilseeds Value Chain Development and Support Production, Productivity and Market Development	200 cluster selection, verification conducted and operationalised	Fully achieved.
	406 multi-stakeholder platforms formed and oilseed business established	Conducted 29% (119) of the cluster-level multi-stakeholder platform engagements aimed to support the development of linkages for the oilseed value chain.
	Support to value chain financing (financial services) in supported clusters targeting 4 financial institutions, 75 Savings and Credit Cooperative Organisations (SACCOs) and 4,600 Village Savings and Loan Associations (VSLAs).	Seven out of the eight financial services were profiled. Conducted training of 243 Community Development Officers (CDOs) and focal persons as financial literacy trainers in the six hubs. The VSLA methodology manual was developed.
	Climate information and climate change adaptation improved.	60% of the climate information and climate change adaptation was improved.
	Eight quality-declared seed production schemes enhanced.	Six (10%) quality-declared seed production schemes enhanced.
	Nine (9) Pay for Service Providers (PSPs) recruited and prepared to provide agronomic, crop insurance and marketing services to 1,440 farmer groups across the 81 districts.	Eight (44%) agro-business service providers (PSPs) signed contracts and awaiting disbursement of the funds for the implementation of the activities.
	Yield potential of local varieties improved – Research.	Makerere University facilitated increased production of organic fertiliser supply and opened up soybean trials in six Zonal Agricultural Research and Development Institutes (ZARDIs). Supported Makerere and NARO to undertake multiplication of foundation seed and research on new varieties for priority crops, thus releasing three groundnut varieties by the National Semi-Arid Resources Research Institute (NaSARRI).
	200 local seed business (LSBs) schemes supported to produce quality certified declared seeds (QDS).	Supported LSBs with 40 mt of foundation seed for season 2025A and facilitated the training of 486 DLG staff in QDS production.
	Facilitate hubs to cover the recurrent costs for successful project implementation.	Six hubs facilitated to cover the recurrent costs and receive equipment for successful project implementation.
	81 districts supported to coordinate and monitor project activities.	42% of the selected 81 DLGs supported financially for project implementation.

¹⁹ Schedule Variance = USD 44.214 million (-)

Component	Planned Outputs	Achievement
	Auxiliary farm services promotion scheme established and operationalised (procurement of 200 tractors).	The project initiated the procurement of 200 tractors.
	120,000 farmers in 4,600 farmer groups, 120,000 households mentored on production, business and social issues by PSP.	Produced 4 training manuals and supported 1,200 farmer groups with 36,500 kg of soya bean foundation seed for multiplication.
	810 groups and 180 demo-farmer learning platforms established.	8,000 copies of production extension manuals for groundnuts, sesame, soybean and sunflower.
	Undertake 6 investment financing of priority areas.	Conducted 35.7% of planned collaboration engagements with oilseed value chain actors (off-takers), including SR-Kuku and Mukwano Industries.
Support to Market Linkage Infrastructure Servicing the oil Sector	2,500 km market access roads constructed.	Rehabilitation of 1,035.42 km of CARs in 81 project districts was ongoing at 53% physical progress as at 31st May 2025.
Project Coordination and Management	39 staff recruited.	Fully achieved.
	11 vehicles and 162 motorcycles, equipment procured and maintained.	11 motor vehicles and 162 motorcycles (66.7%) were procured and distributed to the 81 project - implementing districts.
	One office space equipped and maintained.	One office space equipped and maintained.

Source: Field findings, MAAIF Project progress report 2024–2025 and PBS reports, NOSP design report



Rehabilitated Keto-Hima-Opit 5.8 km Road through Akidiand Lakwana Sub-counties, Omoro District.

Implementation Constraint

Long inconclusive procurement processes slowed implementation of several activities.

Conclusion

The cumulative physical performance of the project improved from 13% in November 2024 to 42% by May 2025. This was largely attributed to the commencement of road rehabilitation works under the *Support to Market Linkage Infrastructure Servicing the Oil Sector* component. Despite this progress, the project remained behind schedule by approximately 25 months, with several activities stalled due to prolonged procurement processes.



Recommendations

- i) MAAIF and District Local Governments (DLGs) should strengthen procurement planning and execution.

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

Introduction

The Government of Uganda, through 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 2.558 billion (US\$ 63.591 billion).

The development objective of the project is to ensure a stable supply of irrigation water to enhance rice production and productivity in the target communities of Kween and Bulambuli Districts in Eastern Uganda. Future phases shall focus on other districts in the Central Region. The scope of the project includes the development of an irrigation scheme in the Atari Basin. The first phase of the PISD was implemented during 2014 to 2018 and involved conducting feasibility studies. The ongoing second phase involves construction of the irrigation scheme. A summary of phase two of the project is presented in Table 3.1.10.

Table 3.1.10: 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\$ 93.591 billion (JICA grant aid JPY ²⁰ 2.558 billion – approximately US\$ 63.591 billion – and US\$ 30 billion as GoU counterpart funding)
Starting date	July 2018
Actual starting date	4th October 2024
Original end date	June 2022
Revised end date	31st December 2026

Source: PISD monthly progress report – March 2025

Financial Performance

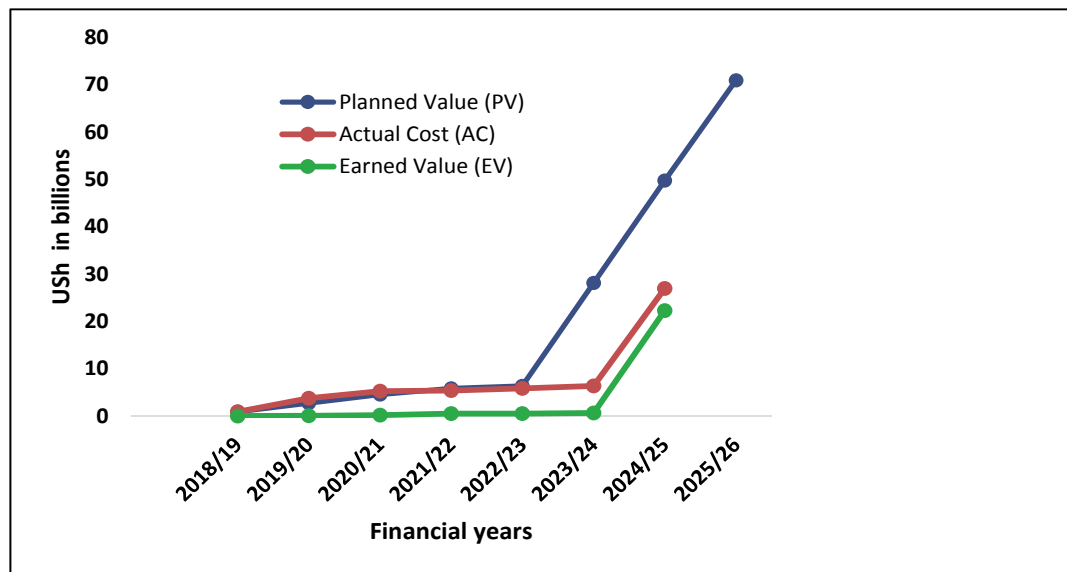
As of 30th April, the cumulative project expenditure was US\$ 25.886 billion, representing 27.7% of the total project cost. The project's earned value²¹ was lower than the actual cost²² incurred, indicating inefficient resource utilisation (Figure 3.1.5).

²⁰1 JPY = US\$ 33.7 in 2018 and US\$ 24.86 as at April 2025

²¹ EV= US\$ 22,278,020,000

²² AC= US\$ 25,866,681,504

Figure 3.1.5: Performance of the PISD as at 30th April 2025



Source: Authors' analysis of PISD data

Physical Performance

By 31st May 2025, the overall physical performance had reached 31%, from 5% in November 2024. This progress was attributable to the commencement of construction works by the contractor in October 2024, which accounts for 23% physical progress, compensation of 93% of the Project-Affected Persons (PAPs) and completion of the earthworks for access roads and canals. Although this indicates some improvement, overall progress still remains poor.

The construction of the headworks stalled at 5% due to the unstable soil conditions which could not support the structure, prompting modifications to the original headworks design which may necessitate additional counterpart funding. Geotechnical investigations were conducted and the report was still pending approval by MAAIF. The overall performance of the planned outputs is presented in Table 3.1.11.



Stalled headworks at Atari Irrigation Scheme in Bulambuli District

**Table 3.1.11: Performance of the PISD Project as of 31st May 2025**

Planned Outputs	Achievements
Policies, laws, guidelines, plans, and strategies developed	Developed draft guidelines for the irrigation water user association, awaiting approval. The Atari irrigation water users' association by-laws were drafted and submitted to Bulambuli and Kween District Local Governments as well as MAAIF for review and approval before adoption by the association.
Land acquired by Government	<p>Out of the 510 properties, 474 properties covering approximately 250 acres have been compensated with payments totalling US\$ 703.6 million. This accounts for 93% of the properties listed in the original and Supplementary 1 valuation reports. However, the Supplementary 2 valuation report, which covers 55 properties of over 19.67 acres and valued at US\$ 187.73 million, remains outstanding. 15 PAPs had not been compensated.</p> <p>The incomplete compensation of PAPs delayed the establishment of trial farms at Atari, which were eventually set up at the Ngenge Irrigation Scheme.</p>
Atari Irrigation Scheme constructed	The contractor commenced the works in October 2024. As of 30th April 2025, approximately 23% of the physical works were complete, including the establishment of 70% of the road network and canals. The initial earthworks at the headworks/intake had stalled at 5% due to the unstable soil conditions.
Infrastructure development and management	<p>27% of farmers participated in agricultural group activities with a focus on savings, credit and labour exchange. However, water management is handled individually by the farmers who lack basic water management skills, with no organised efforts to maintain irrigated agriculture, resulting in overgrown weeds and damaged canals in many areas.</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 agriculture	<p>The project supported District Agricultural Engineers in Kween and Bulambuli Districts through specialised training programs to enable them provide effective support to the farmers of the Atari Irrigation Scheme.</p> <p>Access roads and canals have been opened at 70% progress to improve connectivity and water management. Protection dykes were constructed to prevent flooding of the scheme while temporary headworks (woodpiles) were installed to raise water levels for efficient utilisation within the scheme.</p>

Source: Field finding and project progress reports

Challenges

- i. The contractor could not access some parts of the working areas due to outstanding compensation agreements.
- ii. Unstable land conditions which could not support the proposed headwork designs.

Conclusion

The overall performance of the project was poor. Both the physical and financial performance of the project were behind schedule at 31% and 27.7%, respectively. The poor performance was attributed to the delay in compensation of the PAPs and the unstable soil conditions that could not support the headwork designs.

Recommendations

- i) MAAIF should ensure that there is continuous collaboration between PAP representatives, government officials, and local leaders to identify gaps and resolve delays in compensation.
- ii) MAAIF should consider relocating the headworks structure to a site with more stable soil that can adequately support the structure and offer long-term functionality.



3.1.7 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 with a total project cost of USD 354.7 million (US\$ 1,354.954 billion²³). The project development objective is to increase productivity, market access and resilience of select value chains in the project area and to respond promptly and effectively to an eligible crisis or emergency. The project focuses on four value chains, namely: crop, livestock, fisheries and beneficial insects (bees and black soldier flies). The summary project profile is presented in Table 3.1.12.

Table 3.1.12: Basic data for the Uganda Climate-Smart Agricultural Transformation Project

Lead Implementing agency	Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)
Collaborating agencies	National Agricultural Research Organisation (NARO), National Animal Genetic Resources Centre and Data Bank (NAGRC&DB), and Uganda National Meteorological Authority (UNMA), Ministry of Water and Environment (MWE), District Local Governments (DLGs)
Coverage and beneficiaries	69 districts, including 7 refugee host districts (RHDs); 3.9 million direct beneficiaries, of whom 40% are women with a high representation of youth; 9.5 million indirect beneficiaries.
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, USD 25 million grant from the Window for Host Communities (WHR) and USD 4.7 GoU counterpart)
Approval date by the World Bank	22nd December 2022
Declaration of project effectiveness	25th June 2024
Date of first disbursement	23rd October 2024
Project closure date	31st December 2028

Source: Project implementation manual

Financial Performance

The total project disbursement was at 7.57%, against a time progress of 33.33%. The project was at high risk as it was unlikely that it would be completed by the project end date.

The total budget for FY 2024/25 was US\$ 266.170 billion (USD 69.678 million), of which US\$ 101.272 billion (38.05%) was disbursed/released and expenditure was at 0% by 30th November 2024. By 30th April 2025, disbursement remained at the same level but expenditure increased to US\$ 25.786 billion (25.46%). The expenditures improved because the earlier constraint on disbursement of delayed fulfilment of effectiveness conditions by MAAIF was resolved.

²³ Exchange rate effective 31 October 2022: USD 1 = US\$ 3,820 and USD1 = SDR 0.78



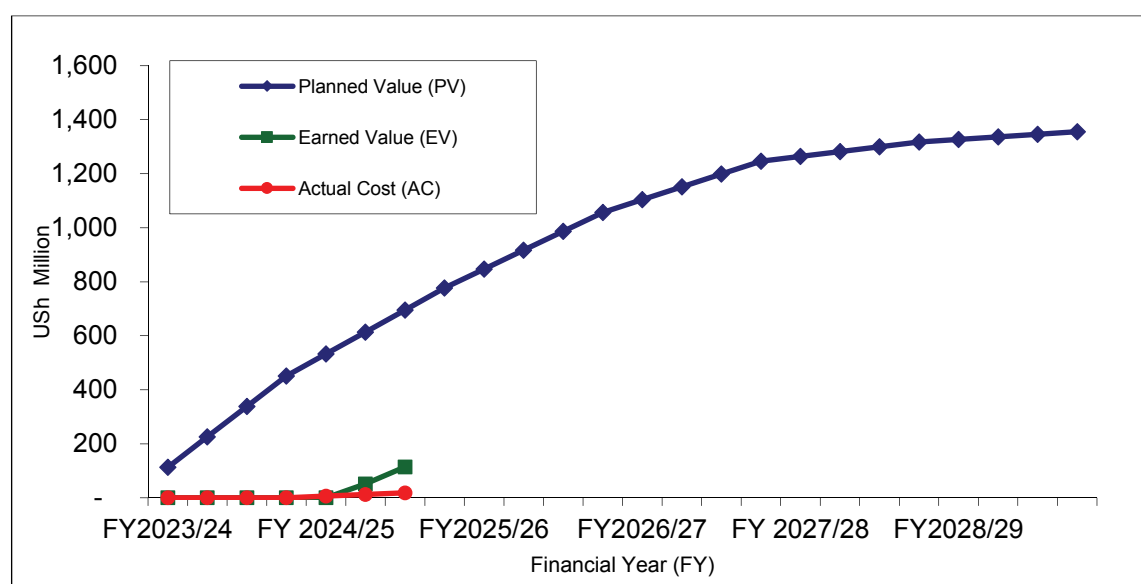
By 30th April 2025, the DLGs had received 50% of the budgeted funds for Q3 and Q4 to support preparatory activities for project implementation. Most districts had completed warranting but no expenditures were incurred.

The cumulative earned value (US\$ 114.373 billion) was significantly below the planned value (US\$ 777.378 billion) as the project started spending two years late and was behind schedule (Figure 3.1.6). The project value was, however, above the actual cost²⁴ for two reasons: a) pending payments to suppliers; and b) execution of many activities borrowing funds from existing programmes in DLGs, NARO and NAGRC&DB.

Physical Performance

By May 2025, fair progress was made in the achievement of planned outputs at 15% progress, compared to 3% in November 2024. The improvement was attributable to attainment of all the disbursement effectiveness conditions, commencement of disbursements and delivery of key outputs (Annex 1). However, the project was behind schedule²⁵ at 15% physical progress, against a time progress of 33.33%. The value for the delivered outputs²⁶ was lower than the planned outputs by May 2025 (Figure 3.1.6).

Figure 3.1.6: Performance of the Uganda Climate-Smart Agricultural Transformation Project by 31st May 2025



Source: Field findings; MAAIF progress reports

The poor performance was associated with delayed disbursements that commenced in the second quarter of 2024, staff inadequacy and delayed initiation of procurements of capital-intensive outputs. Key among these outputs were the e-voucher system, matching grants for 6000 beneficiaries and construction of various infrastructures. Out of 36 contracts, 22 were still in the procurement process and 14 were signed. Procurements were initiated for artificial insemination (AI) centres, a seed testing laboratory, weather stations, tractors and vaccines.

²⁴ Cost Performance Index²⁴ of 8.47.

²⁵ Schedule Performance Index (SPI) of 0.20

²⁶ Schedule variance (SV) = US\$ 620.911 billion (-)



Implementation Constraints

- i) Slow procurement execution due to inadequate capacity in user departments to prepare comprehensive technical specifications, pre-established framework contracts and documentation for procurements.
- ii) Delayed approvals and implementation of scheduled activities due to underestimation of key cost areas and lack of alignment between activities and available resources.
- iii) Non-absorption of funds by DLGs as they were received late after the national budgeting cycle as supplementary, requiring council approvals.

Conclusion

There was an improvement in the project physical performance from 3% in 31st November 2024 to 15% by 31st April 2025 primarily due to the commencement of disbursements after the fulfilment of effectiveness conditions and the delivery of some key outputs. 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 levels continued to constrain project implementation, including delayed procurements and accountability and reporting.

Recommendations

- i) MAAIF, NARO, NAGRC&DB and DLGs should assign project focal persons that are charged with fast-tracking procurements and output delivery.



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. The main objective of the project 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 and districts. The World Bank approved the USD 200 million multi-year project in May 2021. However, the necessary approvals from the Government of Uganda (GoU) were delayed, and the project became effective in May 2023, with the expected closure date of 30th May 2026.

The project scope covers three key areas, namely:

- ♦ Expanding access to high-speed internet in selected areas, focusing on buying additional bandwidth.
- ♦ Improving the efficiency of digital government services in selected public sectors covering cyber security, e-government services, data protection.
- ♦ Digital inclusion for refugees and refugee host districts (RHD) and communities.

The project is divided into four components, namely: 1) Expanding digital connectivity in selected areas; 2) Enabling digital transformation of the Government; 3) Promoting digital inclusion of host and refugee communities; and 4) Project management.

The key expected outputs under the four projects component are detailed below:

Expanding digital connectivity in selected areas: 500 km of optic fibre cables laid; 2,000 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 (Wi-Fi) hotspots deployed. Others are additional 100 gigabits of bandwidth purchased; 50 masts deployed in underserved and RHD; existing national data centre infrastructure upgraded; a third data centre established; the Metropolitan Area Network (MAN) centre upgraded; four policies developed, and three cyber laws reviewed.

Enabling digital transformation of the Government: Unified Messaging and Communication 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 Government procured; the E-GP system enhanced and rolled out to 319 entities; and the National CERT Forensic Lab enhanced.

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

Project management: Recruitment of Project Implementation Unit (PIU) staff; two 250 KVA generators procured; seven vehicles procured; laptops for the PIU team procured; 2 multipurpose printers for office use procured; and the NITA-U office access control system fully installed.

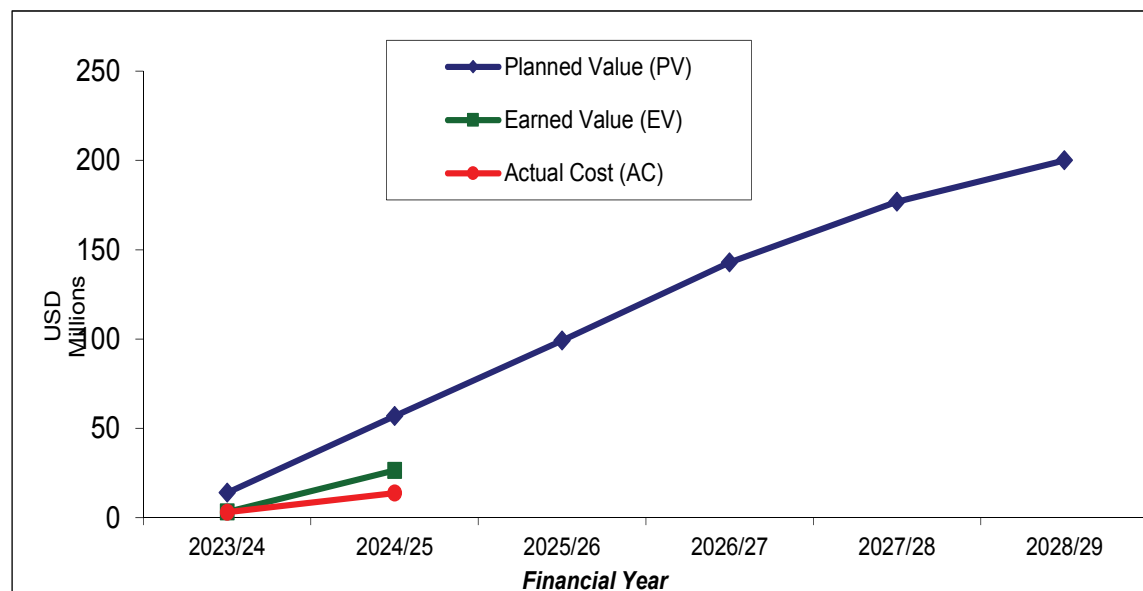
Financial Performance

By 30th April 2025, a total of USD 44,185,142.07 (22% of the project cost) had been disbursed, and USD 13,142,981 spent, representing 29.7% absorption of the disbursed funds. This was an improvement on the USD 3.046 million absorption by April 2024. The cumulative earned value was significantly below the planned value but above the actual cost, at USD 24 million compared to a target of USD 56.9 million. This was partly due to pending payments to suppliers.

Physical Performance

The overall project physical performance was at 12% progress, an improvement on the estimated 2% in November 2024. A total of 41 procurements (**Annex 2**) across the four components had been initiated, of which 18 were completed and the remaining 23 were at varying stages. The project was operating below the planned budget²⁷ and was behind schedule²⁸ with a cost variance indicating less money spent compared to the value of work done (Figure 3.2.1).

Figure 3.2.1 The UDAP performance by 30th April 2025



Source: NITA-U, UDAP progress report

The recruitment of key staff was completed; the 36 laptops, one tablet, and the seven project cars were procured and delivered. It was observed that some vehicles were not assigned to project work, thus affecting implementation. The last-mile connectivity study for MDAs and 13 refugee-hosting communities, as well as the option study to finalise preferred financing and Public-Private Partnership (PPP) schemes, and the detailed survey to determine the best location for 50 masts, were completed. A concept note to upgrade the existing National Data Centre infrastructure was developed, and the Data Centre market study was completed. The access enabler study in the thirteen (13) RHDs was also completed. Table 3.2.1 shows the summarised physical progress by component.

²⁷ The Cost Performance Index (CPI)=1.75

²⁸ Schedule Performance Index (SPI)=0.46

Table 3.2.1: The UDAP physical performance by component as at 30th April 2025

Component	Physical performance	Remarks
Component 1: Expanding Digital Connectivity in Selected Areas	6.3%	<ul style="list-style-type: none"> Three studies informing downstream activities were completed: E-waste management study; the mobile broadband deployment study; and last-mile connectivity study IP Core network equipment fully deployed. The purchase of 2,000 ICT devices for the Local Government was in the final stages. <p>Other items in the final stages of procurement include: extension of NBI; purchase of international internet bandwidth; and the upgrade of the existing data centre.</p>
Component 2: Enabling Digital Transformation of the Government	33%	The following were achieved: E-services framework developed; UMCS platform enhanced; Ug-pass enhanced and fully functional; and the PDPO office space procured and the office fully equipped with furniture and with ICT equipment, including access control. Ongoing activities include: PDPO portal development; ITSM solution development; contract for Ug-hub was at signing stage.
Component 3: Promoting Digital Inclusion of Refugee Host Communities	5%	Study for the access enabler was completed and the study for last-mile connectivity concluded. The architectural design for the 24 telecentres were fully developed, and land for the 24 telecentres was secured.
Component 4: Project Management	24%	<p>All the PIU staff were onboarded; a new 250KVA generator was procured; vehicles for operation were procured; laptops for the PIU team procured; 2 multipurpose printers for office use procured; NITA-U office access control system fully installed and operational.</p> <p>The upstream change management study was in its final stage.</p>
Overall Physical Performance of the Project	12%	Progress was registered on completion of procurements, but most of the physical works were yet to commence.

Source: NITA-U, UDAP progress report



Left: Installed equipment at the MAN Centre in Kampala. Right: A 250kva generator for the Data Centre in Jinja.



Challenges

1. Lack of the GoU counterpart funds for supervision of works.
2. The exchange rate variation between the World Bank's SDR and the US dollar has reduced the available funds for the same outputs. Moreover, the funds are transferred to the GoU and exchanged into shillings and later paid to international suppliers/contractors in USD.

Conclusion

The overall project performance was poor (12%), and the project was behind schedule, with a Scheduled Performance Index (SPI) indicating that, at this pace, the project will require an estimated additional 24 months to be completed. 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. Unless measures are taken to expedite the processes, several project deliverables are unlikely to be achieved by the scheduled end of the project, thus time overruns. Under-costing of ICT infrastructure components due to design omissions and cost escalation due to delayed execution of project activities is likely to push the project costs upward or lead to the elimination of some deliverables.

Recommendations

- i) NITA-U, MoICT&NG, and MoFPED should prioritise counterpart funding of the project in the remaining period to achieve the planned value.
- ii) The World Bank should approve direct payment to contractors for big contracts to reduce the exchange rate loss.

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 main aim of the project 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 150²⁹ million) from the EXIM Bank of China. The project has no 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 and Construction (EPC) Contract with a start date of 9th December 2024 and an end date of 8th December 2028. The project is internally supervised by NITA-U.

²⁹ Exchange rate of USD 1 to ₦ 7.1

**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 Corporation (CITCC)
Project commencement date	9th December 2024
Initial expected completion date	8th 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	-Connectivity: Expand the NBI network. Extend high-speed optical fibre cable backbone to the underserved regions of the country by laying 3,711 km of fibre optic cable across the country to cover at least 104 districts and 2800 MDA/LG sites. It will also include the building of 21 new transmission sites to host critical communication equipment, 1,754 Wi-Fi devices, and the construction of a third National Data Centre and the integration of Government IT systems.

Source: UIA- Project progress report, March 2024

The project's expected deliverables are:

1. Upgraded capacity of the existing NBI (30 sites) transmission sites from 40 giga capacity to 60 giga and 100 giga capacity based on traffic.
2. New transmission sites constructed (21).
3. Approximately 3,600 km of new backbone infrastructure network built.
4. Approximately 2,000 km of last-mile connectivity extended.
5. ICT equipment provided to 2,800 MDAs/LGs.
6. 1,754 Wi-Fi devices procured and installed for public internet connectivity.
7. A new Data Centre constructed in Entebbe.
8. ICT capacity built for MDAs.

Financial Performance

The overall budget for the project is ¥ 1,049,999,568 (approximately USD 150 million), of which ¥ 314,999,870.4 (30%) was disbursed to the contractor as advance payment on signing the agreement. By 30th April 2025, no interim payment certificates (IPC) had been raised by the contractor.

Physical Performance

By 30th April 2025, the project was still at the preliminary stage of implementation. Physical progress was estimated at 2%, compared to a time progress of 10.4% (five months into implementation). Site surveys had reached 80% completion, with design work finalised for some locations and stakeholder engagements actively ongoing.

The procurement for the upgrade of 31 existing transmission sites was finalised, and some of the equipment had been delivered, pending installation. The construction of six out of the planned 21 new transmission sites – located in Kayunga, Kamuli, Kagadi, Iganga, Kiboga, and Ibanda – was at the initial stages of implementation.

Challenges

1. Lack of a comprehensive work plan with a clearly defined execution schedule.
2. Lack of the GoU counterpart funds to support the internal Project Management Team to undertake the necessary supervision.

Conclusion

The project is currently in its early implementation phase, with approximately 80% of the site survey for the NBI extension completed within the first five months. However, several critical gaps have been identified, including the lack of a comprehensive work plan with a clearly defined execution schedule and the absence of a feasibility study to outline the full scope of work. Moreover, the project did not have a code issued by the Development Committee (DC) as required by the Public Investment Management (PIMs) guidelines. The project lacks GoU counterpart funding, which reflects inadequate project planning and poses significant risks to effective supervision. This increases the likelihood of delays and the potential for substandard work by the contractor.

Recommendations

- i) **NITA-U** should develop a detailed project execution plan, including a Gantt chart, to facilitate structured implementation and enable effective tracking of progress against defined milestones.
- ii) **MoFPED** should allocate counterpart funding to strengthen project oversight, ensure timely execution, and maintain the quality of deliverables.



3.3 Human Capital Development

This section presents the performance of 12 externally funded projects under the Human Capital Development Programme. The presentation is structured as follows: Education; Gender and Social Protection; and Health.

3.3.1 Education Projects

This section presents the performance of four externally funded projects under the Education sector that contribute to the performance of the Human Capital Development (HCD) Programme.

1. Uganda Secondary Education Expansion Project (1665)

Introduction

The Uganda Secondary Education Expansion Project (USEEP) is a five-year initiative implemented by the Ministry of Education and Sports (MoES) aimed at expanding access to Lower Secondary Education, particularly for underserved groups, including host communities, refugees, girls, and learners in regions with limited access to public secondary schools.

The project budget is USD 171.6 million, comprising USD 150 million from the World Bank's International Development Association (USD 90 million loan and USD 60 million grant under the Refugee Sub-Window), and USD 21.6 million in counterpart funding from the Government of Uganda. Although the loan was approved in July 2020, the project only became effective in May 2022 and is expected to close on 31st December 2025.

The project consists of four components. Table 3.3.1 presents a detailed summary of the project scope and associated costs.

Table 3.3.1: 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 RHDs, 84 in targeted districts) and infrastructure improvements in 61 existing schools within RHAs (Total 177 schools)	74.6	44.0	21.6	140.2
	1.2 Child Safety and Protection	Ensuring the safety of 2.45 million children, especially girls, in line with national child protection and GBV policies	1.2	3.8	–	5.0
Component 2: Hosting Community and Refugee Education Support	2.1 Special Needs and AEP	Supporting 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	Sub-Component	Scope	IDA Credit	IDA Grant	GoU	Total
Component 3: Teacher Support and Strategic Reforms	3.1 Teacher Professional Development	CPD system 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, 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

Note: The construction of 177 secondary schools under Component 1 will be implemented in three phases over a three-year period. Phase I covers 60 new schools, Phase II focuses on expanding 61 schools in RHDs, and Phase III, 56 new schools.

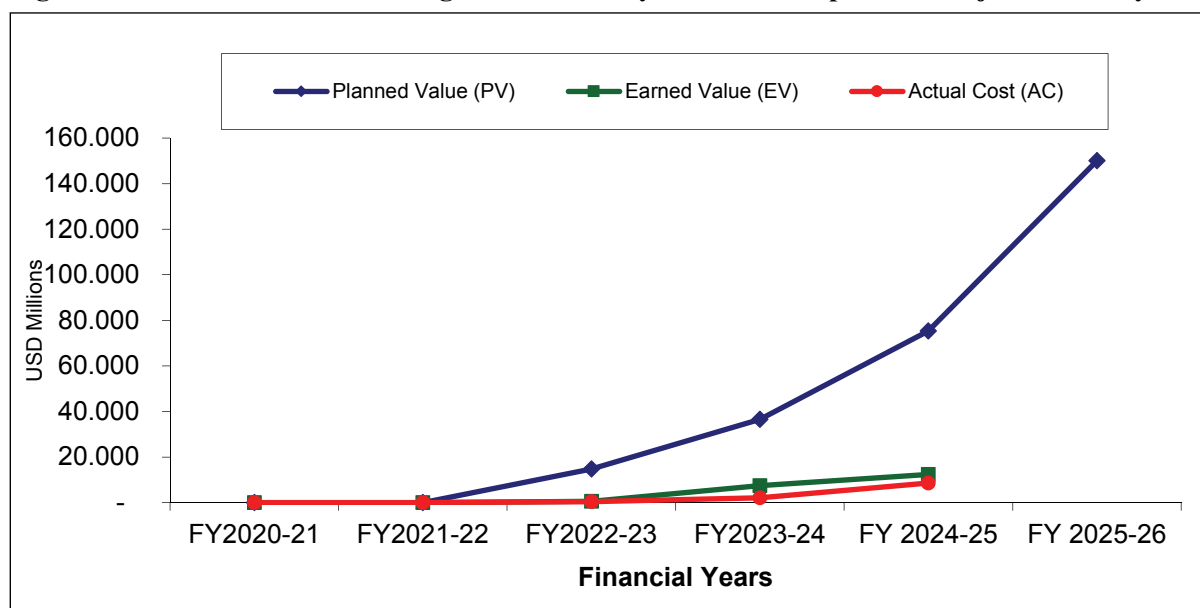
Financial Performance

As of May 2025, cumulative disbursements totaled USD 23.8 million (15.9% of IDA funds), up from 11% in September 2024. Expenditures nearly doubled to USD 8.6 million (5.7%) from USD 4.3 million (2.87%) reported over the same period. Despite this improvement, overall financial absorption remains low, mainly due to delays in implementing key activities under Component 1, which comprises most of the budget. The Government's counterpart funding of USD 21.6 million also remains unreleased, as no schools have become operational.

Physical Performance

Project performance improved from 18% in October 2024 to 25% by May 2025. However, overall implementation remains poor and behind schedule³⁰. Continued delays in World Bank approvals, slow procurement processes, and the late start of civil works, particularly under Component 1, have retarded progress. With just seven months remaining before the project closure on 31st December 2025, the current pace is inadequate to achieve the intended outcomes. Figure 3.3.1 illustrates the performance trajectory of the project.

³⁰ The SPI value was 0.16, indicating the project is behind schedule.

Figure 3.3.1: Performance of the Uganda Secondary Education Expansion Project as of May 2025

Source: Compiled from USEEP II project reports, MoFPED IFMS and PBS

Detailed performance of the different components is presented below:

i) Component 1: Expansion of Lower Secondary Education

Construction of New Schools and Facilities: Between September 2024 and May 2025, this sub-component still faced delays in land title acquisition and procurement processes. However, some progress was observed: land titles were obtained for 107 of the 116 new school sites, up from 101, with 100 meeting compliance standards. Expansion site titles increased from 47 to 54 out of 61. Civil works contracts were signed for six of eight Batch 1 sites, while procurement for the remaining 108 sites progressed through various stages. Approved ESMPs increased to 54 from 15, with all 61 expansion sites having draft plans. NEMA approved eight, and the rest awaited World Bank clearance. Resettlement issues in Alebtong and Bunyangabu were resolved.

Ensuring Safety and Protection of Children: Following the October 2024 engagement of service providers, key child protection achievements included a baseline survey on violence against children, support for re-entry of 43 child mothers, development of Information, Education and Communication (IEC) materials, and orientation of 831 district and NGO staff. Additionally, 642 teachers and administrators received school safety training, 204 learner-led clubs were formed in 102 schools, and 672 dropouts were re-enrolled. In March 2025, 46 cases of violence were reported and addressed through grievance redress mechanisms.

(ii) Component 2: Hosting Community and Refugee Education Support

Special Needs Education Support: Implementation progressed from planning to execution. Equipment for all 13 targeted Accelerated Education Programme (AEP) centres was delivered, and a service contract was signed for the first five centres in May 2025. Procurement for the remaining eight centres was underway, following World Bank approval of the Terms of Reference (ToR).

Refugee Capitation Grants Programme: No progress was made under the Refugee Capitation Grants Programme, as it had been integrated into the UgIFT Programme, with its funds set to be reallocated during the upcoming project restructuring to support other priority areas.

Certification of Prior Education: Significant progress was achieved in the Certification of Prior Education, with the number of refugee academic documents translated, equated, and certified rising from 244 to 564, a 131% increase.

(iii) Component 3: Improving Teacher Support and Strategy Development Nationally

This component aims to strengthen teacher capacity and supports education reforms as well as the development of key policies on universal education, science, curriculum, and teacher retention.

Teacher Professional Development: By May 2025, significant progress was achieved under the Continuous Professional Development (CPD) Programme, with 4,027 school administrators (80.1%) and 2,418 science teachers (73.3%) trained, mainly from the Eastern, Northern, and Western Regions. Additionally, lesson observations were piloted in five schools in the Central Region and 145 schools in the Northern Region to improve the quality of teaching and learning. Furthermore, ICT equipment was procured and distributed to cluster centres to support continuous training and professional development of teachers.

Strategy and Policy Development: The Universal Primary and Secondary Education Policy and the National Curriculum and Assessment Policy progressed to the validation stage. Regional consultations were completed for the Private Education and Training Policy and the National Teacher Retention Strategy, while drafts of the Science Education Policy and the National School Construction Strategy remain under review.

iv) Component 4: Project Management, Monitoring and Evaluation

By May 2025, the Project Steering Committee had held five meetings, and the Technical Committee met weekly. Sixteen of 18 Project Coordination Unit positions were filled, with the rest covered through internal secondment. Monitoring and evaluation (M&E) efforts included the submission of PBC 1.1 and 2.2 achievement letters to the World Bank, and a planned update of the results framework is underway, following the last update in September 2024.

Implementation Constraints

- 1) Weak coordination mechanisms between the MoES and the World Bank led to missed deadlines, causing delays in the approval of technical documents and the achievement of performance-based conditions.
- 2) The late involvement of DLGs and slow land title verification caused delays in site readiness and documentation, disrupting procurement and delaying construction and expansion activities.

Conclusion

The project is behind schedule, with 25 % physical progress against 83% time elapsed, mainly due to delays in the construction of new schools and facilities, which holds the largest budget share. Despite some improvements in training and policy areas, the low implementation rate and disconnect between spending and results pose a serious risk to achieving the project's objectives before the December 2025 deadline.



Recommendation

- i) The MoES, in partnership with MoFPED and the World Bank, should pursue formal project restructuring, including a no-cost extension beyond the current closure date of 31st December 2025. This will ensure sufficient time to complete all the project activities.

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

Introduction

The Ministry of Education and Sports (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 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.

Spanning July 2017 to December 2025, the project had completed 92 (91.1%) of its planned 101 months of implementation by May 2025. A detailed breakdown of project scope, budget allocations, and funding sources for each component is provided in Table 3.3.2.

Table 3.3.2: 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/meeting.	0.780	
Total			16.71

Source: OFID project appraisal document, 2016

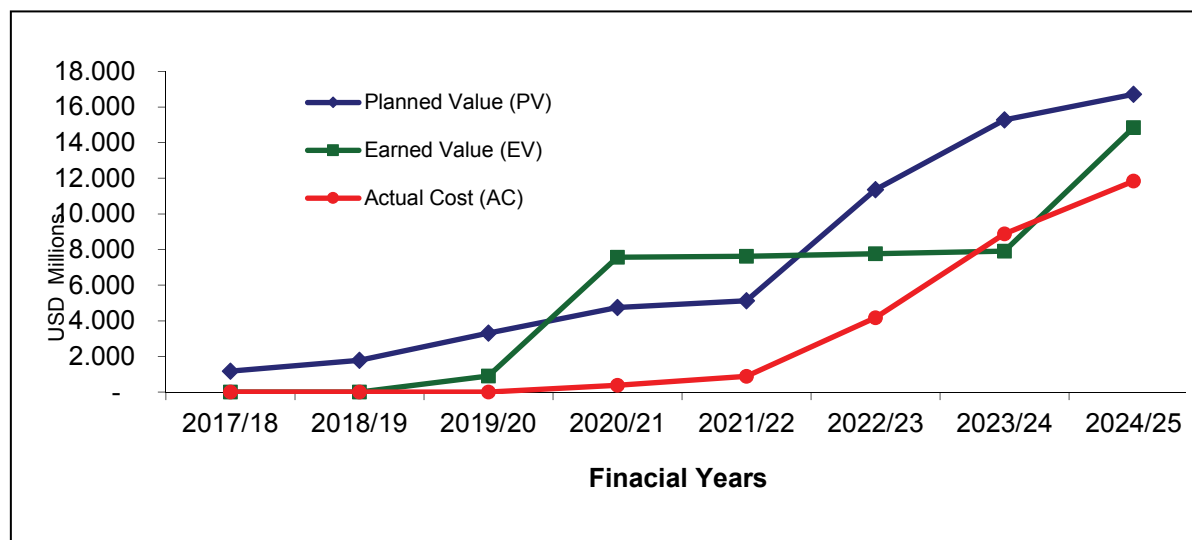
Financial Performance

As of May 2025, total disbursements were USD 15.82 million (94.7%) of the approved financing of USD 16.71 million. This was an improvement on the USD 14.26 million (85.3%) reported in October 2024. Specifically, OPEC Fund disbursements by May 2025 rose to USD 9.61 million (67.2%), from USD 8.06 million (56.3%) in October 2024. Despite an increase in disbursements, the project experienced absorption challenges, with 70.89% of funds utilised.

Physical Performance

Overall physical progress stood at 88.8%, an increase from the 65.2% reported in November 2024. This indicates improvement in the implementation of previously delayed sites. However, the project is still slightly behind schedule³¹ relative to the time elapsed. Figure 3.3.2 shows the project's performance trajectory.

Figure 3.3.2: Performance of the Vocational Education (VE II) Project as of 30th October 2024



Source: Compiled from VE II Project reports and MoFPED-IFMS 2017/18–2024/25

Progress at **Kilak Corner and Ogolai** improved substantially, while **Lokopio Hills** and **Lwengo** continue to lag, contributing to ongoing delays.

Detailed performance by component is presented below:

Component 1: Civil Works

Overall physical progress across all sites reached 83.9%, up from 71% in November 2024, compared to a time progress of 93.5%, indicating the need to accelerate implementation. Construction was fully completed at Nawanyago, Basoga Nsadhu Memorial, Sasiira, and Buhimba Technical Institutes, with all having concluded their 12-month defects liability period (DLP). The facilities were functional and constructed to satisfactory standards. At Ogolai and Kilak Corner Technical Institutes, progress stood at 96% and 90%, respectively, pending final inspections and close supervision by the Project Coordination Unit.

³¹ Schedule Performance Index of 0.89; SPI <1 "Behind schedule"



Left-Right: Completed automotive workshop and Multipurpose Hall at Ogolai Technical Institute in Amuria District.

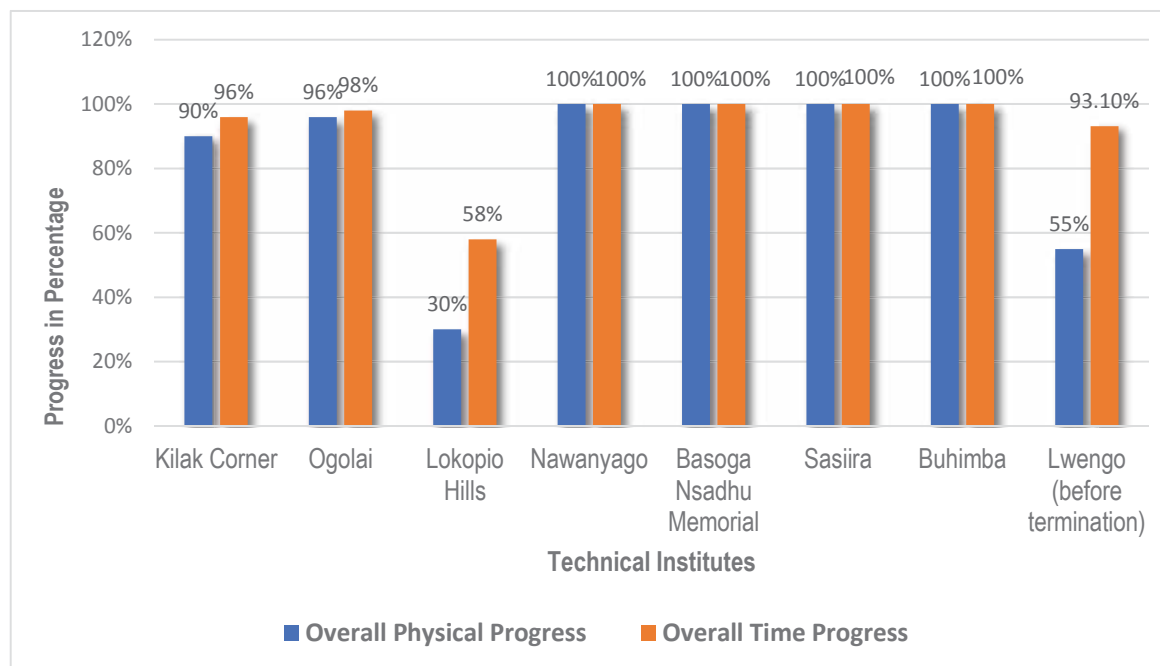
Lokopio Hills Technical Institute registered 30% physical progress against a target of 45%, with time progress at 58%. A three-month delay, as a result of structural design revisions, slowed implementation. Despite receipt of the revised drawings, the site remains behind schedule, requiring remedial catch-up strategies by the contractor, intensified supervision by the consultant and the PCU to recover lost time.



A completed sickbay at Kilak Corner Technical Institute in Pader District.

At Lwengo Technical Institute, construction stalled at 55% following contract termination in January 2024 due to poor contractor performance. Procurement of a replacement contractor was ongoing; however, prolonged delays may lead to cost and time overruns. The performance of the different sites is presented in Figure 3.3.3.

Figure 3.3.3: Overall physical and time progress of civil works across all eight Technical Institutes as of May 2025



Source: Authors' compilation from field findings

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

As of May 2025, implementation was substantially complete, with an overall progress of 91.4%. Textbooks, ICT infrastructure, and 30-seater buses were fully procured and delivered to all eight Technical Institutes. Tractors for Buhimba, Lokopio Hills, and Kilak Corner were handed over in July 2024, while procurement of an additional tractor for Nawanyago Technical Institute was underway, pending “No Objection” clearance before contract signing.

The main outstanding activity was the procurement of workshop equipment under Lots 6–8. While Lots 1–4 were completed, the re-tendering of the remaining lots was rejected by the OPEC Fund due to non-compliance with its procurement procedures. The OPEC Fund recommended that the GoU funds these procurements through counterpart funding. In response, a supplementary budget request of US\$ 800 million was submitted in November 2024, and the MoES awaits the release of funds from MoFPED.

Component 3: Capacity Building

Capacity-building trainings are classified into two thematic areas, namely: Institutional Management and Skills Upgrading for Instructors. The two categories cover Training of Trainers (TOTs) and institutional management training for tutors and TVET managers.

Progress was limited under this component compared to earlier reported progress, where **14 (73.6%) of the 19 planned training activities** had been completed by November 2024. Although the **Project Resource Centre** was completed, progress on the remaining training activities was minimal. As of May 2025, only the **industrial attachment for instructors in Refrigeration and Air Conditioning** had been implemented, while attachments for the other eight trade areas were still pending.



Component 4: Design and Supervision of Civil Works

This component supports the supervision of civil works and equipment installation under Components 1 and 2. Pan Modern Consults, in association with Fielding Nair International, was contracted to prepare designs and supervise works across the eight Technical Institutes.

The consultants continued with supervision works at **Lokopio Hills, Kilak Corner, and Ogolai** Technical Institutes, with a focus on tracking implementation progress, verifying quality standards, and ensuring contractor compliance with approved designs.

An addendum for additional consultancy services, covering extended supervision for Lwengo and additional works at Sasiira Technical Institute, was approved by the MoES Contracts Committee and awaits submission to the Solicitor General.

Component 5: Project Coordination and Management

This component oversees overall project implementation through the **Project Coordination Unit (PCU)**, which is responsible for operations, publications, monitoring, and payment facilitation. The PCU comprises a **13-member joint team** managing activities under the **OPEC Fund, Islamic Development Bank (IsDB), Saudi Fund for Development (SFD)**, with **8 staff financed by IsDB and 5 by the Government of Uganda**. The unit has been operational since project inception, providing consistent support in **project management, financial reporting, procurement coordination, and implementation monitoring**.

Implementation Constraints

1. **Delays in the procurement of workshop equipment:** Procurement was stalled due to rejection by the OPEC Fund, citing non-compliance with procedures. This has delayed equipment delivery for practical training.
2. **Weaknesses in Contractor Evaluation and Procurement Oversight:** The contract termination at **Lwengo TI** exposed gaps in the contractor vetting process, leading to time and cost overruns.

Conclusion

The VE-II registered good progress, with 88.8% physical performance and 94.7% financial disbursement by May 2025. Most civil works and equipment supply activities were near completion. Delays in workshop equipment procurement and stalled works at Lwengo remain key risks. To ensure full achievement of project outcomes, remaining activities must be fast-tracked before the 31st December 2025 closure.

Recommendations

- i) Fast-track completion activities for Lwengo and Lokopio Hill Technical Institutes as well as the procurement for the workshop equipment within the remaining project time.
- ii) The MoES should strengthen evaluation criteria for future projects by instituting a more rigorous due diligence process that thoroughly assesses contractors' financial stability, technical capacity, and track record. This will help ensure the selection of competent contractors and reduce the risk of delays due to poor contractor performance.



3. 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 (BTNET II) aims to enhance access to quality BTNET in Uganda. The project is jointly financed by the Islamic Development Bank (USD 45 million) and the Government of Uganda, whose contribution increased from USD 6.14 million to USD 11.50 million, bringing the total investment to USD 56.50 million. Approved on 16th February 2020 and effective from 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 3.3.3

Table 3.3.3: 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 BTNET	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 degrees).	2.875	0.523	3.398
3. BTNET 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	56.6

Source: IsDB project appraisal documents, 2020

Financial Performance

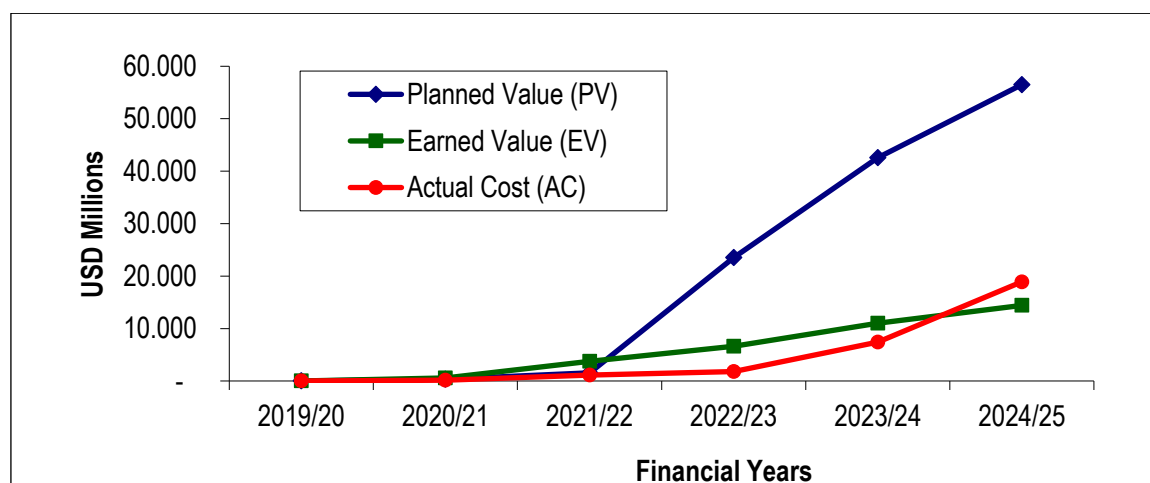
As of May 2025, cumulative disbursements totalled USD 18.91 million (33.5% of the total approved financing of USD 56.50 million), with an undisbursed balance of USD 37.59 million (66.5%). This reflects an increase from USD 12.49 million (24.4%) reported in October 2024. Specifically, disbursements by the IsDB increased from USD 10.450 million (23.3%) in October to USD 14.87 million (33%). GoU disbursements also improved from USD 2.042 million (33.3%) to USD 4.04 million (35%).

Despite the progress, fund disbursement remains low relative to 74% of the project time elapsed, highlighting ongoing delays in absorption and implementation.

Physical Performance

As of May 2025, overall project performance remained poor, at 25%, reflecting only a marginal improvement from the 22.8% reported in November 2024. Progress continues to be hampered by persistent implementation delays, leaving the project behind schedule³². Funds disbursement remains disproportionately low compared to the elapsed implementation period of 57 out of 77 months (approximately 74%), highlighting ongoing challenges in absorption and execution. Figure 3.3.4 illustrates the project's performance trajectory.

Figure 3.3.4: Performance of the Business, Technical and Vocational Education and Training Support – Phase II Project as of 30th April 2025



Source: Compiled from BTVET-II project reports

These indicators demonstrate critical underperformance in schedule execution, driven by slow progress in civil works, delayed procurement of training equipment and supplies, limited release of Government counterpart funding, and sluggish progress in curriculum development.

Detailed performance by component is provided below:

Component 1: Enhancing Access to BTVET

As of May 2025, overall construction progress stood at 33.5%, significantly below the planned 72%, despite 76.4% of contract time having elapsed. Delays were due to the contractor's limited capacity, necessitating enhanced contract management and closer supervision by the MoES-Project Coordination Unit to prevent further setbacks.



Skills Development Headquarters – Ministry of Education, Kyambogo

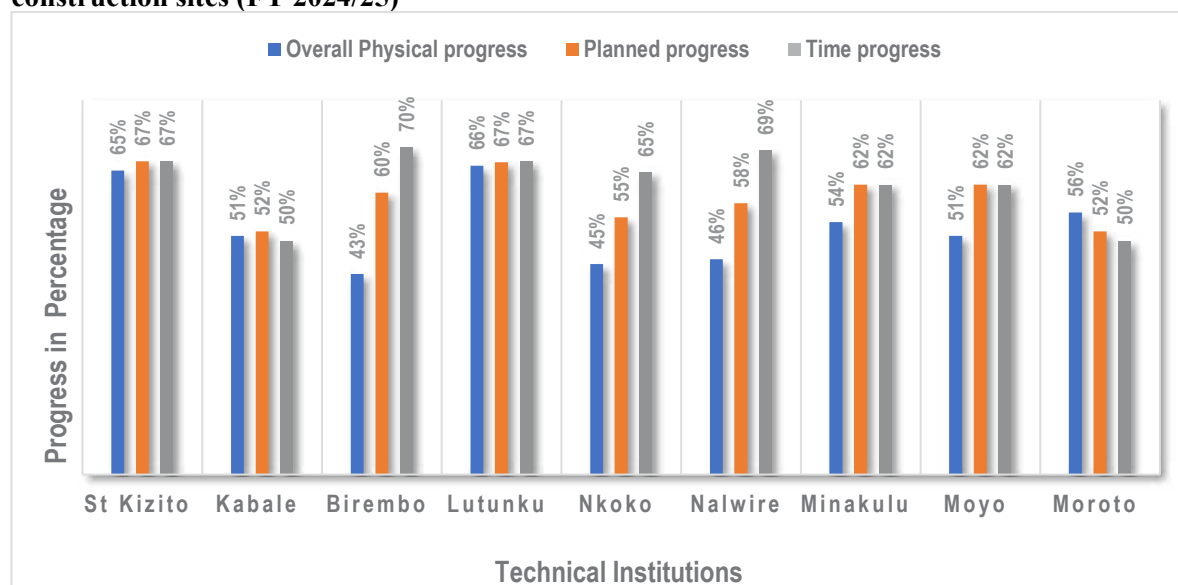
³² Schedule Performance Index (SPI) was 0.25 = <1 "Behind schedule"

Expansion of the nine Technical Institutes: Performance across the nine Technical Institutes was mixed, with an overall physical progress of 51.9%. Sites in Lot 1 (Minakulu, Moyo), Lot 7 (Nkoko, Nalwire), and Lot 4 (Birembo) were behind schedule, with actual progress below the planned targets and estimated time progress (see Figure 3.3.5). The delays observed across these sites indicated underlying capacity limitations among some contractors.



Left-Right: Ongoing construction of the Multipurpose Hall in Nkoko Memorial TI in Mayuge District, and Girls' Dormitory in Minakulu TI in Oyam District.

Figure 3.3.5: Comparison of physical, planned, and time progress across BTVET selected school construction sites (FY 2024/25)



Source: Field findings

Additionally, challenges in securing timely deliveries of construction materials from suppliers further constrained progress at the affected 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: Administration block at 56% progress, and Boys' Dormitory at 75% progress at Kitovu Technical Institute in Masaka City.



Left-Right: Ongoing construction of the BCE Training Complex; and Boys' Dormitory at Kabale Technical Institute in Kabale District.

Environment, Social, Health, and Safety Safeguards: Integration across project sites was satisfactory, with consistent application of standards. All monitored sites had designated safety officers, sociologists, and functional conflict resolution mechanisms to address concerns from workers and surrounding communities.

Personal protective equipment (PPE) was provided to workers, though regular safety audits and refresher training are recommended to reinforce safe practices. While gender inclusion efforts were evident, women's participation remained limited to supportive roles such as cooking and storekeeping, with few engaged in technical roles.

Training supplies/equipment: Procurement for training supplies, equipment for Technical Institutes, and furniture for the SDHQ delayed due to slow initiation of the procurement process.

Component 2: Enhancing Quality of Service Delivery

This component enhances the quality of teaching and learning in the nine Technical Institutes by providing ICT infrastructure, instructional materials, revised curricula, and advanced instructor training at master's and PhD levels.

Skills Upgrading and Development: This recorded good progress. All 32 selected scholars, comprising five PhD and 27 master's candidates with 40% female participation, completed their first year and progressed to the second year across 13 institutions, in India, Kenya, Tanzania, and Uganda, contributing significantly to institutional capacity for TVET.

Competency-Based Education and Training (CBET) Curriculum Development:

Foundational activities for this intervention were completed, including DACUM workshops and the drafting of syllabi, guides, and assessment tools. However, delays in reviewing and finalising these products risk disrupting subsequent implementation stages. Additionally, the recently enacted TVET Law may introduce uncertainties around curriculum standards, validation, and alignment with the new national regulatory framework.

Component 3: TVET Institutional and Management Capacity Building

This component aims to strengthen institutional management in nine Technical Institutes by supporting governance and leadership training, integration into the TVET Management Information System (TVET-MIS), and the accreditation of training programmes.

Skills Upgrading for Pedagogical and Administrative Staff: This intervention targets 253 tutors, 126 administrators, and 126 board members through short courses by June 2026. However, training had not commenced pending completion of civil works, curriculum development, and procurement of training equipment.

Support to the TVET MIS at the 9 Technical Institutes: The nine institutes were integrated into the TVET-MIS under the World Bank-funded Uganda Skills Development Project (USDP). Progress on ICT equipment procurement remained slow, with only draft Standard Bidding Documents prepared. Accreditation of training programmes, both nationally and internationally, depended on the completion of infrastructure, staffing, and curriculum finalisation to enable formal assessments by accrediting bodies.

Implementation Constraints

- 1) Delayed procurements caused by inadequate planning, late finalisation of technical specifications, and poor coordination among consultants, end users, and procurement units.
- 2) Delayed civil works due to the limited capacity of contractors, stemming from inadequate due diligence and weaknesses in the contractor pre-qualification process.

Conclusion

The BTNET-II Project continues to perform poorly, with physical progress at only 25%, a slight improvement from 22.84% in November 2024. Despite 74% of the project time having elapsed, cumulative disbursement remains low at 33.5%, causing significant delays in implementation with the project behind schedule. Actual expenditure exceeded the value of work done, signaling cost inefficiencies.

Recommendations

- i) Contractors should put in place remedial catch-up strategies to redeem lost time.
- ii) The MoES should expedite procurement of key project components by finalising technical specifications early, streamlining internal approvals, and enhancing coordination among procurement units, user departments, and technical consultants.
- iii) The MoES-PCU should strengthen contractor supervision through the enforcement of recovery plans with clear timelines, improved site-level oversight, and targeted technical support to address capacity gaps among underperforming contractors.



4) Vocational Education and Training (VET) Project

Introduction

The Vocational Education and Training (VET) Project, implemented by the Ministry of Education and Sports (MoES), aims to enhance equitable access to quality Technical and Vocational Education and Training (TVET) by constructing and equipping five new Technical Institutes (TIs). The project is financed through a SAR 45 million (approximately USD 12 million) loan from the Saudi Fund for Development (SFD), with an additional USD 1.33 million in counterpart funding from the Government of Uganda. The VET Project has experienced multiple delays since its approval in 2010, extending its implementation period to 15 years, with the current completion deadline set for June 2025.

Financial Performance

As of May 2025, cumulative loan disbursement totaled SAR 43.3 million (USD 11.55 million), accounting for 96.2% of the total loan, a slight increase from 95.8% in October 2024 due to progress in civil works. The full USD 1.33 million in GoU counterpart funding was also disbursed, along with USh 681.5 million from liquidated performance guarantees. Despite nearly complete disbursement, a USD 38,000 cost overrun occurred under project management, mainly due to the extended 14-year implementation period, which increased overheads and reduced cost-effectiveness.

Physical Performance

By May 2025 overall physical progress of the project was good, at 92%, representing a significant improvement on the previously reported 72.9% in October 2024. Performance across the three active sites was good, with Bukedea Technical Institute completed in February 2025, Amelo at 95%, and Bukomero at 80% as of May 2025. The contract information for the three sites is summarised in Table 3.3.4 below:

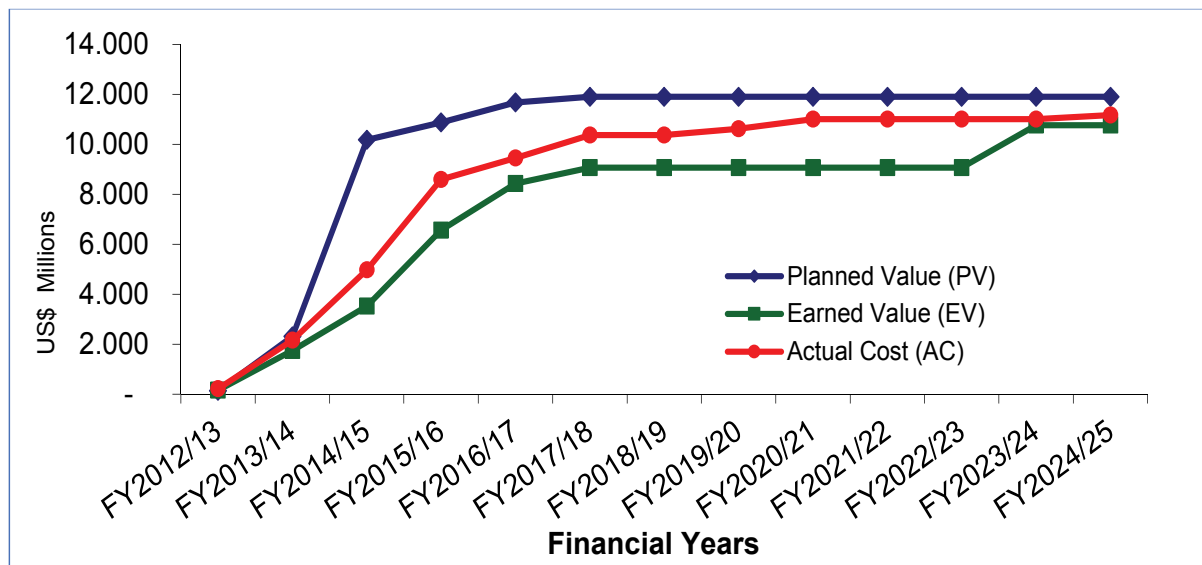
Table 3.3.4: Summary of contract information and physical progress as of May 2025

Technical Institute	Contract Price (USh)	SFD Loan Account (USh)	BoU Project Account (USh)	Remarks
Amelo	1,348,603,830	1,348,603,830	0	95% complete; 5% behind schedule; payments disbursed (SFD) worth UGX 938.81 million (advance and IPC-1).
Bukomero	1,152,176,025	0	1,152,176,025	80% complete; 20% behind schedule; payments disbursed (BOU) worth UGX 595.96 million (advance and IPC-1).
Bukedea	564,633,510	444,362,270	120,271,240	100% complete; practical completion attained on 19 Feb. 2025; DLP ends 19 Aug. 2025; payments disbursed (SFD & BoU) worth USh 401.535 million; USh 134.694 million in process (IPC-2 & penultimate).

Source: Field findings

Despite this progress, EVM analysis continued to indicate schedule inefficiencies, indicating that the project progressed more slowly than initially planned, with Bukomero TI notably 20% behind schedule. Fast-tracking of construction activities is required to ensure full completion within the remaining project timeframe. Amelo TI requires additional time for final inspections, certifications, and payment processing.

Figure 3.3.6: Performance of the Vocational Education and Training (VET) Project as by May 2025



Source: Compiled from project reports

End-user training for workshop equipment remains pending at all three sites and is scheduled for June 2025, aligning with the reopening of schools for the second academic term. This training is critical to ensure the institutes are fully operational and equipped to deliver practical instruction as intended.

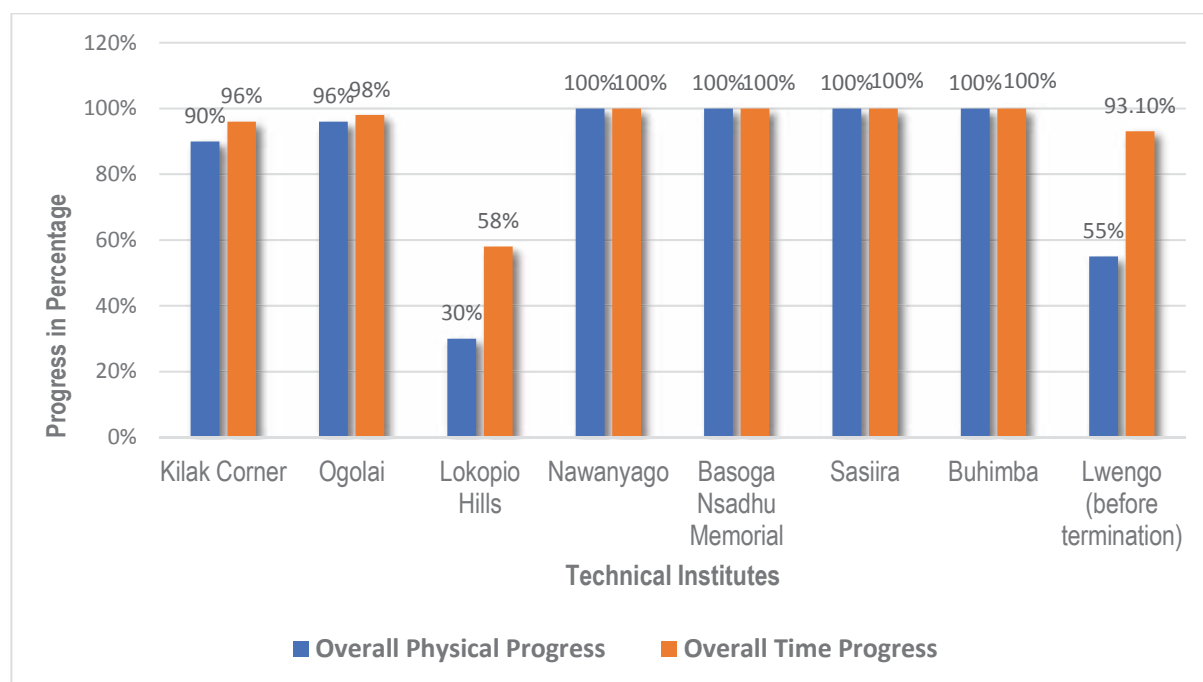


Left-Right: Completed Administration Building, paved car parking, and driveway; A completed and furnished 120-bed Students' Dormitory Block at Bukedea Technical Institute.

Conclusion

The VET Project achieved an overall physical progress of 92% against a loan disbursement of 96.2% as of March 2025, reflecting significant improvement following the resumption of works in May 2024. While Bukedea Technical Institute attained practical completion by February 2025, the project remains behind schedule, with Bukomero TI lagging by 20% and Amelo TI requiring additional time. The project's 14-year duration, far exceeding the original five-year plan, led to increased costs due to contractor failures, weak supervision, and delayed decisions. Strengthened contract management and better coordination are needed to ensure timely completion and operational readiness.

Figure 3.3.3: Overall physical and time progress of civil works across all eight Technical Institutes as of May 2025



Source: Authors' compilation from field findings

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

As of May 2025, implementation was substantially complete, with an overall progress of 91.4%. Textbooks, ICT infrastructure, and 30-seater buses were fully procured and delivered to all eight Technical Institutes. Tractors for Buhimba, Lokopio Hills, and Kilak Corner were handed over in July 2024, while procurement of an additional tractor for Nawanyago Technical Institute was underway, pending “No Objection” clearance before contract signing.

The main outstanding activity was the procurement of workshop equipment under Lots 6–8. While Lots 1–4 were completed, the re-tendering of the remaining lots was rejected by the OPEC Fund due to non-compliance with its procurement procedures. The OPEC Fund recommended that the GoU funds these procurements through counterpart funding. In response, a supplementary budget request of US\$ 800 million was submitted in November 2024, and the MoES awaits the release of funds from MoFPED.

Component 3: Capacity Building

Capacity-building trainings are classified into two thematic areas, namely: Institutional Management and Skills Upgrading for Instructors. The two categories cover Training of Trainers (TOTs) and institutional management training for tutors and TVET managers.

Progress was limited under this component compared to earlier reported progress, where **14 (73.6%) of the 19 planned training activities** had been completed by November 2024. Although the **Project Resource Centre** was completed, progress on the remaining training



activities was minimal. As of May 2025, only the **industrial attachment for instructors in Refrigeration and Air Conditioning** had been implemented, while attachments for the other eight trade areas were still pending.

Component 4: Design and Supervision of Civil Works

This component supports the supervision of civil works and equipment installation under Components 1 and 2. Pan Modern Consults, in association with Fielding Nair International, was contracted to prepare designs and supervise works across the eight Technical Institutes.

The consultants continued with supervision works at **Lokopio Hills, Kilak Corner, and Ogolai** Technical Institutes, with a focus on tracking implementation progress, verifying quality standards, and ensuring contractor compliance with approved designs.

An addendum for additional consultancy services, covering extended supervision for Lwengo and additional works at Sasiira Technical Institute, was approved by the MoES Contracts Committee and awaits submission to the Solicitor General.

Component 5: Project Coordination and Management

This component oversees overall project implementation through the **Project Coordination Unit (PCU)**, which is responsible for operations, publications, monitoring, and payment facilitation. The PCU comprises a **13-member joint team** managing activities under the **OPEC Fund, Islamic Development Bank (IsDB), Saudi Fund for Development (SFD)**, with **8 staff financed by IsDB and 5 by the Government of Uganda**. The unit has been operational since project inception, providing consistent support in **project management, financial reporting, procurement coordination, and implementation monitoring**.

Implementation Constraints

1. **Delays in the procurement of workshop equipment:** Procurement was stalled due to rejection by the OPEC Fund, citing non-compliance with procedures. This has delayed equipment delivery for practical training.
2. **Weaknesses in Contractor Evaluation and Procurement Oversight:** The contract termination at **Lwengo TI** exposed gaps in the contractor vetting process, leading to time and cost overruns.

Conclusion

The VE-II registered good progress, with 88.8% physical performance and 94.7% financial disbursement by May 2025. Most civil works and equipment supply activities were near completion. Delays in workshop equipment procurement and stalled works at Lwengo remain key risks. To ensure full achievement of project outcomes, remaining activities must be fast-tracked before the 31st December 2025 closure.

Recommendations

- i) Fast-track completion activities for Lwengo and Lokopio Hill Technical Institutes as well as the procurement for the workshop equipment within the remaining project time.
- ii) The MoES should strengthen evaluation criteria for future projects by instituting a more rigorous due diligence process that thoroughly assesses contractors' financial stability, technical capacity, and track record. This will help ensure the selection of competent contractors and reduce the risk of delays due to poor contractor performance.



3. 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 (BTNET II) aims to enhance access to quality BTNET in Uganda. The project is jointly financed by the Islamic Development Bank (USD 45 million) and the Government of Uganda, whose contribution increased from USD 6.14 million to USD 11.50 million, bringing the total investment to USD 56.50 million. Approved on 16th February 2020 and effective from 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 3.3.3

Table 3.3.3: 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 BTNET	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 degrees).	2.875	0.523	3.398
3. BTNET 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	56.6

Source: IsDB project appraisal documents, 2020

Financial Performance

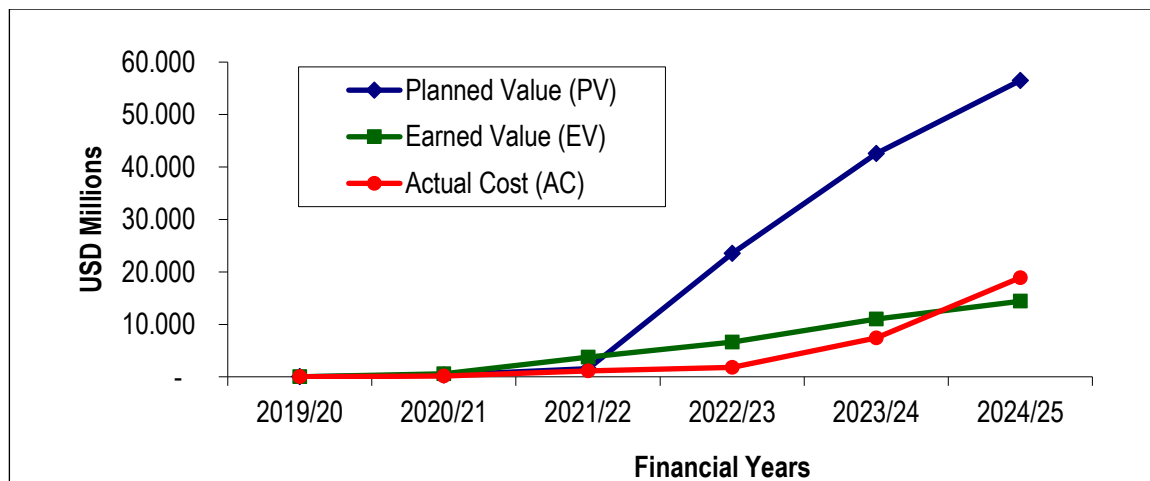
As of May 2025, cumulative disbursements totalled USD 18.91 million (33.5% of the total approved financing of USD 56.50 million), with an undisbursed balance of USD 37.59 million (66.5%). This reflects an increase from USD 12.49 million (24.4%) reported in October 2024. Specifically, disbursements by the IsDB increased from USD 10.450 million (23.3%) in October to USD 14.87 million (33%). GoU disbursements also improved from USD 2.042 million (33.3%) to USD 4.04 million (35%).

Despite the progress, fund disbursement remains low relative to 74% of the project time elapsed, highlighting ongoing delays in absorption and implementation.

Physical Performance

As of May 2025, overall project performance remained poor, at 25%, reflecting only a marginal improvement from the 22.8% reported in November 2024. Progress continues to be hampered by persistent implementation delays, leaving the project behind schedule³³. Funds disbursement remains disproportionately low compared to the elapsed implementation period of 57 out of 77 months (approximately 74%), highlighting ongoing challenges in absorption and execution. Figure 3.3.4 illustrates the project's performance trajectory.

Figure 3.3.4: Performance of the Business, Technical and Vocational Education and Training Support – Phase II Project as of 30th April 2025



Source: Compiled from BTJET-II project reports

These indicators demonstrate critical underperformance in schedule execution, driven by slow progress in civil works, delayed procurement of training equipment and supplies, limited release of Government counterpart funding, and sluggish progress in curriculum development.

Detailed performance by component is provided below:

Component 1: Enhancing Access to BTJET

As of May 2025, overall construction progress stood at 33.5%, significantly below the planned 72%, despite 76.4% of contract time having elapsed. Delays were due to the contractor's limited capacity, necessitating enhanced contract management and closer supervision by the MoES-Project Coordination Unit to prevent further setbacks.

³³ Schedule Performance Index (SPI) was 0.25 = <1 "Behind schedule"



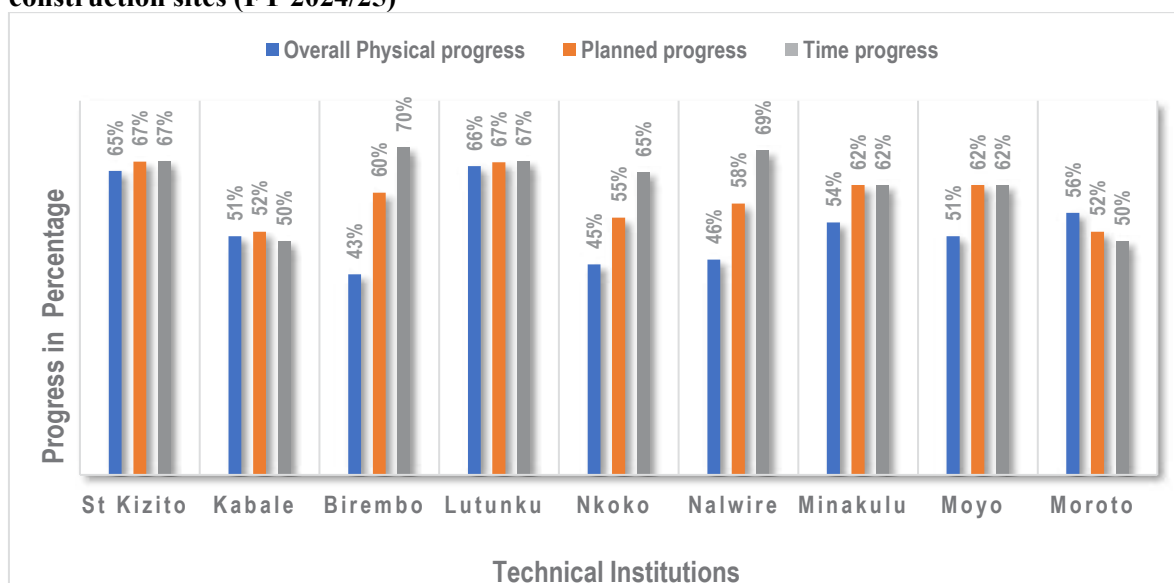
Skills Development Headquarters – Ministry of Education, Kyambogo

Expansion of the nine Technical Institutes: Performance across the nine Technical Institutes was mixed, with an overall physical progress of 51.9%. Sites in Lot 1 (Minakulu, Moyo), Lot 7 (Nkoko, Nalwire), and Lot 4 (Birembo) were behind schedule, with actual progress below the planned targets and estimated time progress (see Figure 3.3.5). The delays observed across these sites indicated underlying capacity limitations among some contractors.



Left-Right: Ongoing construction of the Multipurpose Hall in Nkoko Memorial TI in Mayuge District, and Girls' Dormitory in Minakulu TI in Oyam District.

Figure 3.3.5: Comparison of physical, planned, and time progress across BTVET selected school construction sites (FY 2024/25)



Source: Field findings

Additionally, challenges in securing timely deliveries of construction materials from suppliers further constrained progress at the affected 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: Administration block at 56% progress, and Boys' Dormitory at 75% progress at Kitovu Technical Institute in Masaka City.



Left-Right: Ongoing construction of the BCE Training Complex; and Boys' Dormitory at Kabale Technical Institute in Kabale District.

Environment, Social, Health, and Safety Safeguards: Integration across project sites was satisfactory, with consistent application of standards. All monitored sites had designated safety officers, sociologists, and functional conflict resolution mechanisms to address concerns from workers and surrounding communities.

Personal protective equipment (PPE) was provided to workers, though regular safety audits and refresher training are recommended to reinforce safe practices. While gender inclusion efforts were evident, women's participation remained limited to supportive roles such as cooking and storekeeping, with few engaged in technical roles.

Training supplies/equipment: Procurement for training supplies, equipment for Technical Institutes, and furniture for the SDHQ delayed due to slow initiation of the procurement process.



Component 2: Enhancing Quality of Service Delivery

This component enhances the quality of teaching and learning in the nine Technical Institutes by providing ICT infrastructure, instructional materials, revised curricula, and advanced instructor training at master's and PhD levels.

Skills Upgrading and Development: This recorded good progress. All 32 selected scholars, comprising five PhD and 27 master's candidates with 40% female participation, completed their first year and progressed to the second year across 13 institutions, in India, Kenya, Tanzania, and Uganda, contributing significantly to institutional capacity for TVET.

Competency-Based Education and Training (CBET) Curriculum Development: Foundational activities for this intervention were completed, including DACUM workshops and the drafting of syllabi, guides, and assessment tools. However, delays in reviewing and finalising these products risk disrupting subsequent implementation stages. Additionally, the recently enacted TVET Law may introduce uncertainties around curriculum standards, validation, and alignment with the new national regulatory framework.

Component 3: TVET Institutional and Management Capacity Building

This component aims to strengthen institutional management in nine Technical Institutes by supporting governance and leadership training, integration into the TVET Management Information System (TVET-MIS), and the accreditation of training programmes.

Skills Upgrading for Pedagogical and Administrative Staff: This intervention targets 253 tutors, 126 administrators, and 126 board members through short courses by June 2026. However, training had not commenced pending completion of civil works, curriculum development, and procurement of training equipment.

Support to the TVET MIS at the 9 Technical Institutes: The nine institutes were integrated into the TVET-MIS under the World Bank-funded Uganda Skills Development Project (USDP). Progress on ICT equipment procurement remained slow, with only draft Standard Bidding Documents prepared. Accreditation of training programmes, both nationally and internationally, depended on the completion of infrastructure, staffing, and curriculum finalisation to enable formal assessments by accrediting bodies.

Implementation Constraints

- 1) Delayed procurements caused by inadequate planning, late finalisation of technical specifications, and poor coordination among consultants, end users, and procurement units.
- 2) Delayed civil works due to the limited capacity of contractors, stemming from inadequate due diligence and weaknesses in the contractor pre-qualification process.

Conclusion

The BTVET-II Project continues to perform poorly, with physical progress at only 25%, a slight improvement from 22.84% in November 2024. Despite 74% of the project time having elapsed, cumulative disbursement remains low at 33.5%, causing significant delays in implementation with the project behind schedule. Actual expenditure exceeded the value of work done, signaling cost inefficiencies.

Recommendations

- i) Contractors should put in place remedial catch-up strategies to redeem lost time.
- ii) The MoES should expedite procurement of key project components by finalising technical specifications early, streamlining internal approvals, and enhancing coordination among procurement units, user departments, and technical consultants.
- iii) The MoES-PCU should strengthen contractor supervision through the enforcement of recovery plans with clear timelines, improved site-level oversight, and targeted technical support to address capacity gaps among underperforming contractors.

Vocational Education and Training (VET) Project

Introduction

The Vocational Education and Training (VET) Project, implemented by the Ministry of Education and Sports (MoES), aims to enhance equitable access to quality Technical and Vocational Education and Training (TVET) by constructing and equipping five new Technical Institutes (TIs). The project is financed through a SAR 45 million (approximately USD 12 million) loan from the Saudi Fund for Development (SFD), with an additional USD 1.33 million in counterpart funding from the Government of Uganda. The VET Project has experienced multiple delays since its approval in 2010, extending its implementation period to 15 years, with the current completion deadline set for June 2025.

Financial Performance

As of May 2025, cumulative loan disbursement totalled SAR 43.3 million (USD 11.55 million), accounting for 96.2% of the total loan, a slight increase from 95.8% in October 2024 due to progress in civil works. The full USD 1.33 million in GoU counterpart funding was also disbursed, along with USh 681.5 million from liquidated performance guarantees. Despite nearly complete disbursement, a USD 38,000 cost overrun occurred under project management, mainly due to the extended 14-year implementation period, which increased overheads and reduced cost-effectiveness.

Physical Performance

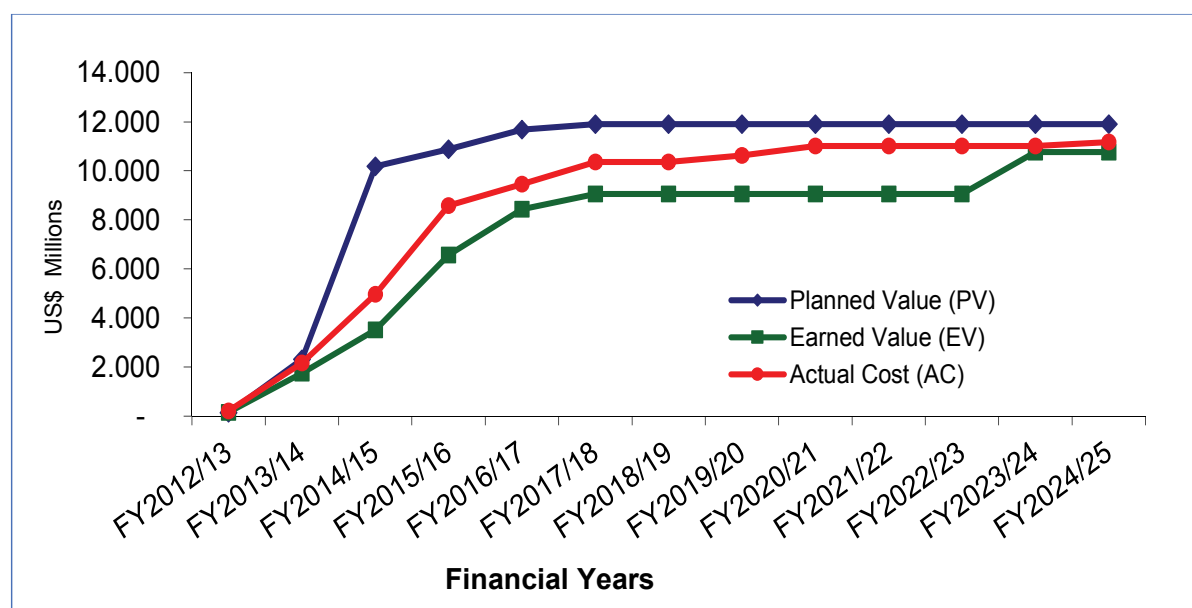
By May 2025 overall physical progress of the project was good, at 92%, representing a significant improvement on the previously reported 72.9% in October 2024. Performance across the three active sites was good, with Bukedea Technical Institute completed in February 2025, Amelo at 95%, and Bukomero at 80% as of May 2025. The contract information for the three sites is summarised in Table 3.3.4 below:

**Table 3.3.4: Summary of contract information and physical progress as of May 2025**

Technical Institute	Contract Price (US\$)	SFD Loan Account (US\$)	BoU Project Account (US\$)	Remarks
Amelo	1,348,603,830	1,348,603,830	0	95% complete; 5% behind schedule; payments disbursed (SFD) worth UGX 938.81 million (advance and IPC-1).
Bukomero	1,152,176,025	0	1,152,176,025	80% complete; 20% behind schedule; payments disbursed (BOU) worth UGX 595.96 million (advance and IPC-1).
Bukedea	564,633,510	444,362,270	120,271,240	100% complete; practical completion attained on 19 Feb. 2025; DLP ends 19 Aug. 2025; payments disbursed (SFD & BoU) worth US\$ 401.535 million; US\$ 134.694 million in process (IPC-2 & penultimate).

Source: Field findings

Despite this progress, EVM analysis continued to indicate schedule inefficiencies, indicating that the project progressed more slowly than initially planned, with Bukomero TI notably 20% behind schedule. Fast-tracking of construction activities is required to ensure full completion within the remaining project timeframe. Amelo TI requires additional time for final inspections, certifications, and payment processing.

Figure 3.3.6: Performance of the Vocational Education and Training (VET) Project as by May 2025

Source: Compiled from project reports

End-user training for workshop equipment remains pending at all three sites and is scheduled for June 2025, aligning with the reopening of schools for the second academic term. This training is critical to ensure the institutes are fully operational and equipped to deliver practical instruction as intended.



Left-Right: Completed Administration Building, paved car parking, and driveway; A completed and furnished 120-bed Students' Dormitory Block at Bukedea Technical Institute.

Conclusion

The VET Project achieved an overall physical progress of 92% against a loan disbursement of 96.2% as of March 2025, reflecting significant improvement following the resumption of works in May 2024. While Bukedea Technical Institute attained practical completion by February 2025, the project remains behind schedule, with Bukomero TI lagging by 20% and Amelo TI requiring additional time. The project's 14-year duration, far exceeding the original five-year plan, led to increased costs due to contractor failures, weak supervision, and delayed decisions. Strengthened contract management and better coordination are needed to ensure timely completion and operational readiness.

3.3.2 Gender and Social Protection

This section presents the performance of one externally funded project under the gender and social protection sector that contribute to the performance of the Human Capital Development (HCD) Programme.

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

Introduction

The overall goal of the Generating Growth Opportunities and Productivity for Women Enterprises (GROW) Project is to enhance access to entrepreneurial services, empowering female entrepreneurs to grow their businesses in selected areas, including both host and refugee districts. The project is financed by a USD 217 million IDA grant from the World Bank, covering 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 expected completion date is 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 as shown below:

Component 1: Support for Women's Empowerment and Enterprise Development Services

- ♦ 1A: Support for the creation and strengthening of women's platforms, community mobilisation, and mindset change.
- ♦ 1B: Support for core business development for micro and small enterprises (core training courses).
- ♦ 1C: Support for trade-/sector-specific skills.
- ♦ 1D: Women's Entrepreneurship Work Placement/Apprenticeship Programme.

Component 2: Access to Finance for Women Entrepreneurs

- ♦ 2A: Grant support for micro-enterprises through business plan competition.
- ♦ 2B: Facilitating access to credit for enterprise growth.
- ♦ 2C: Sustainable loan products and processes for women entrepreneurs.

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

- ♦ 3A: Multipurpose service and production facilities to boost women's enterprise productivity.
- ♦ 3B: Enabling access to gender-inclusive workplace infrastructure.

Component 4: Programme Management, Evidence Generation, and Policy Innovation

- ♦ 4A: Project management support for high-quality implementation at MGLSD .
- ♦ 4B: Project management support for high-quality implementation at PSFU.
- ♦ 4C. Policy innovation and evidence generation.

Financial Performance

As of 31st March 2025, USD 43.43 million (20% of the project cost) was disbursed to the MGLSD and PSFU. Of this total, USD 31.23 million was utilised, resulting in an overall absorption rate of 72%. The absorption rate was good (Table 3.3.5).

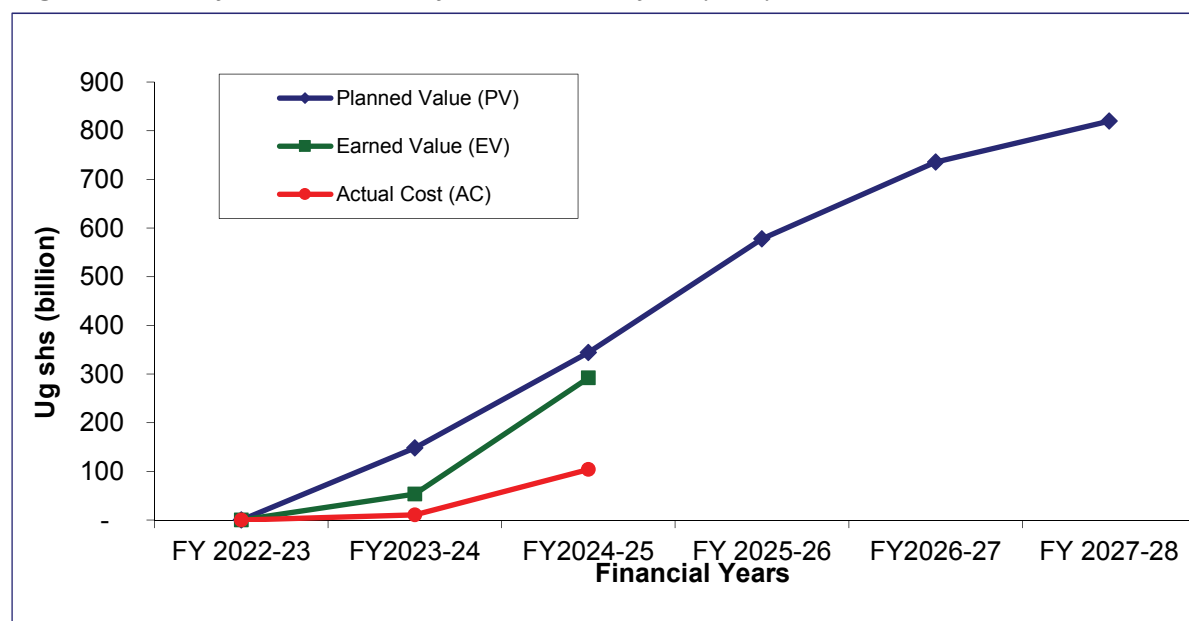
Table 3.3.5: Financial Performance of the GROW Project as of 31st March 2025

Components	Budget Allocation Million (USD)	Disbursement Million (USD)	% Disbursement	Total Expenditure Million (USD)	% Absorption
1	42.00	15.54	37%	6.38	41%
2	90.00	17.56	20%	17.21	98%
3	70.00	2.00	3%	1.89	3%
4	15.00	8.33	56%	5.75	38%
Total	217.00	43.43	20%	31.23	72%

Source: *GROW Progress Report May 2025*

Physical Performance

As of 31st May 2025, overall physical performance remained low, at 40%, indicating ongoing delays, with the earned value (EV) consistently below the planned value (PV) (Figure 3.3.7). Although this shows a slight improvement upon the 38% recorded in November 2024, the project has not yet fully recovered from earlier implementation setbacks. Schedule variances persist, indicating ongoing execution challenges.

Figure 3.3.7: Performance trends of the GROW Project by May 2025


Source: *GROW Project documents and field findings*

With PV projected to rise significantly in subsequent phases, sustaining alignment between implementation progress and planned targets while concurrently preserving cost efficiency will require strengthened operational planning, proactive risk mitigation, and enhanced management oversight.

Across the assessed indicators, performance remained below target, reflecting slow progress in implementation. Notably, women in refugee-hosting districts (RHDs) were consistently underserved, highlighting persistent equity gaps in service delivery (see Table 3.3.6).

**Table 3.3.6: Performance of selected project indicators as of 15th May 2025**

Indicator	Disaggregates	Overall Target	Performance as 31st March 2025	%age
Beneficiaries reached with nonfinancial entrepreneurial services (Number)	Total	280,000	58,485	21
	Women in RHDs	42,000	2,661	6
	Refugee women	14,000	2,043	14
Beneficiaries reached with financial services (Number)	Total	28,750	2,549	8.8
	Women in RHDs	4,300	82	1.9
	Refugee women	1,438	0	0
Total project beneficiaries (Number)	Total	1,600,000	268,550	17
	Women in RHDs	240,000	11,708	5
	Refugee women	80,000	8,989	11
Value of credit provided to women enterprises (USD)	Total	USD 110,000,000	USD 17,019,079	15.5
	RHD	USD 12,000,000	USD 416,000	3.5
	Refugee-owned enterprises	0	0	0
Women beneficiaries (Percentage)	Overall	50	95%	190

Source: GROW Implementation Support Mission Report, May 2025

Refugee women experienced marked exclusion from financial services, with no recorded access to credit as of May 2025. These shortcomings underscore the urgent need to strengthen outreach mechanisms, redesign implementation strategies, and adopt more inclusive delivery models to ensure equitable access and accelerated progress.

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, offering 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. By 31st May 2025, 20 district and 50 sub-county WEPs had been created, engaging over 22,900 women; however, this was below the target of 105 district platforms. UWONET was contracted to conduct a socio-cultural assessment and implement norm-transformative interventions in Central and Northern Uganda.

A standardised curriculum developed by Makerere School of Business Studies (MUBS) was finalised and translated into multiple languages, including those spoken by refugees. To facilitate the delivery of the curriculum, a total of 200 women entrepreneurs had completed training by MUBS in Makindye (refer to Box 1.0). Furthermore, training agreements were signed with MUBS and Enterprise Uganda to train 12,000 women.

**Box 1.0: Case Study: Skills Development and Enterprise Support under the GROW Project – Makindye Ssabagabo Division**

The activity aimed to empower women through skills development, enterprise support, and community mobilisation. Despite receiving over 800 applications, only 200 women, including leaders, councillors, and entrepreneurs were trained by MUBS in ICT, financial literacy, and business skills due to limited resources.

To enhance practical experience, work placements were arranged with Ms. Serena Hotel – Kigo, Ms. Hotel 360, Ms. MOVIT, and Ms. Roofings Uganda, targeting sectors such as hospitality, beauty, and welding. Additionally, three women's platforms were established in Ndejje, Masajja, and Bunamwaya to promote networking, product marketing, and information sharing.

Key challenges included delays in funds disbursement and restricted access to beneficiary data, which hindered effective monitoring and timely implementation of activities.

Source: Field findings

To boost women entrepreneurs' trade and sector-specific skills, a total of 4,246 women had been trained in advanced training and business development services; however, a redesign of the sub-component's implementation framework, initiated in August 2024, remained in progress as of May 2025, signaling delays in the full rollout of the training.

The Women Entrepreneurship Work Placement Programme, launched on 30th April 2025, connects women with host enterprises in sectors like agro-processing, hospitality, construction, and tailoring. Following a national application call, 14,430 applications were received, with shortlisting and verification ongoing. MoUs were signed with 35 host enterprises, and the second cohort of placements was finalised. While foundational progress has been made, implementation remains behind schedule, especially in platform coverage and training delivery.

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:

- i) 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.
- ii) 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.

As of 31st May 2025, the **Business Expansion Grants** manual was finalised and submitted to the World Bank for approval. The initial procurement process, which attracted expressions of interest from 12 firms, was cancelled after none met the eligibility requirements. Following this, the terms of reference (ToR) were revised, approved by the Bank, and the assignment was re-advertised.



Under the GFF, notable progress was achieved. The number of GROW Loan beneficiaries rose from 1,883 in November 2024 to 2,459 by March 2025, spanning 94 districts and six cities (Annex 3). In total, USD 17.02 million (US\$ 62.97 billion) was allocated to women entrepreneurs through Participating Financial Institutions (PFIs), including repayments and re-lent amounts. However, Stanbic Bank had not yet disbursed funds due to internal changes requiring approval from its parent group concerning the loan product structure. Additionally, US\$ 4.4 billion was disbursed under Window 1 and Window 2 grants.

Loan disbursement patterns reveal a pronounced concentration in the US\$ 4 million–20 million category, which accounted for 1,834 loans, approximately 72% of total disbursements. This underscores the programme's strong orientation towards micro and small enterprises. In contrast, the highest loan tier (US\$ 40 million–200 million) recorded the lowest uptake, with only 340 loans disbursed (13.3%), suggesting limited demand or access among medium-scale businesses. Table 3.3.7 details the performance of PFIs.

Table 3.3.7: PFI performance on the annual targets as of 31st March 2025

	4 M to 20 M		20 M+ to 40 M		40 M+ to 200 M		Total	
	Target	Achieved	Target	Achieved	Target	Achieved	Target	Achieved
Centenary Bank	112	717	252	177	122	92	486	986
DFCU	260	87	280	59	70	66	610	212
Equity	111	105	101	17	11	22	223	144
Finance Trust	778	482	138	52	68	69	984	603
Post Bank	496	443	288	70	40	91	824	604
Stanbic Bank	240	0	80	0	120	0	880	0
Total	1,997	1,834	1,139	368	431	340	4,007	2,549
Percent		71.9%		14.4%		13.3%		63.6%

Source: GROW Progress Report, May 2025

A sectoral analysis of loan disbursement indicates strong alignment with the Tenfold Growth Strategy of accelerating economic growth through key sectors, such as Agro-Industrialisation, Tourism, Mineral Development, and the Science and Technology (S&T) agenda. The majority of borrowers engaged in trade and commerce (43%), followed by agriculture and agribusiness (25%), and construction and engineering (11%). This distribution reflected women's active participation in key economic sectors, though the dominance of trade suggests limited sectoral diversification. Notably, over 90% of the businesses were unregistered microenterprises, indicating a high level of informality in women's economic engagement.

Refugee women entrepreneurs were entirely excluded from loan access due to structural barriers, including the high minimum loan threshold (US\$ 4 million), lack of acceptable collateral, and challenges in forming group guarantees – factors that classify them as high-risk under current lending frameworks. In the five RHDs, 82 loans were disbursed, with Kamwenge alone accounting for 65% (53 loans), indicating uneven geographical outreach. The inclusion of other vulnerable groups remained limited, with only eight loans to persons with disabilities (PWDs) and eight to minority women from Benet through Post Bank.



Demographically, over 55% of borrowers were aged 31–55, while youth (18–30) comprised less than 5%, reflecting minimal youth participation. Approximately 55% of borrowers were married, indicating the engagement of household-supported entrepreneurs. Regionally, 43% of beneficiaries resided in the Greater Kampala area, with Kampala City alone accounting for 23.5%. Greater Masaka and Ankole accounted for 8.4% and 8.2%, respectively. Box 2.0 summarises some of the community perceptions and feedback about the GROW Loan.

Box 2.0: Community Perceptions of the GROW Loan: An Emerging Narrative

Community feedback on the GROW Loan Programme reveals differing perceptions among beneficiaries and non-beneficiaries, highlighting both the tangible impact of the programme and areas of concern regarding its implementation.

Beneficiaries view the loan as empowering, affordable, and accessible, particularly benefitting women entrepreneurs who have traditionally encountered financial barriers. Testimonials emphasise the program's low interest rates, advantageous terms, and its potential to open doors to business opportunities that were once considered out of reach.

"This is the cheapest and most empowering loan I have ever accessed. It gave me what I thought was out of reach," Baifa, Founder, Imani Doctor's Clinic, Gulu City.

"This is the best project for women entrepreneurs. The interest rate is low, the terms are clear, and it truly empowers us. But more awareness is needed so that many women at the grass roots get to know about it," Ninsiima, Founder, Dynamic Kitchenware, Mbarara.

Conversely, non-beneficiaries and excluded applicants expressed frustration and perceptions of exclusion, citing issues such as demand for collateral. These concerns highlight limitations in outreach, as well as awareness of eligibility criteria, which could compromise the programme's inclusivity objectives.

The GROW Loan Performance Grant (The GROW Bonus): A total of 33 GROW Loan beneficiaries qualified for the GROW Performance Grant (GROW Bonus) after successfully repaying at least half of their loan tenure. The cumulative grant amount disbursed through Post Bank was US\$ 13.07 million (approx. USD 3,532). To ensure accountability and compliance, KPMG conducted seven rounds of due diligence by May 2025. These reviews covered borrower eligibility, disbursed loan portfolios, available re-lending amounts, and performance grants earned. The verification process informed decisions on further disbursements to PFIs.

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.

By May 2025, key milestones had been achieved, including the completion of a feasibility study and the development of cost estimates for a Women's Entrepreneurship Training and Multipurpose Centre, with procurement for design and construction underway. To reduce capital investment barriers, grants were awarded to three institutions – Makerere University, Kawanda Agricultural Research Laboratories, and Rwentanga Farm Institute – to establish shared production infrastructure across various value chains. Additionally, a second phase of Common User Production Facility (CUPF) mapping was completed, and four more institutions submitted proposals and budgets for support, pending review by the Project Implementation Team (PIT).



iv) **Comonent 4: Programme Management and Policy Innovation**

This component focuses on enhancing institutional capacity, coordination, and evidence generation to support women's economic empowerment. Key progress includes the near-completion of staffing for Project Implementation Teams at MGLSD and PSFU, as well as the training of district-level focal point persons to strengthen local implementation. Draft ToR were developed for a Research Advisory Panel and three studies targeting key barriers, including mental health in entrepreneurship, tax impacts on women-led businesses, and female labour participation.

A comprehensive Monitoring and Evaluation (M&E) system is also being established, featuring a near-complete Management Information System and real-time monitoring tools, with baseline data collected from over 9,000 women to inform policy and guide adaptive implementation.

Implementation Challenges

1. **Low uptake among target groups:** Refugees and RHDs face barriers, such as a lack of business formalisation and cash flow, which limit access to GROW loans despite mobilisation efforts.
2. **Operational bottlenecks:** Delays in fund disbursement, inconsistent insurance fees, and limited derisking mechanisms impede the efficient delivery of loans and outreach.

Conclusion

The GROW Project has made notable progress in expanding outreach and initiating loan offerings; however, its overall physical performance remains low, at 40%. Persistent implementation delays and significant equity gaps, especially in refugee-hosting districts (RHDs) where refugee women continue to face near-total exclusion from financial services, hinder its progress. These issues are worsened by systemic constraints, including limited access to credit for vulnerable groups and delayed fund disbursements.

To maximise its developmental impact, the project must take a more strategic and targeted approach, focusing on quicker implementation, customised support for marginalised populations, and structural reforms that promote inclusivity and improve operational efficiency across all areas of execution.

Recommendations

- i) The MGLSD and PSFU should strengthen targeted outreach and training to improve loan eligibility among refugees and RHDs.
- ii) The MGLSD and PSFU should expedite the redesign of Component 1C to accelerate fund disbursement and implement derisking measures to enhance credit access for vulnerable groups.

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 3.3.8).

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 3.3.8: 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 UA 2.25 million (USD 3,850,000.00) – Counterpart
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: UCI.

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 31st March 2025, the loan disbursement rate remained at 90.41%, as it was in October 2024, while that for the counterpart funding was 100%. The expenditure breakdown was: 45% on civil works for the multipurpose building and training; 23% on equipment; and 32% on consultancy services.

The project experienced cost overruns³⁴ (Figure 3.3.8). This was attributed partly to rises in manufacturer, freight, and operating costs; escalation in the price of construction materials; and changes in models for equipment procured such as that for Magnetic Resonance Imaging (MRI). Consequently, the initial funding was insufficient to support the completion of the remaining works. A request for additional financing totalling UA 13.5 million was approved in November 2023 by the funder, while the financing agreement between the funder and the GoU was signed on 15th May 2025.

Physical Performance

Prior to the May 2025 monitoring, the project had achieved the following:

- i.) The implementation of the civil works for the construction of level 2 of the Multipurpose Building for Cancer Treatment and Research under the new contract³⁵ was completed (100%).
- ii.) Preliminary works for the installation of the conduits for ICT equipment in the theatre, bone marrow treatment and laboratory rooms were completed. The final installation of the ICT equipment, however, awaited final completion of the civil works.
- iii.) The contract for procurement of equipment for outreach centres (Arua and Mayuge) was fully implemented and delivered. All items under Lot 1 and Lot 2 were delivered and received. Installation, training, and commissioning for Lot 2, which had initially delayed due to site lack of readiness, was delivered. Sagewood Ltd delivered Lot 1, and Lot 2 was delivered by Jos Hansen and Soehne Ltd. These were subsequently installed.
- iv.) The project had a total number of 197 long-term trainees (master's, PhD, and fellowships). Eleven (11) fellows were trained in the three fellowship programmes. Twenty-five (25) fellows in the Paediatric Oncology, Medical Oncology and Haematology programmes completed training.

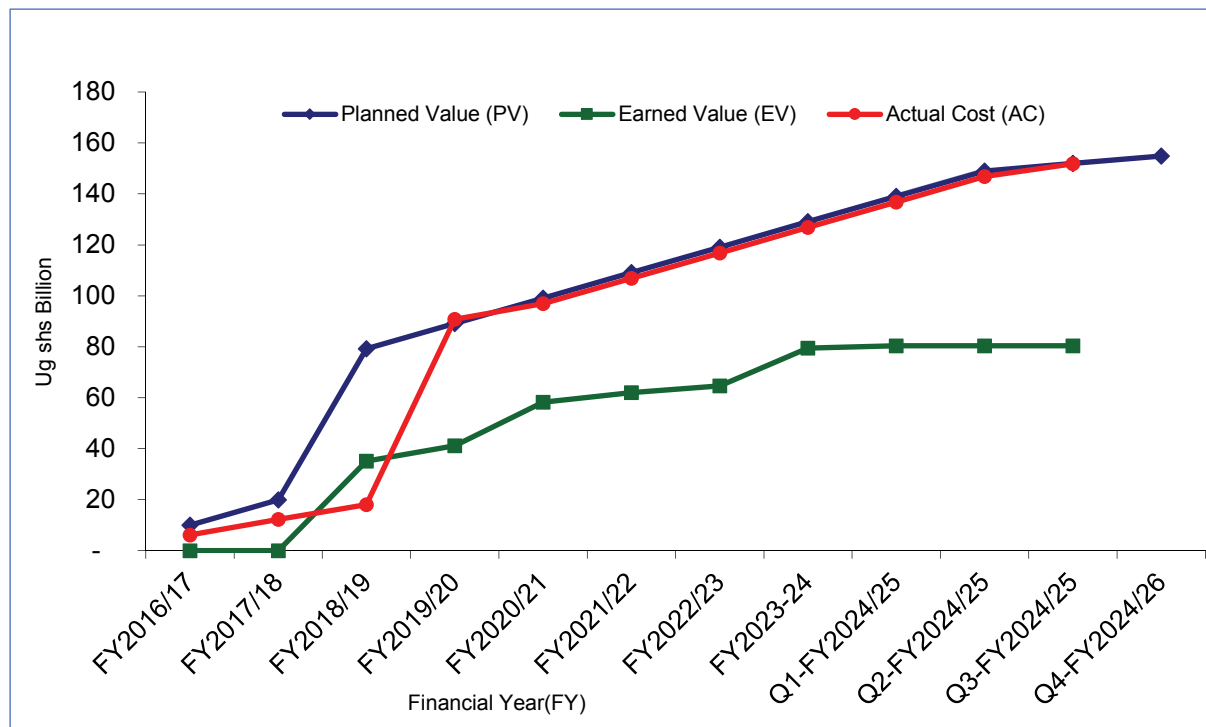
³⁴ The Cost Performance Index was 0.53.

³⁵ The contract for additional works towards the completion of the construction of the Multipurpose Building for Cancer Treatment and Research, valued at USD 2,756,604, was signed in May 2023 with SMS Construction Ltd (SMS) upon termination of the contract with Roko Construction Ltd. The scope that was contracted was to facilitate the execution of already running contracts under the project.

- v.) UCI supported 201 trainees to attend short courses and cancer seminars, including Oncology Nursing, Radiology and Imaging in Cancer, Clinic Master, and Paediatric Oncology. These seminars and courses were offered in collaboration with international partners, including Seattle Cancer Care Alliance, the Fred Hutchinson Cancer Research Centre, Baylor College of Medicine, Clinic Master, and the Radiological Society of North America.
- vi.) The procurement of the MRI equipment was ongoing following the Solicitor General's (SG) approval. Approval for the procurement of laboratory furniture was pending.

As of 31st May 2025, the overall performance of the project stagnated at 69% as it were in October 2024. Only the agreement for additional financing was executed on 15th May 2025 and implementation was expected in July 2025. The major pending work was completion of Multipurpose Building for Cancer Treatment and Research, procurement, delivery, and installation of outstanding equipment.

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



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

Implementation Constraint

Delayed commencement of works under the additional financing. This is attributable to late finalisation of the financing agreement for additional financing.

Conclusion

The performance of the UCI Project was fair, at 69% achievement. The performance stagnated as no new work was implemented between October 2024 and May 2025. The signing of the agreement for additional financing was a key milestone as it set the stage for commencement of the pending works. The project was greatly affected by cost overruns that emanated from delayed completion of works and consequent changes in price and technology relevant in the management of cancer. The estimated cost at completion was US\$ 244 billion.



Recommendation

The UCI should fast-track implementation of the pending works following the signing of the financing agreement for additional financing. This is critical to support the attainment of project objectives and value for money of the investments.

2. 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 310,697,92736. The project is jointly funded by a grant from GAVI to the tune of USD 281,579,469 and USD 29,118458 as Government of Uganda (GoU) counterpart funding.

The project has eight components, six of which are residual components rolled over from the previous grant:

- (i) Health Systems Strengthening Phase III.
- (ii) Yellow Fever Vaccination Campaign.
- (iii) Malaria Vaccine Introduction.
- (iv) Strengthening of the Rotavirus Campaign.
- (v) Health Strengthening Phase II.
- (vi) COVID-19 Vaccine Delivery Support Phase III (CDS3).
- (vii) COVID-19 Vaccine Delivery Support Phase III (CDS3)-Needs Based Funding (NBF).
- (viii) Equity Accelerator Fund.

The planned project deliverables for the monitoring period (January to April 2025) included: The Yellow Fever Vaccination Campaign completed at 100%; the Rotavirus Immunisation Campaign (Rota Switch) completed at 100%; operational costs met at 100% using COVID-19 Vaccine Delivery Support Phase III (CDS3) activities; residual activities for the Health Strengthening Project Phase II (HSS2); Health Strengthening Phase III (HSS3); Malaria Introduction Grant; and Equity Acceleration Fund outputs.

³⁶ Of the total project cost, only USD 50,450,618 accounts for the funds that will directly be disbursed to Uganda for the implementation of fund-agreed priorities. The rest of the funds, including the GoU counterpart for vaccines procurement, is spent at the GAVI headquarters.

Financial Performance

The total budget for the period under review was USD 83.332 million, of which USD 34.987 million (41%) was released and USD 30.989 million (88.57%) was spent by 30th April 2025 (Table 3.3.9).

Table 3.3.9: Financial Performance of Global Alliance for Vaccine Initiative by 30th April 2025

Component	Budget USD	Release USD	Expenditure USD
Yellow Fever Vaccination Campaign	21,317,142	18,349,684	17,174,469
COVID-19 Vaccine Delivery Support Phase III	6,708,400	4,263,396	4,028,889
COVID-19 Vaccine Delivery Support – NBF	3,000,000	3,000,000	2,997,815
Health Strengthening II	3,334,043	3,334,043	3,317,536
Health Strengthening III	36,033,851	3,866,240	2,479,127
Equity Accelerator Fund	11,405,683	640,691	0
Strengthening of the Rotavirus Campaign	552,317	552,317	545,333
Malaria Introduction Grant	981,171	981,171	446,239
Total	83,332,607	34,987,542	30,989,408

Source: MoH Project Implementation Unit

The project was also efficient in the utilisation of the resources, as reflected by the CPI.³⁷ The earned value was more than the actual costs partly because some implemented activities had not yet been fully paid for. It should be noted that the GoU incurred costs to support the acquisition and transportation of the vaccines and cold chain equipment, including payment of allowances to health workers (Figure 3.3.9).

Physical Performance

As of May 2025, the overall physical performance was fair, at 68% of the set targets.³⁸ This was an improvement upon the 56% as of November 2024. The project successfully implemented the Malaria Vaccine Introduction Campaign across the country, achieving 100% vaccine coverage. Under the Health Strengthening Grant Phase II (HSS2) and COVID-19 Vaccine Delivery Support, the project achieved 95% diphtheria-tetanus-pertussis third dose (DPT3) and 98% diphtheria-tetanus-pertussis first dose (DPT1) coverage.

Under the Health Strengthening Grant Phase III, CDS3, and CDS-NBF supported immunisation improvement, achieving 98% for Measles and Rubella first dose (MR1) coverage and 53% for the Measles and Rubella second dose (MR2) coverage. The poor performance under MR2 was attributed to laxity among care givers to seek the second dose during the second year of vaccination. The project also used funds under the COVID-19 Vaccine Delivery Support Phase III grant to meet the operational and administrative costs.

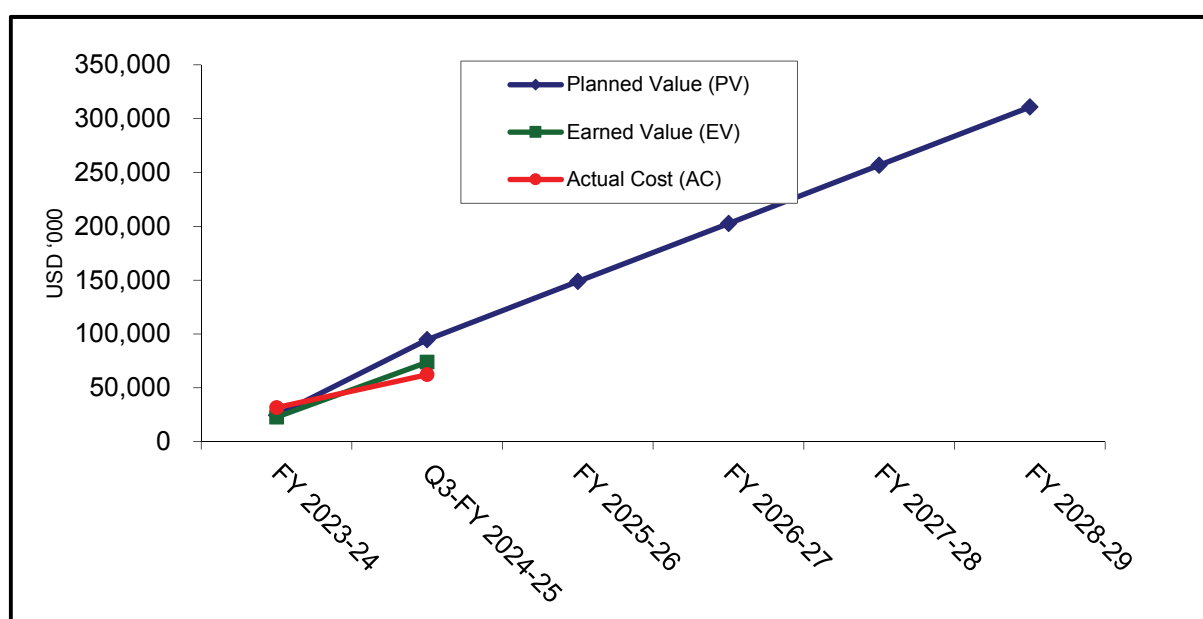
The project was behind schedule³⁹ by 13.3 months and this was attributed to the late start of implementation of the planned activities under Phase III of the Health Strengthening Project. The late start was due to delayed issuance of the decision letter from GAVI headquarters. The project achieved its targets for the residual activities under the components rolled over from the previous grant phase.

³⁷ The Cost Performance Index was 1.19, implying that the project converted its resources efficiently into results.

³⁸ Planned deliverables for FY 2024–25.

³⁹ The Schedule Performance Index was 0.78, implying that the project was behind schedule.

Figure 3.3.9: Performance of Global Alliance for Vaccines Initiative Vaccines and Health Sector Development Plan Support Project as of May 2025



Source: Author analysis based on GAVI Project data

Implementation Challenges

- i) Delayed receipt of the decision letter from GAVI affected timely commencement of activities for the main HSS3 grant.
- ii) Delayed receipt of GoU counterpart funding, resulting partly from the variations in the accounting periods between UNICEF and the GoU.

Conclusion

The project performance was fair. Although behind schedule, the project efficiently converted the available resources into results. The malaria vaccine was introduced and rolled out countrywide. It is critical that the Government of Uganda, through the Ministry of Health (MoH), front-loads its counterpart obligations under the HSS3 grant to ensure effective implementation of all project activities and redeem the time that was lost as a result of the late receipt of the decision letter.

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 the GoU.
- ii) The MoH should fast-track all project activities to ensure that the time lost is redeemed during project implementation.

3 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 3.3.10).

Table 3.3.10: Basic project data for Global Fund for HIV/TB and Malaria

Project objectives	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	USD 615,479,526
Cost for Component 1: MALARIA	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.

Financial Performance

The grant amount for the current three-year period is US\$ 2.272 trillion, of which US\$ 425.276 billion (15%) was disbursed⁴⁰ and US\$ 270.023 billion spent (Table 3.3.11). 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 3.3.11: Financial performance of Global Fund for HIV/TB and Malaria as of 31st March 2025

Grant Category	Grant Amount (US\$)	Disbursements (US\$)	Expenditure (US\$)	Commitments (US\$)	% Disbursement	% Spent
HIV	913,724,694,843	135,035,982,707	115,256,629,180	16,626,590,709	15	85
Malaria	805,495,157,412	142,167,289,501	80,687,347,070	80,212,619,124	18	57
TB	201,947,246,472	69,170,919,349	39,924,278,562	688,130,983	34	58
COVID-19	351,744,422,259	78,902,395,580	34,155,658,781	13,176,804,648	22	43
Total	2,272,911,520,986	425,276,587,137	270,023,913,592	110,704,145,464	19	63

Source: MoH Global Fund progress report

⁴⁰ The disbursement excludes the US\$ 73,745,215 disbursed to The Aids Support Organisation (TASO) based on the exchange rate of 3,711.



Physical Performance

The performance of the Global Fund for HIV, Malaria and TB as of 31st May 2025 was fair.

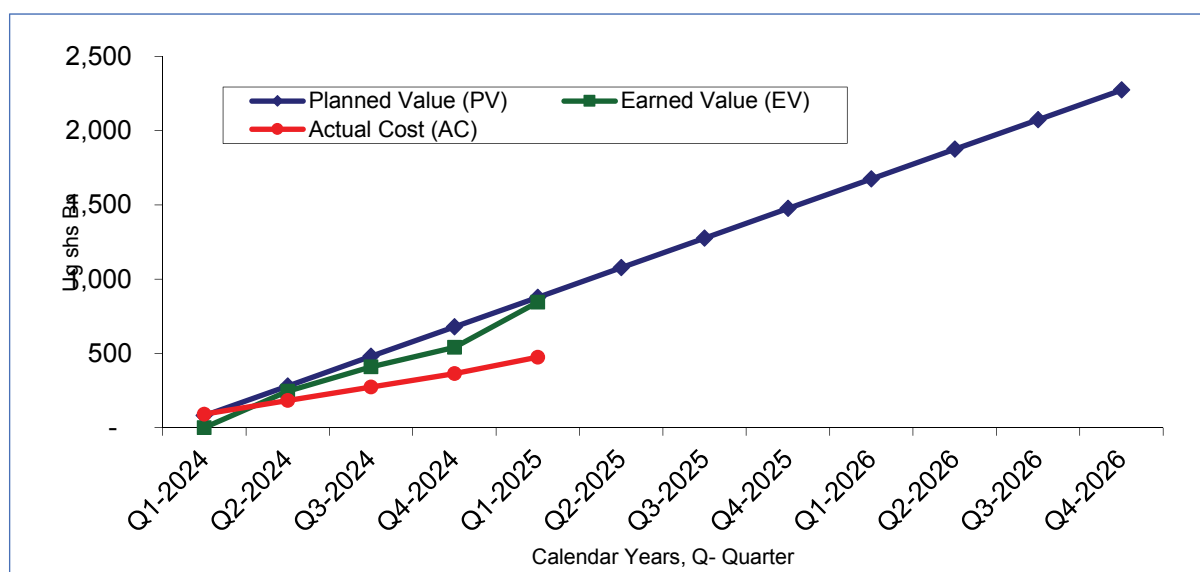
Some of the key achievements as of 31st May 2025 included the completion of procurement for medicines and health supplies, substantial completion of the oxygen plants and regional incinerators, commencement of construction for medicine stores, and support supervision to health facilities.

In addition, the project procured and distributed mobile TB clinics to the Regional Referral Hospitals (RRHs) of Fort Portal, Mbale, Mbarara and Lira. Trucks for the transportation of medical waste were also procured and distributed to the regional centres where incinerators were under construction.

In relation to the availability of medicines and health supplies at the national level, there were cases of overstock of medicines in health facilities. This occurrence, if not well managed, leads to expiries of medicines, especially in cases where the medicines delivered have a short shelf life.

As of 31st May 2025, some key project components remained behind schedule while others were on schedule⁴¹ (Figure 3.3.10). The project earned slightly more value⁴² compared to the actual costs for the period under review. The project exhibited a positive cost variance, which is indicative that the project was performing well on cost management.

Figure 3.3.10: Performance of Global Fund for HIV/TB and Malaria



Source: Author analysis based on Global Fund project data

The housing facilities for all four oxygen plants were complete. Installations of equipment were ongoing and had achieved substantial completion. The piping of oxygen to critical wards was also ongoing. The construction of regional incinerators in Lira, Mbarara, Gulu, Mukono and Fort Portal Referral Hospitals under the COVID-19 funding that were previously lagging behind, had achieved substantial completion (Table 3.3.12). Civil work averaged 87% and 95%, respectively. The installation of the equipment for the incinerator, however, continues to lag behind. The installation of the incinerator equipment remained slightly behind schedule.

⁴¹ The Schedule Performance Index (SPI) was 0.96.

⁴² The project recorded a positive cost variance of 370 billion.



L-R: Incinerator at Lira RRH and equipped incinerator at Mbarara RRH

The construction of medicine stores had commenced and were at varying levels of completion. For instance, at Rhino Camp, groundbreaking for the HC IV medicine store was done on 29th April 2022 and by May 2022 works were still at excavation level. In Pakwach District, excavation had been completed and setting up of the column base had started, with physical progress estimated at 5%.

Retrofitting, equipping, and branding the ambulances by City Ambulance was ongoing. The performance of the other project components is presented in Table 3.3.12.

Table 3.3.12: Performance of Global Fund for HIV, Malaria and TB

Component	Planned Outputs	Achievement
Supporting Uganda's Strategy for the Acceleration towards the Elimination of Malaria	Medicines and health supplies procured and distributed.	The offshore and in-country procurements were completed as planned. The medicines were distributed to the health facilities by the National Medical Stores.
	Quarterly in-country partnership meetings conducted, Technical Working Group coordination meetings, Malaria Annual Review meetings conducted.	The quarterly in-country partnership meeting and Technical Working Group coordination meeting were all implemented through the Malaria Annual Review meetings conducted in February 2022.
	MoUs with the sub-recipients finalised and funds transferred for funds implementation.	The process of onboarding the sub-recipients was completed. These included MoES, MGLSD, Malaria Consortium, WHO and MoLG.
	Medicine stores constructed for selected health facilities.	The contracts for construction of the medicine stores in 26 districts were signed and works had commenced. The majority of the sites were at substructure level. The contractors were on-site and being monitored for quality and compliance by the MoH Infrastructure Department. 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



Component	Planned Outputs	Achievement
	<p>Performance review undertaken.</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>Malaria epidemic thresholds updated; malaria policy and guidelines disseminated to districts; monthly (12) collections of adult mosquitoes from three sentinel sites conducted per district; mosquito larvae and adults' densities after interventions determined; mosquito samples analysed for species identification and presence of sporozoites.</p>	<p>advance bank payment guarantee. This is likely to affect timely implementation of the works.</p> <p>Performance reviews were conducted in January to March 2025. Reviews were conducted in a total of eight regions. These were the regions in the country that had a relatively higher malaria burden.</p> <p>Larviciding implementation and post-intervention monitoring were undertaken.</p> <p>These 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>Mentorships were undertaken, hotspots verified for functionality.</p> <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</p>	<p>The offshore and in-country procurements were completed as planned. Distributions were ongoing.</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>



Component	Planned Outputs	Achievement
	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.	
Supporting Uganda's Response to Tuberculosis	<p>Medicines and health supplies procured and distributed.</p> <p>5 mobile labs were procured.</p> <p>Gaps in Laboratory Information System identified; Laboratory Information System updated.</p> <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>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>Other activities, including mentorship of health workers, were ongoing at various completion stages.</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 ongoing 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	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;	<p>The civil works for the incinerators and oxygen plants averaged at 87% and 95%.</p> <p>5 mobile labs were procured.</p> <p>The installation work, especially for the incinerators, continues to lag behind. Only the Lira incinerator may become operational during FY 2024/2025. There is a risk of cost extension of time since the contractor must keep at</p>



Component	Planned Outputs	Achievement
	<p>procurement of advanced ambulances for evacuation; track and trace systems hardware and software enhancements; 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>site up to equipment installation time since some work can only be done after installation.</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

Implementation Constraints

- i) Overstocking of HIV, anti-TB and ACTS, contributing to expiries of medicines.
- ii) Limited financial capacity of some contractors undertaking the construction of medicines stores.
- iii) Lack of clear cooperation framework for health financing, leading to duplication of efforts. A number of interventions supported by global fund were receiving financing from other partners.

Conclusion

The performance of the Global Fund for HIV, Malaria and TB, and COVID-19 response remained fair as of May 2025 as it was in October 2024. The estimated cost at completion (EAC) for the period under review for the new grant was slightly less than the budgeted cost. There is, however, a need for a cautious approach to avoid overstocking medicines, which may cause expiries and loss of value for money, especially for the medicines that have a short shelf life.

Recommendations

- i) The MoH Pharmacy Department, National Medical Stores (NMS), in collaboration with the health facilities, should actively monitor stock levels to ensure optimal distribution of medicines in health facilities.
- ii) The MoH Infrastructure Department should prevail on the contractors, especially those constructing the medicines stores, to fast-track or crash the schedule to meet the December 2025 deadline for the investments funded under the COVID-19 funding.
- iii) MoFPED, in partnership with the MoH, should institute a clear cooperation framework for health financing, to minimise the duplication of efforts to achieve value for money.

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

Introduction

The Government of Uganda (GoU) received funding of USD 16,830,353.79 from the Kingdom of Spain under the Debt-Swap Programme towards the improvement of the delivery of healthcare services. The funding targets improving healthcare services at Kawolo and Busolwe General Hospitals. The project commenced on 7th January 2012, and was expected to end on 30th June 2021. It has, however, had several project extensions due to delays in finalising the designs for the refurbishment works, particularly at Busolwe General Hospital.

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. A summary of the project basic data is presented in Table 3.3.13.

Table 3.3.13: Basic project data for rehabilitation and construction of General Hospitals (Project 1243), refurbishing and equipping of Busolwe General Hospital

Coverage	Busolwe and Kawolo
Lead agency	Ministry of Health
Project financier/donor	Spanish Debt-Swap grant
Total project cost	Grant of USD 16,830,353.79 GoU USD 5,746,608.53 – Counterpart

Source: MoH project progress reports, MoFPED-BMAU budget monitoring reports

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 staff quarters.

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 cost for refurbishing Busolwe Hospital amounted to USD 12,627,929.90, 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 contract awarded to Excel Construction Company was valued at USD 7,367,822.17, of which USD 5,759,319.61 had been disbursed by March 2025. As of 31st March 2025, the total amount certified for payment was USD 6,532,530.19. In contrast, the UPDF Engineering Brigade had received full payment for the contracted works.

Physical Performance

The overall performance was estimated at 99.5% as of 31st May 2025, improving upon the 97% in October 2024. The project recorded improvement demonstrated by the Schedule Performance Index⁴³. The project demonstrated cost efficiency, demonstrated by the Cost Performance Index (CPI)⁴⁴ (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. It is, however, critical to note that the initial scope under discussion excluded renovation of senior staff quarters and their ancillary works. These have since been scoped in a new contract as additional works whose contract was signed in June 2025. The exclusion of such critical scope is indicative of poor planning.



Completed civil works of the T-Block consisting of the theatre, delivery suites, wards, and mortuary at Busolwe General Hospital

⁴³ The Schedule Performance Index was 1.

⁴⁴ The Cost Performance Index was 1.

In relation to equipping, the majority (95%) of medical equipment was delivered, assembled and some installed in the appropriate units. Despite the 95% delivery of medical equipment, some of the equipment, such as dental units, could not be installed due to missing parts. These were omitted by the manufacturer. The issue was logged, and the manufacturer was to deliver the missing parts to support functionality. As of 31st May 2025, only X-ray equipment and missed parts for the dental units, including the compressor and suction machines, had not been delivered, as these were reported to be in transit or under manufacture, with an expected delivery period of June 2025.

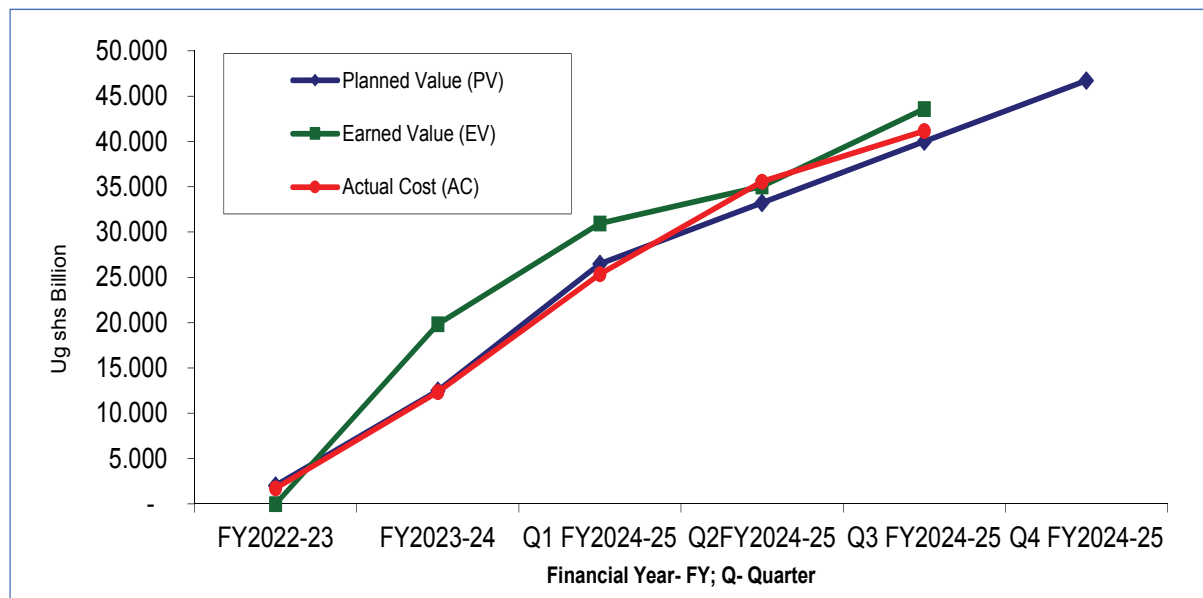


Figure 3.3.11: Performance of Busolwe General Hospital Refurbishment Project as of May 2025

Source: Author's analysis based on MoH project data



Neonatal units and medical beds in the maternity ward at Busolwe General Hospital

Implementation Constraints

- Delayed transportation and delivery of some critical imported equipment affected implementation.
- Partial deliveries of equipment parts affected final installation, training of users and commissioning.
- Poor planning demonstrated by poor scoping. The senior staff quarters were excluded from the initial scope yet the accommodation for the senior staff is critical to support the attraction and retention of the senior staff.



Conclusion

The overall performance was good. The performance improved in May 2025 relative to October 2024. Major civil works for this project were completed. The planned medical equipment deliveries from China and Malaysia were achieved. However, those from Turkey and Germany were pending. There is, therefore, need for strict follow-up with the contractor to ensure the deliveries are achieved.

Recommendation

The MoH should engage the contractor to expedite delivery of the remaining equipment to facilitate operational readiness.

5 United States Agency for International Development (USAID) Support to Regional Referral Hospitals (1767)

Introduction

The Government of Uganda received support from the United States Agency for International Development (USAID) to strengthen the healthcare system and contribute to better health outcomes for the population. The total estimated cost of the project is USD 39,950,941 (US\$ 151,399,204,639.95) for all seven RRHs. In addition, the funder confirms financing and sub-obligates USD 4,278,532 subject to the terms and conditions of the Consolidated Implementation Letter.

The project started on 1st October 2021 and was scheduled to end on 1st October 2026, except for Gulu RRH, which had earlier been expected to continue until 30th September 2027. However, funding for the project was stopped due to the USAID funding freeze by the US Government and the closeout date was on 28th May 2025 for all participating RRHs.

The project scope involves strengthening the capacities of the RRHs to implement a comprehensive package of HIV/AIDS and TB services and a select set of Reproductive, Maternal, Neonatal Child and Adolescent Health (RMNCHAH) and family planning interventions.

Financial Performance

The total budget⁴⁵ was USD 10.989 million, of which USD 10.560 million (96%) was disbursed and USD 9.964 million (94%) was spent as of 28th May 2025. The project exhibited very good release and expenditure performance. This was attributed to disbursement which was linked to verified outputs (fixed amounts reimbursement) and cost reimbursement (direct disbursements to cater for salaries, fringe benefits and teleconference equipment, among others). The details are highlighted below (Table 3.3.14).

⁴⁵ For the Lira, Mbarara, Mbale, Jinja, Gulu and Kabale RRHs

**Table 3.3.14: Financial performance of the Lira, Mbarara and Gulu RRHs by May 2025**

Hospital Name	Category	FY 2021/22 USD	FY 2022/23 USD	FY 2023/24 USD	FY 2024/25 USD
Lira	Budget	488,918	283,727	167,840	384,674
	Release	488,918	283,727	167,840	284,416
	Expenditure	433,313	274,904	86,137	284,416
Mbarara	Budget	1,226,472	1,083,153	1,183,060	169,472
	Release	1,226,472	1,083,153	1,183,060	184,622
	Expenditure	1,226,472	1,083,153	1,183,060	184,622
Jinja	Budget	1,120,540	237,497	170,042	170,042
	Release	1,282,188	222,691	170,043	94,799
	Expenditure	1,262,047	222,690	170,043	60,098
Gulu	Budget		359,037	569,824	686,959
	Release		359,037	569,824	686,959
	Expenditure		359,037	569,824	264,284
Kabale	Budget		308,210	311,184	248,975
	Release		308,210	311,184	248,975
	Expenditure		306,514	311,184	248,975
Mbale**	Budget				1,819,453
	Release				,404,043
	Expenditure				1,433,489

Source: Lira, Mbarara, Mbale, Jinja, Gulu and Kabale RRHS.

***Cumulative values*

Physical Performance

Overall project performance was good, at 81.2% achievement of annual planned outputs as of May 2025. The project improved over the years with significant improvement in HIV/AIDS care, TB, and maternal health, among others.

In relation to the attainment of milestones, the project recorded improvements between April 2024 and May 2025 from 72% to 81%, respectively. These were noted among key indicators such as number of individuals, excluding those newly enrolled who return for a follow-up visit or re-initiation visit to receive pre-exposure prophylaxis (PrEP), which increased by 10% (Table 3.3.15).



Table 3.3.15: Performance of selected Regional Referral Hospitals under the USAID Project as of 31st May 2025

Milestone	Target	Lira RRH	Mbarara RRH	Jinja RRH
		Achieved (%)	Achieved (%)	Achieved (%)
Number of adults and children currently receiving antiretroviral therapy (ART)	1,000	-	100	95
Percentage of ART patients with a suppressed viral load (VL) result (<1000 copies/ml) documented in the medical or laboratory records/laboratory information systems (LIS) within the past 12 months	1,000	-	100	41
Number of HIV-positive women on ART screened for cervical cancer	607	100	90	100
Percentage of infants born to HIV-positive women who received a first virologic HIV test (sample collected) by 2 months of age	700	-	-	100
Number of newly diagnosed HIV-positive persons who received testing for recent infection with a documented result during the reporting period	894	71	100	66
Number of people receiving post-gender-based violence (GBV) clinical care based on the minimum package	338	100	100	100
Number of males circumcised as part of the voluntary medical male circumcision (VMMC) for HIV prevention	3,880	94%	-	100%
Number of new and relapse TB cases with documented HIV status during reporting period	6,300	99%	70%	-

Source: Field findings

The project was terminated by the United States Government, and it closed on 28th May 2025. The project implementors, however, undertook closure activities between March and May 2025. It is important to note that much as the GoU was making efforts to mitigate the effects of the closure through integrating service provision into the mainstream services, the effects were observable in the health facilities and the communities due to the scale-down of the activities.

Implementation Constraint

Loss of funding totalling USD 20 million due to the project termination as a result of the executive orders by the US president, which affected the implementation of planned activities.

Conclusion

Despite the premature termination of the project due to a USAID funding freeze, the project demonstrated strong financial and physical performance, achieving 81.2% of its planned outputs and 94% of its budget utilisation. Significant improvements were recorded in HIV/AIDS care, TB management, and maternal health services across the participating RRHs. However, the loss of approximately USD 20 million in anticipated funding disrupted ongoing activities, highlighting the critical need for sustainable and locally supported health financing. To maintain the progress achieved, the Government of Uganda must urgently identify alternative funding sources to ensure continuity and the integration of these health services into the mainstream healthcare system.

Recommendation

MoFPED should identify funding and allocate funds towards the implementation of the project activities to ensure continuity of the healthcare services that were being implemented by the project.

6 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. Initially, the project was supposed to end on 31st December 2022. However, it received additional financing (AF), and its scope increased from three components to five components.⁴⁶ The project data is presented in Table 3.3.16.

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 the response to the Sudan Ebola fever and the introduction of the malaria vaccine.

Table 3.3.16: Basic Uganda COVID-19 Response and Emergency Preparedness Project

Project total cost	USD 195,500,000
Cost for Component 1: Case Detection, Confirmation, Contact Tracing, Recording and Reporting	USD 9,370,000
Cost for Component 2: Strengthening COVID-19 Case Management and Psychosocial Support	USD 22,950,000
Cost for Component 3: Implementation, Management and Monitoring and Evaluation	USD 4,100,000
Cost for Component 4: Vaccination Acquisition and Deployment	USD 137,150,000
Cost for Component 5: Strengthening Continuity of Essential Health Services	USD 22,000,000
Coverage	Country wide
Lead agency	Ministry of Health (MoH)

Source: MoH, project documents

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 12.5million was credit from the International Development Association (IDA). This was meant to be implemented under Components 1, 2 and 3.

⁴⁶ Component: Case Detection, Confirmation, Contact Tracing, Recording and Reporting; Component 2: Strengthening COVID-19 Case Management and Psychosocial Support; Component 3: Implementation Management and Monitoring and Evaluation; Component 4: Vaccination Acquisition and Deployment; Component 5: Strengthening Continuity of Essential Health Services.



In 2022, the project received additional financing (AF) of USD 180.3 million from the World Bank, comprising USD 163.4 million as an 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 3.3.12.

Most of the funds (USD 85.26 million) were spent on procurement of the COVID-19 vaccines through the United Nations International Children's Emergency Fund (UNICEF) and cold chain equipment. The cold chain equipment is to support the introduction of the malaria vaccine (Table 3.3.17.)

Table 3.3.17: Project financial performance by component as of 30th March 2025

Component	Allocation million (USD)	Disbursement million (USD)	Expenditure million (USD)
Case Detection, Confirmation, Contact Tracing, Recording and Reporting	9.370	17.95	16.83
Strengthening COVID-19 Case Management and Psychosocial Support	22.950	24.51	17.16
Implementation, Management and Monitoring and Evaluation	4.100	11.41	8.72
Vaccination Acquisition and Deployment	137.150	89.31	86.77
Strengthening Continuity of Essential Health Services	22.	39.56	25.24
Total	195.570	182.72	156.3

Source: MoH Project Implementation Unit, field findings

In addition, the project experienced a foreign exchange loss to the tune of USD 10.1 million across both the IDA grant and IDA credit. This was a result of the currency appreciation of US dollars against the Special Drawing Rights (SDRs).⁴⁷

The estimated cost at completion was USD 177 million against the budget of USD 195 million, implying that the project was still within the budget.

Physical Performance

Overall, the project performance as of 31st May 2025 was very good, with 90% achievement of the set targets. This was an improvement on the 69% as of November 2024. The project was behind schedule⁴⁸(Figure 3.3.12). The project was, however, effective in converting the resources into results as the Cost Performance Index (CPI) was good.⁴⁹ This good CPI was attributed to non-payment of completed and verified invoices and outstanding retentions for the works certified.

Project performance was in part affected by the delayed response from the World Bank to the request made by the Government of Uganda to restructure the project. The need to restructure emanated from the World Health Organisation (WHO) declaration that COVID-19 was no longer a pandemic. This consequently rendered the acquisition and deployment of COVID-19 vaccines irrelevant.

⁴⁷ At the time of signing the agreement, the USD was 1.415159 against 1 SDR. By 21st September 2023, the SDR against the USD had dropped to 1.31895.

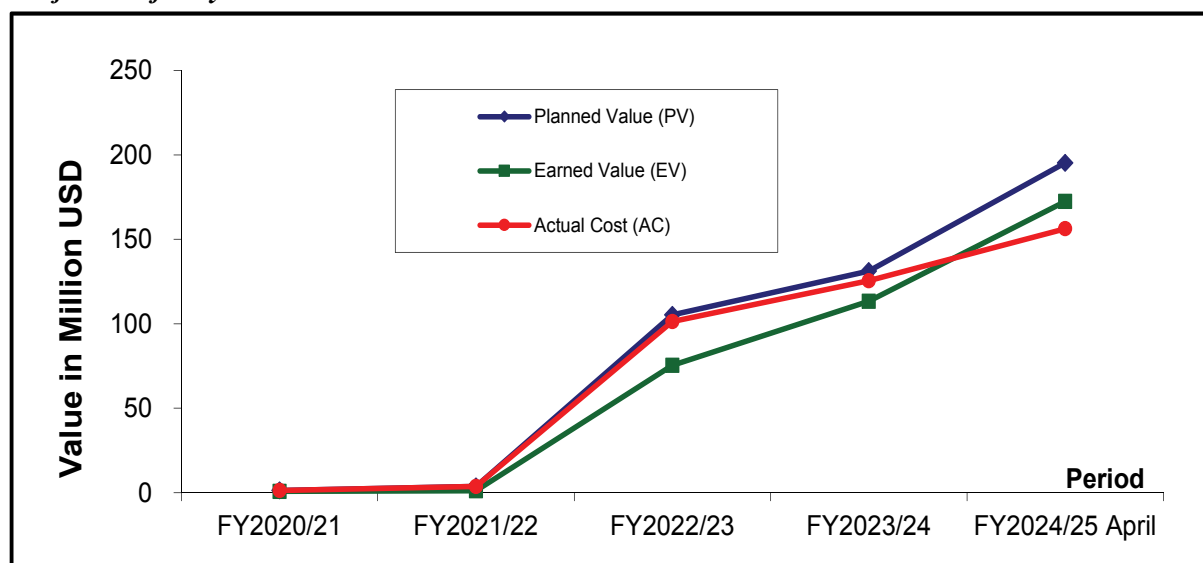
⁴⁸ The Schedule Performance Index was 0.88.

⁴⁹ The Cost Performance Index was 1.1.

In terms of gender equity, the infrastructure (ICU, NICUs, theatres, and maternity wards, among others) being developed is inclusive. These infrastructure units all have ramps and other assistive facilities to support access and use. The quality of civil works for the sites visited was good.

The environmental and climate change concerns were addressed. Environment and Social Impact Assessments (ESIAs) were carried out and all the proposed mitigation measures implemented. There was evidence of compliance with the health safety and environment concerns.

Figure 3.3.12: Performance trends of Uganda COVID-19 Response and Emergency Preparedness Project as of May 2025



Source: Author analysis based on MoH Project data

The detailed project performance by component is presented hereunder:

Component 1: Case Detection, Confirmation, Contact Tracing, Recording and Reporting

This component 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 of the component for the period under review were: Completion of the biosafety 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.⁵⁰

By 30th April 2025, the component had good performance, achieving 86% of the set target, up from 73% as of November 2024. Operational funds were provided for seven satellite laboratories (Mulago, Mbale, Mbarara, Fort Portal, Arua, Moroto, Lacor). Construction of the biosafety laboratory at Fort Portal was ongoing, albeit behind schedule. Overall, the works at Fort Portal had not been completed as the contractor had not fully mobilised to complete the

⁵⁰ Mulago NRH, Mbale RRH, Mbarara RRH, Fort Portal RRH, Arua RRH, Moroto RRH, and Lacor RH.



outstanding works⁵¹. These were meant to have been completed in July 2024 but were extended to January 2025.

Component 2: Strengthening Case Management and Psychosocial Support

This component 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 under the project component for the period under review included: construction and remodelling of Intensive Care Units (ICU) at Arua, Hoima, and Kabale; construction of the Neonatal Intensive Care Unit at Mbarara RRH, Rwekubo HC IV, and Kisoro Hospital.

By May 2025, the project under the component had achieved 83% of the set targets, up from 65% in November 2024. Key achievements included completion of the ICU at Hoima RRH, and substantial completion of theatres at Kisoro GH and Busanza HC IV.

The construction of operation theatres, high dependency units and isolation units at Kyangali HC IV, Kasonga HC III, Rwenkubo, and NICU at Mbarara RRH, among others, was, however, behind schedule. The average performance of the construction of the ICUs at Kabale, Hoima and Arua was 83%, against the planned progress of 100%. The progress of the construction of the high dependency units and operation theatres averaged 90%, against the planned target of 100%. The quality of civil works was noted to be good across the sites visited.

There is need to fast-track outstanding civil works under this component if they are to be completed within the project lifetime. The contractors should double both manpower and materials, and consider working at night to execute the works at a faster rate without compromising the quality.

Component 3: Implementation Management; and Monitoring and Evaluation

This component constitutes project management as well as monitoring and evaluation aspects of implementation. Achievements under the component 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 achieved.

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.

During the period under review, the project under the component supported the nationwide deployment of vaccines, including in RHDs, with emphasis on strengthening critical areas such as vaccine delivery; 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. It also supported a vaccination campaign for the human papilloma virus (HPV), significantly achieving HPV immunisation coverage of 71%, up from 33.1% at baseline.

⁵¹ Painting, second fixes for mechanical works, epoxy application on worktops, shelves and drawers, granite finishes, final fixes for electricals, completion of ceiling works and contamination chambers.

The MoH, in collaboration with the NMS, progressively managed the waste disposal of expired and used vials of COVID-19 vaccines in the different phases. The initiative aimed at retrieving accumulated vaccine waste from health facilities in line with the established waste management guidelines. The project also supported the procurement of the cold chain equipment in preparation for the introduction of the malaria vaccine.

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 38 health facilities⁵² 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.

The performance of this component was fair, at 62% achievement of planned targets. The project was behind schedule, especially for the civil works at Rohoki HC III, Kabazanya HC III, and Rhino Camp HC IV, which were very slow and behind schedule. There is a likelihood that these works will not be completed within the project timeframe. The contractors do not have the capacity to progress with the works.

The project under the component supported the strengthening of capacity to stimulate the demand for health services by sensitising the population eligible for vaccinations and the delivery of comprehensive community-based health services.

The project supported the procurement of essential equipment, such as refrigerators (for Kabale and Masaka RRH), freezers (for UBST Nakasero), and four blood collection vans. This has greatly enhanced the functionality, efficiency, and blood collection, especially in remote areas.

The project further supported the construction of the call and dispatch centres at Mbale RRH, Mbarara RRH and Lira RRH. The average physical performance was 78.3%, against the planned progress of 100%. The call and dispatch centres of Mbale and Mbarara have experienced time overruns and are likely not to be completed within the project timeframe.



L-R: Call and dispatch centres at Mbale RRH and Lira RRH

⁵²Construction of isolation unit and at Kisoro General Hospital, and Rwenkubo HC IV Isingiro District; construction of theatres at Padibe HC IV Lamwo District, Kisoro General Hospital, Busanza HC IV in Kisoro District, and Rhino Camp HC IV in Madi-Okollo, among others; construction of HDU at Kyangwali HC IV, Kasonga HC IV in Kikube, Padibe HC IV in Lamwo, and Bujubuli HC IV in Kyenjojo District.



Implementation Constraint

Delayed completion of civil works, especially works at Rwenkubo HC IV, Ruhoki HC III and Kabazanya HC III in Isingiro District, pose a significant risk as they will not be completed within the project life.

Conclusion

While the project demonstrated good physical performance, achieving 86% of set targets, it was significantly hindered by time delays, especially in civil works. These delays, exacerbated by the inadequate capacity of contractors, the World Bank's late response to restructuring requests and the evolving context post-COVID-19, which several critical outputs at risk of non-completion within the project timeframe. Despite good quality work and inclusive infrastructure, urgent action is needed to fast-track outstanding construction, particularly under Component 5, to avoid compromising the project's overall objectives and impact.

Recommendation

The MoH must prioritise to complete outstanding project activities that remain incomplete at the end of the project on 30th June 2025.

7 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 for USD 75,668,801, and the Government of Uganda. for five years. The project development objective is to provide affordable cardiovascular treatment and care for all the people of Uganda. The project commenced on 31st July 2019 with an expected completion date of 31st December 2027 (Table 3.3.18).

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 3.3.18: 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 ⁵³	
Total project cost	USD 75,668,801 ⁵⁴		
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 2025
BADEA	23rd May 2023	26th September 2023	30th September 2027
SFD	6th September 2023	30th October 2023	31st December 2027

Source: UHI Quarterly Project Progress Report March 2025

⁵³ USD 2.67 million was money not in the agreement but spent on the project before the effectiveness date.

⁵⁴ Average exchange used US\$ 3747 per 1 USD.

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.

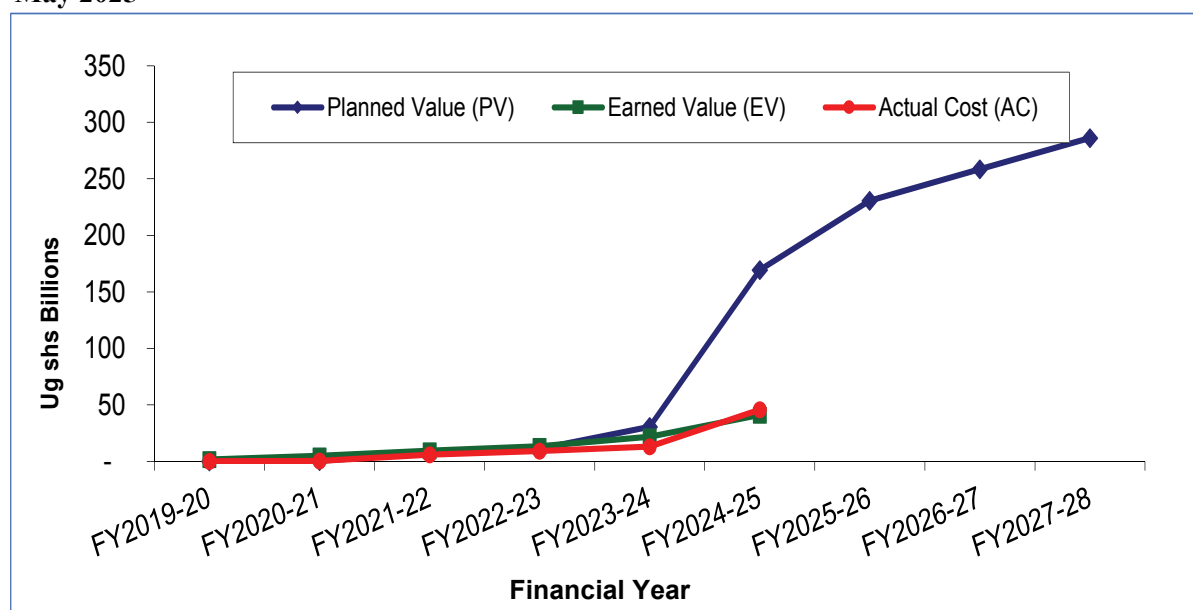
Financial Performance

The project cost is USD 75,668,801 (USh 286.182 billion). During the period under review, the project budget was USh 96.957 billion, of which USh 75.654 (78%) was released and USh 32.938 billion (44%) spent by end of March 2025. Cumulatively, USh 43.910 billion has been spent towards the project. The project spent more than the value of work done with a cost variance of USh 4.7 billion on account of advance payment for civil works which was less than the value of work done.

Physical Performance

The project's overall physical performance was poor, at 39% achievement of set targets; this was a slight improvement on the 35% as of November 2024, with progress falling behind schedule. Delays in finalising the financing agreement caused the initial loss of time. The project experienced further setbacks due to prolonged delays in obtaining "No Objection" approvals from the funders, which took up to 54 days instead of the expected 14 days. In relation to the civil works, the project had achieved 10% physical progress, against the plan of 15.77% (Figure 3.3.13).

Figure 3.3.13: Performance of Uganda Heart Institute Infrastructure Development Project as of May 2025



Source: Author's analysis based on UHI Project data

The project is behind schedule; this was attributed to the delayed start of the civil works⁵⁵, which constitute the main project component. In terms of equipment, the PMU was at the point of developing the specifications, especially for the equipment that needs to move in tandem with civil works.

⁵⁵ Actual civil works started in April 2025, yet the loan agreement with different funders were signed in 2023.



Ongoing works at Block C and Block B at the Uganda Heart Institute site in Naguru

Challenges

- (i) Delays in obtaining final construction drawings for Block A and Block B is delaying the progress of works for these blocks, which will delay the project further.
- (ii) Delayed approval of deemed VAT, especially in cases where there are changes in the required inputs initially submitted to the URA.
- (iii) Harsh weather. The seasonal rains have affected the progress of works; to date a total of 58 hours have been lost due to disruptions by rain.

Conclusion

The project performance was behind schedule. The project lost time as a result of delays in securing a “No Objection” from all the external funders and parliamentary approvals. As a result, about two years were lost to commencement. The project’s civil works, however, had gained momentum, although affected by the unfavourable weather, delayed approval of deemed VAT, especially for the emergency procurements, and delays in obtaining the final drawings for Blocks A and B. It is important that the Project Management Unit supports timely provision of the final drawings to the contractor to avoid any further delays.

Recommendations

- i) The UHI Project Management Unit should facilitate timely completion and issuance of the final drawings to the construction contractor to avoid further delays to the progress of the civil works.

The URA should support timely approvals for deemed VAT even when there are changes in the project requirements.

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: the Ministry of Works and Transport; Uganda Railways Corporation (URC); Civil Aviation Authority (CAA); Kampala Capital City Authority (KCCA); the Ministry of Lands, Housing 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: the African Development Bank (AfDB); the Islamic Development Bank (IDB); Japanese International Cooperation Agency (JICA); and the International Development Association/World Bank (IDA/WB); and the OPEC Fund.

A total of 23 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 summarised in Table 3.4.1.

Table 3.4.1: Projects status of implementation

Status of Implementation	No. of Projects	Remark	Projects
Completed	2	Due for exit from the PIP	Kyenjojo-Hoima-Masindi Kigumba, Rukungiri-Kihihi/Kanungu
Completed	2	Civil works completed and in DLP	Kapchorwa-Saum, Atiak-Moyo Afoji
Ongoing	14	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
Civil works contract signed	1	Commencement order yet to be signed	Kyenjojo (Kihura)-Bwizi-Rwamwanja-Kahungye/Mpara-Bwizi Roads
Procurement stage	2	Loan signed and effective, procurement of contractor ongoing	Kampala Jinja Expressway Katine-Ochero
Financing not concluded	2	Loan not yet signed	New Standard Gauge Railway, Construction of Muko-Katuna Road
Total	23		

Source: Author's compilation

The performance of the 21 projects, with financing, is presented hereafter:



3.4.1 Atiak-Moyo-Afoji: Atiak-Laropi (66 km) – 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 30th April 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 ⁵⁶
Loan time elapsed	72%
Loan disbursement	USD
Project time elapsed	100%
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	55 months (as of 31st December 2024)
Status of land acquisition	A total of 1,262 PAPs, amounting to US\$ 14,864,724,151, were valued; 1,222 PAPs (96.8%) were paid a total of US\$ 13,966,786,607. ⁵⁷

Source: Author's compilation, project documents

Financial Performance

The financial performance of the project was fair, at 71% absorption (USD 161.27 billion), against a planned 100% and was under budget⁵⁸ by 31st April 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).

The cumulative loan amount disbursed as at the end of March 2025 was US\$ 123.6 billion (60.1%), of which US\$ 99.6 billion was absorbed at a loan duration lapse of 73%. The loan disbursement performance was therefore lagging. On the other hand, the GoU had so far disbursed close to US\$ 61.7 billion. This was over the original budget because of the extension of time for the supervision contract to match the civil works contract period.

⁵⁶ With consideration of the Defects Liability Period of one year after 10th December 2024.

⁵⁷ As at the end of December 2024.

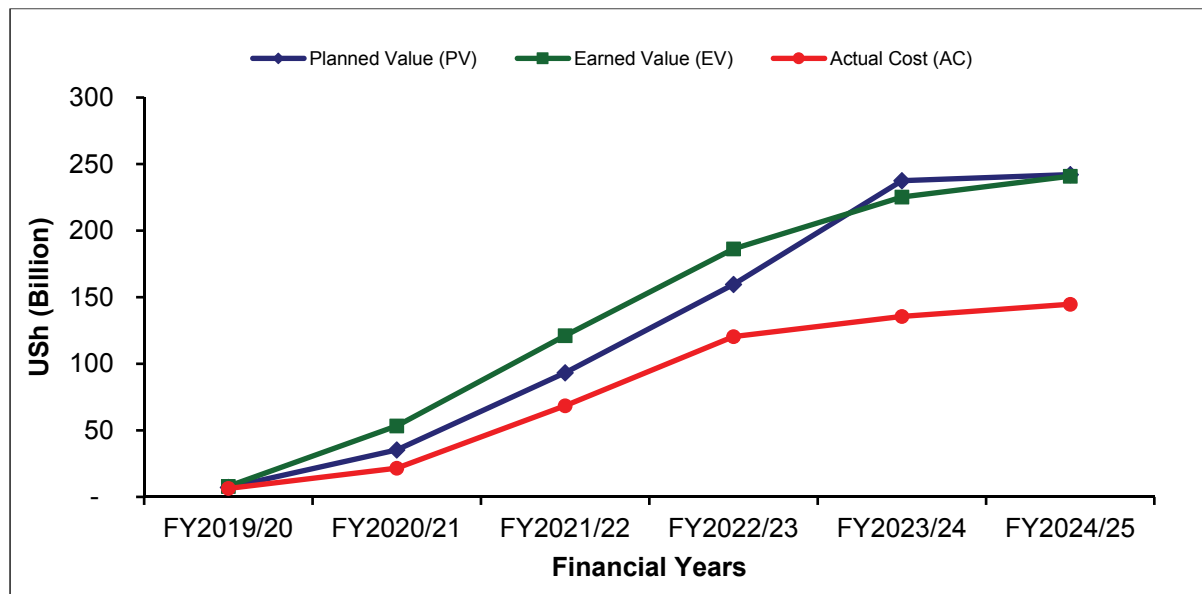
⁵⁸ Favourable CPI of 1.49.

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 2025 for one year. The quality of work was satisfactory.

Figure 3.4.1 shows the performance of the project.

Figure 3.4.1: Performance of Atiak-Laropi Road Project as of 30th April 2025



Source: Author's compilation, project monthly progress reports



Completed road section of one of the urban centres of the Atiak-Laropi Road featuring street lighting



Bus stops with shelters provided along the Atiak-Laropi Road



Implementation Constraint

Disputes between the contractor and the employer over claims due to COVID-19 effects and the quarry licence led to arbitration effective 10th February 2022. This has delayed the final closure of the project as payments have been delayed.

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 85%. However, delays in processing payments and approving Interim Payment Certificates (IPCs) resulted in contractor claims totalling USD 7.97 million, and these were under arbitration. These disputes pose a risk of cost overruns and may delay 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 transfer a 97 km tolled expressway under a PPP arrangement. The project comprises the following components: 77 km of the Kampala-Jinja Mainline Expressway with a design speed of up to 120 kph; and a 20 km Kampala Southern Bypass (Urban Expressway) with a design speed of up to 100 kph.

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 (Kampala-Namagunga, covering 35 km).

The analysis under this project focuses on Phase 1, i.e., the Kampala-Jinja Expressway (Kampala-Namagunga, with a length of 35 km); and the Kampala-Southern Bypass section (18 km).

Financial Performance

By the end of March 2025, the project's financial performance was poor, similar to what was reported in October 2024. The total disbursement to the project stagnated at USD 343,983.4, representing just 0.15% of the total loan amount. Additionally, the financing through the PPP had not been finalised, so no disbursements were made. The Government of Uganda (GoU) is in the final stages of sourcing funding to close the current financing gap.



The budget for right of way (RoW) acquisition was estimated at US\$1.284 trillion, out of which US\$ 498.4 billion (38.8%) was paid.

Physical Performance

The physical progress of the project was 0%. The procurement of the contractor was ongoing. The overall implementation of the project was behind schedule.

Implementation Constraint

Delays in securing a private partner to undertake the PPP.

Conclusion

The project performance was poor, with no civil works undertaken yet. The key binding constraint is the delayed finalisation of the procurement process for a private partner to co-finance the project implementation. It is, therefore, critical that the GoU addresses this constraint to support the realisation of the economic and logistical benefits envisioned for the project.

Recommendation

The MoWT and MoFPED should expedite the procurement of the pre-qualified bidders to undertake the PPP 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 the Kibuye roundabout to Mpigi Town has diminished the capacity to carry existing traffic volumes, resulting in high travel times, vehicle operating costs and a high rate of accidents.

The project is jointly funded by the AfDB and the 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 April 2025

Date of loan signing	29th December 2016
Effective date of loan	14th February 2017
Original closure date of loan	31st December 2020
New closure date of loan	31st December 2025
Loan amount	USD 188 million



Cumulative disbursement of the loan as at end of March 2025	81%
Loan duration elapsed	93%
Original contract price	US\$ 547,543,072,124, including VAT
Contract period	Initial: 30 months (917 days) Revised: 44 months (1,345 days); then revised to 1,805 days; current revision; 2,017 days
Contract start date	22nd November 2019
Construction contract end date	27th May 2022
Revised contract end date	Revised – 29th July 2023; Second revision – 31st October 2024; Current revision – 31st May 2025
Contract time elapsed	66 months (as of 30th April 2025), equivalent to 98.5%

Source: Field findings

Financial Performance

By the end of April 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 was USD 121,930,384 (81%), against a duration lapse of 93%. The loan absorption was lagging. Despite the noted loan performance, the remaining funds on the loan fall short by US\$ 252 billion for the pending civil works. These funds were yet to be secured, although negotiations with the funder were ongoing.

The cumulative total certified amount was US\$ 582.708 billion, against the contract amount of US\$ 547.543 billion (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 4,222 approved PAPs, valued at US\$ 167,782,482,641, of whom 2,544 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 with the value of the works⁵⁹.

Physical Performance

There was a slight increase in progress from 45.48% in October 2024 to 46.15% in April 2025; and time progress of 100%. Despite the increase in physical progress, the project was significantly behind schedule⁶⁰ and would require an extra 35 months to be completed. The project has not recovered the lost time due to delayed payments, as well as RoW issues.

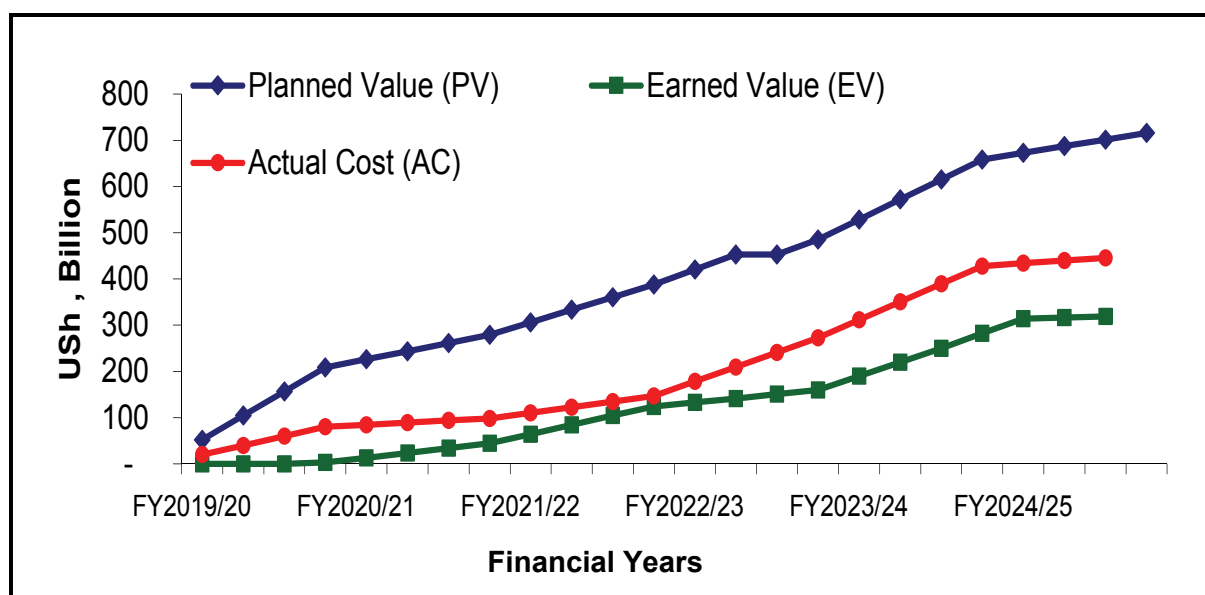
The progress of the RoW acquisition for the project was at 76.54%. Whereas the entire stretch of the project main road was handed over to the contractor, there are pockets of uncompensated PAPs, which obstruct the contractor's work progress. The delays in RoW acquisition were due to disputes over compensation amounts by the PAPs, absentee landlords, disputes over ownership of land, and lack of proper documentation of proof of land ownership among the PAPs.

The performance of the project is shown in Figure 3.4.2.

⁵⁹ CPI = 0.71.

⁶⁰ SPI = 0.47.

Figure 3.4.2: Performance of the Busega-Mpigi Expressway Road Project as at end of April 2025



Source: PBS reports 2019/20–2024/25 and field findings



Busega-Mpigi Express Road Project: Left – Construction of abutments at interchange 1 (IC 1); Right – Rock filling of the swamp section along link road 1 at Km 0+940

Implementation Constraints

The original contract amount was exhausted due to scope changes following the design review which increased the quantities of work. Negotiations for additional financing to enable project completion had not been finalised. The contractor slowed down progress on key works, and as such the project will not be completed within the current loan and contract duration

Conclusion

The performance of the project was poor. Both physical and financial performances were lagging with a time loss estimated at 35 months for the civil works. The physical performance of the project was affected by delays in completion of the RoW. The project had a funding deficit estimated at US\$ 252 billion due to exhaustion of the loan amount for the civil works. Negotiations for additional funding to cover the financial deficit were ongoing.



Recommendation

- i) The MoWT/MoFPED should prioritise allocation of funding to the project for payment of the outstanding amount for the RoW.
- ii) The MoWT/MoFPED 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 30th April 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	7th February 2025
Loan amount	CNY 1,260,000,000 (USD 200,000,000)
Loan duration	Originally 64 months, revised to 111 months
Loan disbursement performance	185,160,613 (92.6%) as at the end of March 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) ⁶¹
Contract time elapsed	98.51% basing on 30th June 2025
Physical progress	Cumulatively achieved 98.38%, against a planned of 100%

Source: Field findings

⁶¹ However, the contractor had not submitted an official claim for time extension for the Engineer to carry out the determination per the contract.



Financial Performance

The project incurred an additional cost of USD 13.76 million due to foreign exchange losses between the contract currency (USD) and the payment currency (CNY), as well as USD 2.11 million in interest on delayed payments. These costs increased the total project cost to USD 215,860,786.75. As of April 2025, certified works were valued at USD 196.78 million, which remains within the revised project cost⁶².

The loan's financial performance was good, with USD 185.16 million (representing 93% of the USD 200 million loan) disbursed by 31st March 2025, and fully utilised, despite 100% of the loan duration having elapsed.

Looking ahead, further cost increases are anticipated due to expected price index fluctuations following the proposed transition from the CEMAC index system to the Hong Kong index system, pending approval by the Uganda Civil Aviation Authority (UCAA). As a result, the Estimated Cost at Completion (EAC) is projected at USD 234.9 million. The main cost drivers include:

- (i) Interest on delayed payments (USD 2.11 million);
- (ii) Price index fluctuations (USD 19.28 million); and
- (iii) Foreign exchange losses (USD 13.76 million).

The Government of Uganda (GoU) is expected to finance these additional costs.

Physical Performance

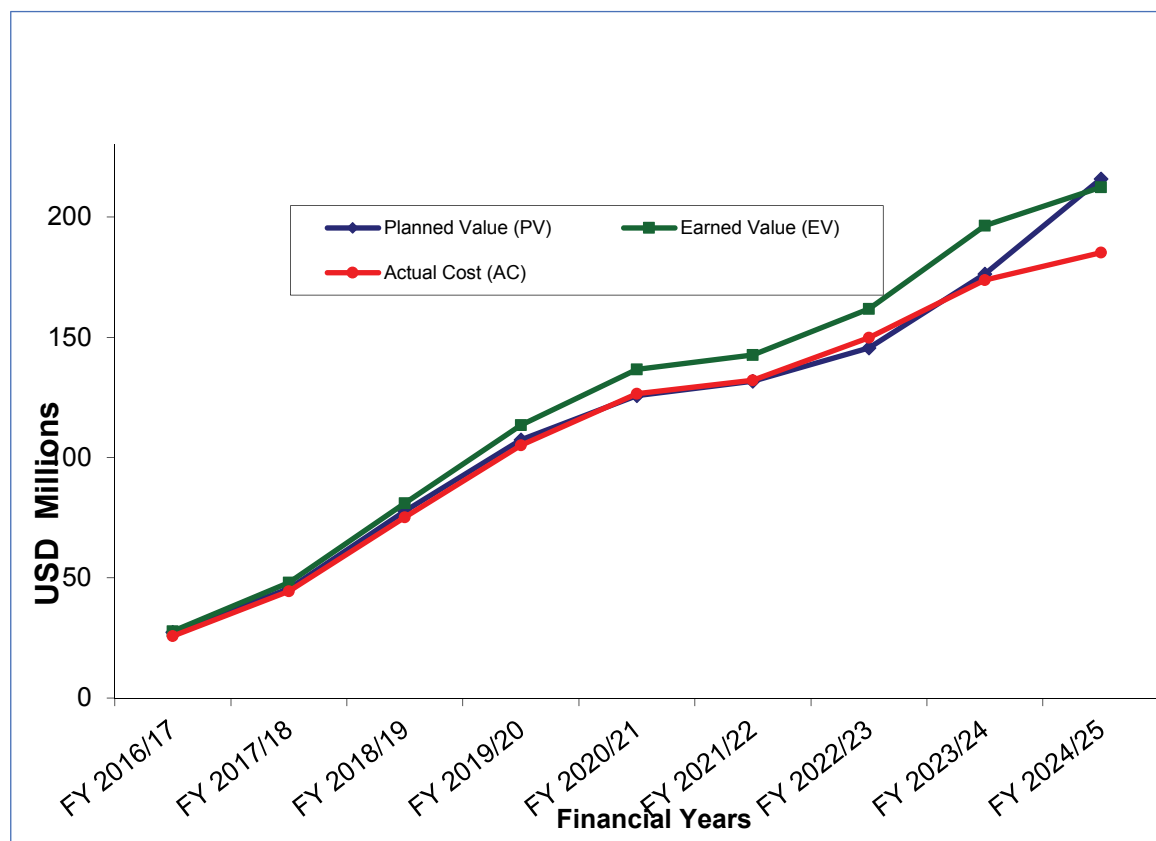
By 30th April 2025, the overall progress of the airport works had increased from 96.16% in October 2024 to 98.38% in April 2025, against the planned 100% and a time lapse of 98.1%. The project was, therefore, slightly behind schedule⁶³ by 1.26 months. The delays were primarily attributed to late payments to service providers, challenges in the procurement of functionality equipment such as EDS scanners and generators, and unresolved disputes related to funding gaps and price adjustments.

Completed works were: New Cargo Centre; Runway 17/35 and its associated taxiways; rehabilitation of Apron 2 and strengthening of Apron 4; and strengthening of Runway 12/30 and taxiways. On the other hand, changes to the cargo building, on-site fire and water supply system, and the New Passenger Terminal Building works were ongoing but in advanced stages (above 90% progress). Specifically, the funding gap greatly affected the New Passenger Terminal works pending floor and ceiling works on the second floor. The performance of the project is reflected in Figure 3.4.3.

⁶² CPI of 1.15.

⁶³ SPI of 0.98

Figure 3.4.3: Performance of the Entebbe International Airport as at 30th April 2025



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



Landscaping works at the New Passenger Terminal Building



Unfinished floor and ceiling works at the Passenger Terminal Building that await additional funding

Implementation Constraints

- 1) **Forex losses and payment delays:** Exchange rate fluctuations caused a financial deficit of USD 13.7 million due to different currency forms for the contract (in USD) and payment (RMB). Additionally, there is an accumulation of interest on delayed payments amounting to USD 2,112,756.60, risking contractual breaches and arbitration. Payment delays for relocation works done by agencies have also strained financial commitments.
- 2) **Cost adjustment and budget overruns:** The contract allows for cost adjustments on materials like cement, steel, and fuel. The client's approval for switching from the CEMAC to the Hong Kong price indices further caused cost accumulation by USD 19,279,512.
- 3) **Delayed appointment of the Disputes Adjudication Board (DAB):** As a result, there are unresolved disputes and potential arbitration arising from the contractor's claim for additional works done on the CIP lounge.
- 4) **Delays in procurement of critical equipment:** The procurement of Explosive Detection System (EDS) scanners and generators, essential for system integration and backup power, had not been completed. This procurement falls outside the contractor's scope, but the absence of EDS scanners poses a high risk of delaying system testing and rendering the PTB non-operational. Similarly, generator procurement delays, including unclear specifications and configurations, have impacted project timelines and planning.

Conclusion

The performance of the project was very good, with physical progress and loan disbursement at 98.38% and 93%, respectively, and a time lapse of 100%. The project was, therefore, at substantial completion, and the quality of completed works was satisfactory. Despite the very good performance, the value of the certified works was over and above the disbursement by 6.3%. The project had a funding deficit of USD 35 million payable by the GoU. This shortfall was largely attributed to exchange rate losses arising from USD to CNY conversions, delayed approvals for price adjustments, and accrued interest on late payments.

The other key issues regarding the project were: the delay in procurement of the EDS scanners and backup generators, which poses risks to operationalisation of critical components of the project; and the delay in appointment of the DAB-affected disputes resolution.

Recommendations

- i) The UCAA should prioritise the approval of the Disputes Adjudication Board to expedite dispute resolution.
- ii) MoFPED should confirm additional financing (USD 35 million) to clear outstanding claims and complete the remaining works.
- iii) The UCAA should approve cost adjustments based on the revised price indices to prevent further financial strain.

The UCAA should fast-track the procurement of EDS scanners and generators, ensuring timely system integration, testing, and commissioning.



3.4.5 Development of the New Bukasa Port Project (1284)

Introduction

The Government of Uganda, through the Ministry of Works and Transport (MoWT), is constructing a modern high-capacity port at Bukasa on the shores of Lake Victoria. The estimated cost of project implementation for phases I and II is EUR 350 million (equivalent to USh 1,400 billion). Currently, phase I is ongoing with an estimated cost of EUR 50 million. The funders of phase I are: the European Export and Trade Bank (42.48%), Commerzbank (42.48%) and the 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 multimodal transport (water, rail and road). It will form part of the Central Corridor, i.e., Bukasa-Mwanza-Musoma-Tanga-Dar es Salaam; and thus link Kisumu via Lake Victoria and Mombasa by rail.

Bukasa Port will be constructed on 400 hectares and will handle international cargo using multimodal transport (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 redistribution 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 the Northern Corridor, reduce road maintenance costs, as well as 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 a master plan; a preliminary design; Resettlement Action Plan (RAP); an Environmental and Social Impact Assessment (ESIA); swamp removal and reclamation work; a ship simulation study; 3D model and animation; and training. This phase commenced in June 2016 and ran for three years, but was revised for a completion date of 15th March 2024, and further revised to 31st May 2025.

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

Phase 3: Future extension of the port to a capacity of 5.2 million tons per year and to a 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 USh 560.242 billion, of which USh 154.046 billion (27.5%) was released and USh 143.759 billion (93.3%) expended. The project suffered the challenge of inadequate counterpart allocation.

The estimated cost of phase 1 activities of the project was EUR 50 million, of which the contract cumulatively invoiced EUR 35.504 million (71.01%). The total amount disbursed for the works undertaken was EUR 32.449 million (64.9%), against a loan duration lapse of 100%. The expenditure of the project was within budget and efficiently⁶⁴ utilised 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.

⁶⁴ CPI = 1.73

Physical Performance

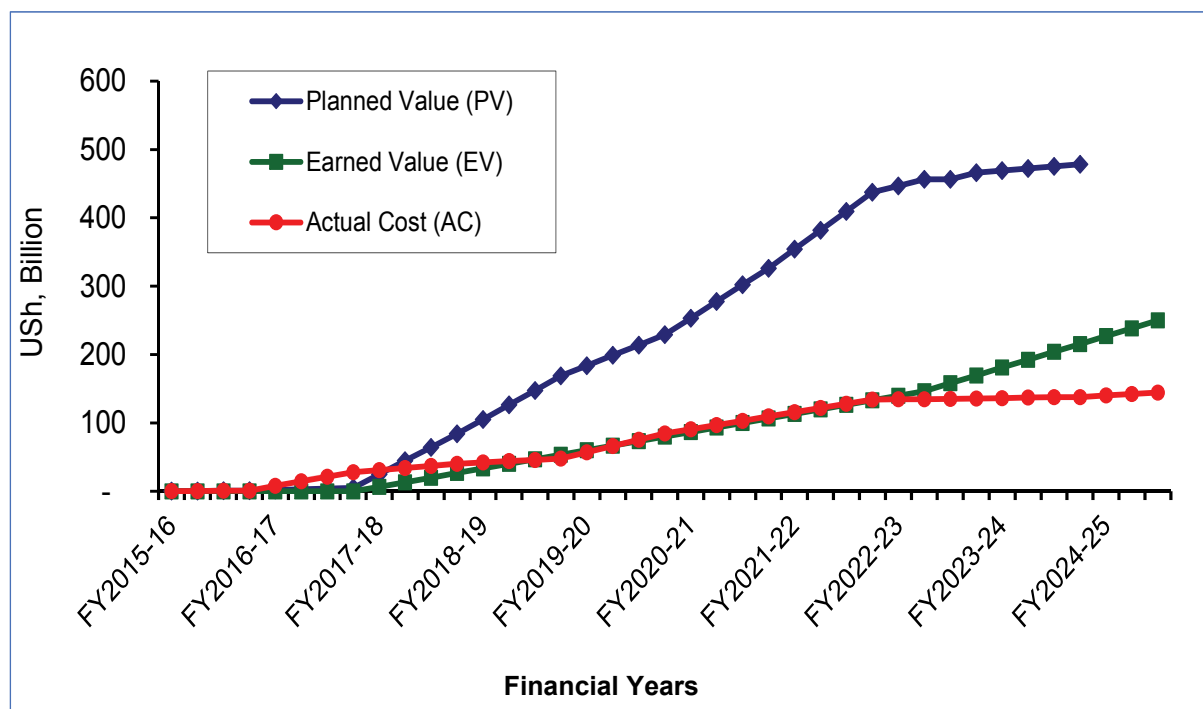
The overall physical progress of the project increased from 18% to 41.25% between October 2024 and April 2025. The physical progress of the reclamation works increased from 15% to 31%, while the swamp removal increased from 27.5% to 75%. Despite the increase, the project was lagging⁶⁵.

Implementation of the RAP stagnated. The cumulative total PAPs were 2,402, of whom 2,205 qualified for compensation. The value of the land was estimated at US\$ 34.273 billion, of which US\$ 29.32 billion was paid to 1,665 PAPs. The delay in finalising the implementation of the 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 April 2024



Source: PBS and author's compilation

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.

⁶⁵ SPI = 0.47



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.

Recommendations

- 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 re-scope 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 improving 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%) is meant for Lot 1 and Lot 2, respectively.

Project implementation was divided into three 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 USD 289.28 million (78.5% of project cost). The design of Package 3 required significant modifications to harmonise with the railway viaduct for the SGR (Standard Gauge Railway) project. Consequently, the MoWT⁶⁶ 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 Phase 1 of the loan. A summary of the project details is presented in Table 3.4.5.

The major works of Lot 1 of the project consisted of the construction of bridges, road improvement, road widening, signalisation of roundabouts, and underpass construction. It involves: Clock Tower Flyover (584 m, including a bridge of 366 m), two-lane; Shoprite Pedestrian Bridge (92 m); Clock Tower Pedestrian Bridge (229 m); Kibuli Pedestrian Bridge (40 m); Nsambya Underpass (360 m, including an open cut box culvert of 132 m), four-lane; New Clock Tower Square; Road Widening/Improvements (3,190 m); and Junction Improvements (Shoprite, Clock Tower, Nsambya, Hospital and New Kibuli).

⁶⁶ Then it was the Uganda National Roads Authority (UNRA) which commenced project implementation.

Table 3.4.5: Summary of the Kampala Flyover Construction and Road Upgrading Project details and performance as at end of April 2025

Source of funding	Japan International Co-operation Agency (JICA)
Loan approval date	3rd September 2015
Loan signature date	11th September 2015
Date of loan effectiveness	26th February 2016
Original date of loan closure	31st August 2023
Revised date of loan closure	First – 26th February 2024; Second – 26th February 2027
Phase 1 loan amount	USD 181.718 million
Disbursement performance	38%
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	4th May 2019
Contract end date (original and revised)	28th December 2021 and 31st August 2023
Defects Liability Period	20th February 2025 to 20th 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

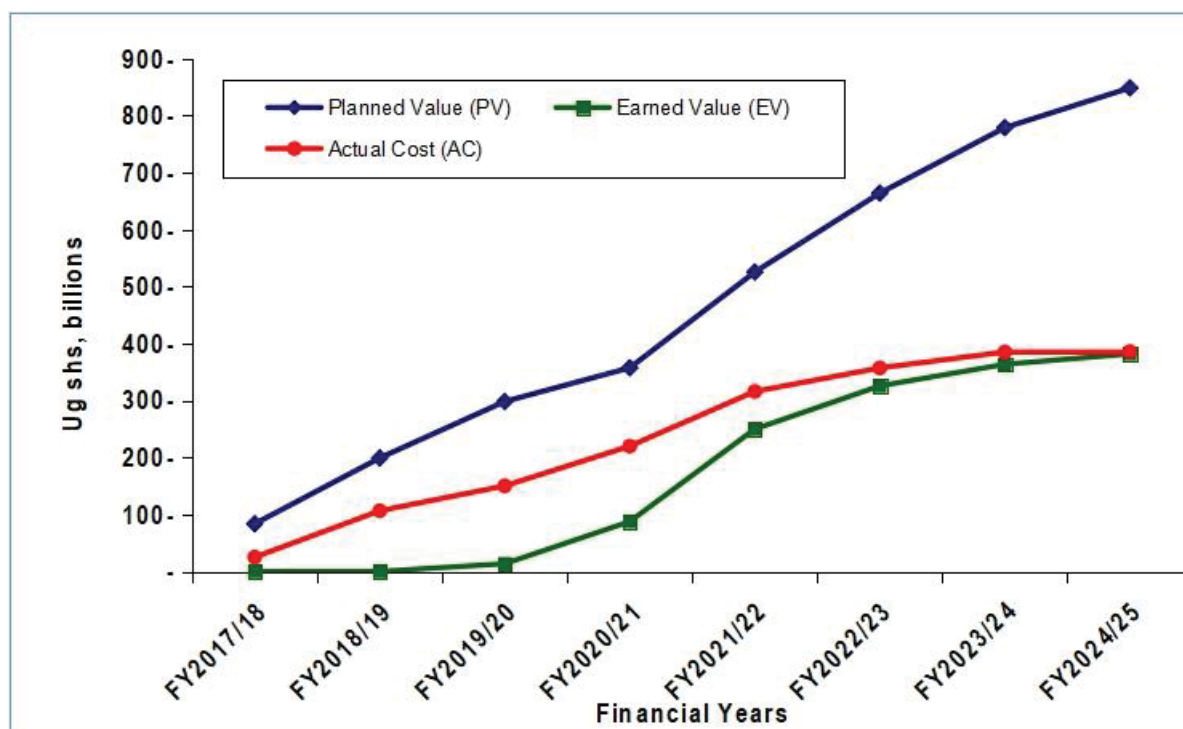
Source: Author's compilation, project documents

Financial Performance

The disbursement performance of the Phase 1 loan was 38%, against the loan lifetime of 82.7% as at the end of March 2025. A total of USD 69,890,768 had been disbursed by the bank. The financial progress of the Lot 1 works, including advance payment up to the end of February 2025, was 75.15%, against a planned 100%. The estimated cost of Lot 2 is USD 289.23 million, of which USD 100 million (34.56%) is available under the first phase of the loan. An estimated additional USD 200 million (66.6%) will be required under the second phase. Figure 3.4.4 shows the performance of the project over the years.

JICA had delayed in dispatching 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.

Figure 3.4.4: Performance of the Kampala Flyover Construction and Road Upgrading Project as at end of April 2025



Source: Author's compilation based on monthly progress reports (FY 2018 to 2024/25)

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 the end of February 2025, the cumulative physical progress on Lot 1 had improved slightly from 97.9% in October 2024 to 99.98%, against a planned 100% and a time progress of 134.6%. The Lot 1 project was handed over by the MoWT to KCCA on February 20, 2025 and commissioned by the HE the President of Uganda on 5th March 2025.

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, the Nsambya Underpass works, all the three pedestrian bridges (Kibuli, Clock Tower and Shoprite), and construction works of all box culverts within the project area had been completed. Construction of the Clock Tower monument and walkways, installation of road and directional signage, as well as that of pedestrian guardrails, street lighting, traffic lights, and placing of utilities in the ducts had also been completed. Landscaping was the only ongoing activity, at 99.88%. RAP implementation was at 98%.

Following the full opening of the project to traffic at the end of December 2023, the traffic jams significantly reduced at the Nsambya and Clock Tower junctions. Accidents have significantly 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 roadworks and pedestrian walking facilities, as well as installation of the traffic signage and signals.



The Kibuli Pedestrian Bridge across Mukwano Road



The Improved Junction at Nsambya Sharing Youth Centre



The Improved Clock Tower junction with the Pedestrian Bridge and Flyover



The Improved Nsambya junction with the Underpass in the Background

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.

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 Lot 2, which is negatively affecting the performance of the loan, resulting in the low disbursement performance (38%). The commencement of Lot 2 works continues to be delayed owing 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 the contractor has been procured.

Recommendation

MoFPED should engage 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%)), the 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 loan was approved on the 13th November 2019, signed on 11th May 2021 and became effective on 7th July 2021, with the original end date of 31st December 2024 (42 months or 3.4 years) being revised to 31st December 2027 (78 months or 6.5 years).

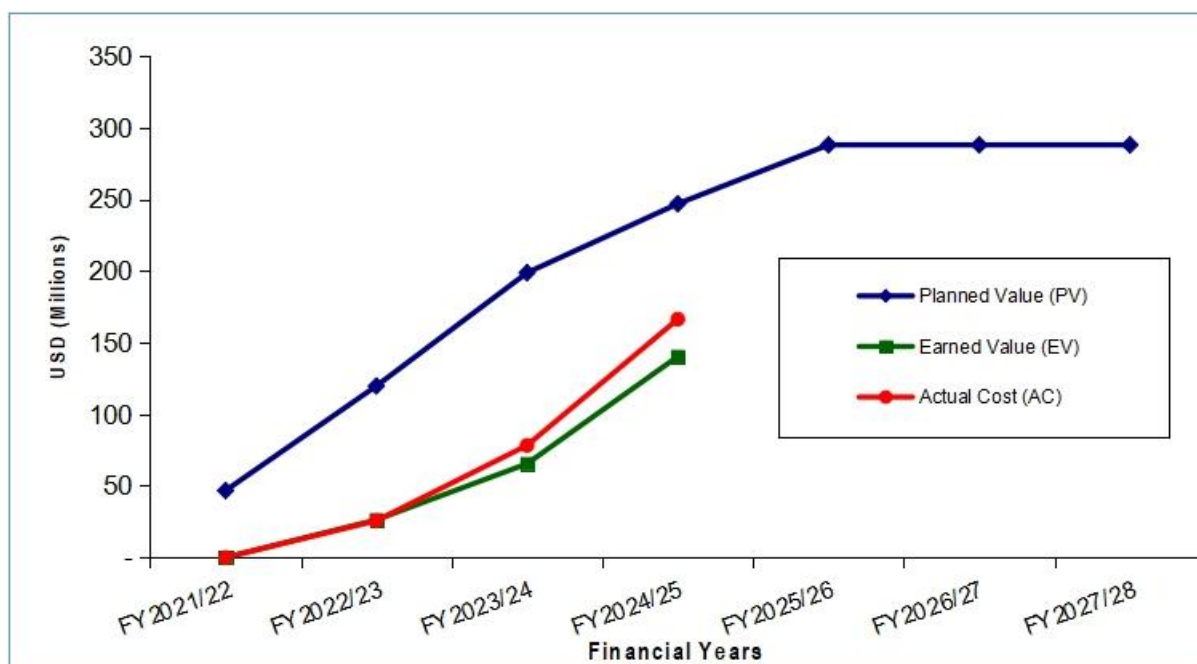
The project was designed to ease congestion in the City of Kampala; support institutional and sector reforms for efficient urban mobility; reduce carbon emissions per capita; mitigate floods; and improve the resilience of the city. The development objective of the project was to accelerate Uganda's competitiveness by shoring up productivity gains from infrastructure development in Kampala and integrating the growth spillovers 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 financial progress of the project at the end of March 2025 was 31.1%, against a credit time progress of 57.5%. A total of USD 88.087 million (AfDB (83.37%), ADF (16.55%) and GoU (0.08%)) had been released and expended on the project, out of the total project cost of USD 288 million. The expenditure performance under the different funding components was: AfDB loan, USD 73.438 million (33.1%); ADF loan, USD 14.582 million (29%); and GoU, USD 66,995.53 (0.6%). No funds had been released and expended under the GEF grant. The GoU counterpart funding was utilised for the Resettlement Action Plan (RAP). The performance of the project is presented in Figure 3.4.5.

Figure 3.4.5: Performance of the Kampala City Roads Rehabilitation Project as at end of March 2025



Source: Project progress reports

Physical Performance

The overall performance of the project was good, at 80%. The physical progress of the project had improved from 32.5% in October 2024 to 65.7%, against a time progress of 58.2% in April 2025. All the five civil works road contracts had commenced at an average physical progress of 48.7%, against a planned progress of 52.9%; all the 12 contracts for the supply of goods had commenced (eight were complete and four were ongoing); and six out of the nine service contracts had been signed. Progress of the civil works contracts had been negatively affected by the slow mobilisation by the contractors, delayed relocation of utilities, delayed acquisition of the RoW, and poor site management by some of the contractors. So far, the completed roads were Wamala Road (4.4 km) and Kigala Road (1.1km) in Rubaga Division; and Kabega Road (0.95km) and Luwafu Road (2.43 km) in Makindye Division, all under Lot 1.

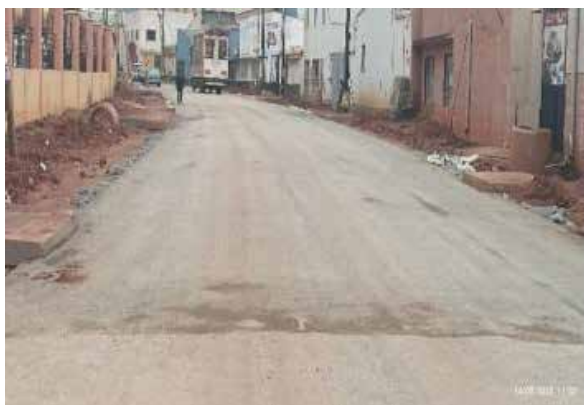
It was agreed between the AfDB and MoFPED that the funds budgeted for the procurement of the 50 eco-buses should be reallocated to the financing of additional roads amounting to 15.67 km, which will culminate in Lot 6. The process of seeking a “No Objection” for the procurements for the additional roads (Mpererwe-Kiteezi-Kiti (10.7 km), Ntinda-Kisaasi (2.7 km) and Old Kiira-Bukooto (1.17)) was still ongoing.

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. KCCA was finalising the tendering process for the service providers. The adverts were made, bids from prospective service providers received, evaluations of best bidder were concluded, and the report submitted to the Contracts Committee for approval. The bank gave approval and contracting with the service provider is in advanced stages.

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 of road safety issues on the city's road network. The contract signed on the 14th March 2024 and the implementation was ongoing.

RAP implementation was progressing well, with an estimated average of 96% of the RoW already acquired. Out of the 37 project roads/junctions and drainage channels, RAP reports for 31 project had been prepared and approved. After undertaking free and prior informed consents, voluntary consent agreements were entered into with PAPs whose land take was minimal.

The KCCA management established a Contract Management Team to ensure more regular supervision of the service providers (contractors and consultants) and carried out weekly inspections on all active sites under the project. KCCA was closely monitoring all the contractors to ensure compliance with the social and environmental safeguards and to minimise delays. This strategy has enabled improvement in the civil works progress and thus improved the project performance from poor to fair.



A section of the rigid pavement at km 1+100 along Seventh Street where casting of the dry lean concrete had been done



The completed Queens Way Bridge works over Kayemba Road



A completed road section and reconstructed boundary walls along Mugema Road at km 0+361



A completed section with road marking along Luwafu Road at km 1+850



Implementation Constraints

- i) Delayed acquisition of the RoW due to delayed approval of valuation reports by the Office of the Chief Government Valuer (CGV) and delayed release of funding for or compensation of PAPs.
- ii) Delayed relocation of utility services, especially for water, power, telecom, the Uganda Police and NITA-U infrastructures. Many times, new utilities were identified as the works progressed.
- iii) Non-adherence to the social safeguards provisions on the project. Dust abatement, cordoning off deep excavations and the provision of access to properties were not satisfactorily handled. This might cause the funder to give a notice of suspending disbursement if certain conditions are not fulfilled.

Conclusion

The overall performance of the project was good, at 80%. The physical progress of the project had improved from 32.5% in October 2024 to 65.7%, against a time progress of 58.2% in April 2025. The completed roads so far all under Lot 1 were Wamala Road (4.4 km) and Kigala Road (1.1 km) in Rubaga Division; and Kabega Road (0.95 km) and Luwafu Road (2.43 km) in Makindye Division. All the contractors were closely monitored by the KCCA to ensure compliance with the social and environmental safeguards and to minimise delays. The RAP is ongoing, with an estimated 96% of the RoW already acquired. The financial performance of the loan was at 31.1%.

Recommendation

- i) MoFPED and KCCA should budget and prioritise the funding towards the Right of Way acquisition.
- ii) KCCA should carry on with the close and continuous monitoring of the project components with the aim of mitigating any issues that might cause delays on the project.

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 AfDB, the ADF, and the GoU provided financing for the project.

The objectives of the project 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 passes through Bukwo to the Suam border with Kenya (77 km). In addition, the project involved the construction of a One-Stop Border Post (OSBP) at Suam, the upgrading of a 10.5 km 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 April 2025**

Funding agency	Government of Uganda African Development Bank (AfDB) African Development Fund (ADF)
Loan amount	USD 109.4 million
Loan signature date	19th January 2018
Date of loan effectiveness	24th May 2018
Original date of loan closure	30th June 2024
Loan disbursement performance	80.4%
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	1st October 2018
Original contract end date	30th September 2021
Revised contract end date	12th 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 (97%) were paid a total of US\$ 65,794,089,977.

Source: Author's compilation, project documents

Financial Performance

By the end of April 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 88,039,137 (80.4%), against a loan duration lapse of 114%. The loan absorption was, therefore, lagging. The value of the certified works on the project amounted to US\$ 363.089 billion, of which 94% was paid to the contractor. The pending payment to the contractor amounted to US\$ 21.598 billion (USD 5.95 million). The project's expenditure remained within the planned budget and was commensurate with the value of the completed work.

Physical Performance

The physical performance of the project was very good, at 99.6%, against a planned of 100%. The entire project scope was substantially completed and under the Defects Liability Period. The quality of the completed works was good, and the road was in use. The other project components such as the OSBP and the Kapron Post-Crash Centre were technically commissioned and awaiting political commissioning.



Implementation Constraint

Delay in payment of the outstanding payments to the contractor and PAPs.

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 RoW is the main contributor to project delays and claims.

Conclusion

The physical performance of the project was very good. The project was substantially completed and is under the Defects Liability Period. The project, however, had outstanding payments to the PAPs and to the contractor for the works certified.

Recommendation

The MoWT should expedite payments to the PAPs and the contractor.

3.4.9 Kyenjojo-Hoima-Masindi-Kigumba Road (1041)

Introduction

The GoU received financing support from the African Development Fund (ADF) and United Kingdom Department for International Development (DFID) to implement the Road Sector Support Project 4 (RSSP4), which comprised upgrading from gravel to bitumen standard of the Kigumba–Masindi–Hoima–Kabwoya Road (135 km).

The total project cost was UA 95.65 million (USD 145.15 million) co-financed by the ADF, the United Kingdom DFID and the GoU in the proportions of 77.45%, 21% and 1.55%, respectively. The loan agreement, equivalent to UA 72.94 million (USD 112.388 million), was provided by the AfDB. Funding by the United Kingdom DFID amounting to GBP 8.90 million in the form of a grant was confirmed on 16th December 2014.

The project objectives were to improve sustainable road access and quality of transport service levels in the western and south western parts of Uganda by reducing road maintenance costs, vehicle operating costs and travel time; enable the rural people to access socio-economic facilities and contribute to their integration to the rest of the country, thereby contributing to poverty reduction; support regional integration and cross-border trade with Rwanda and the DRC; and facilitate the oil exploration and extraction activities.

The scope of works majorly involved the upgrading of 135 km (Lot 1: Kigumba-Bulima (69 km) and Lot 2: Bulima-Kabwoya (66km)) from gravel to bitumen standard; construction of town roads in Kigumba, Masindi and Hoima; provision and installation of a weighbridge; and construction of a market at Kigumba. A summary of the project details is presented in Table 3.4.7.

Table 3.4.7: Summary of the Road Sector Support Project 4 (RSSP4) data and performance as the end of April 2025

Source of funding	African Development Fund – 77.45%, United Kingdom Department for International Development (DFID) – 21%, and Government of Uganda – 1.55%
Loan signature date	11th December 2013
Date of loan effectiveness	26th March 2014
Original date of loan closure	30th June 2018
Revised date of loan closure	31st December 2024



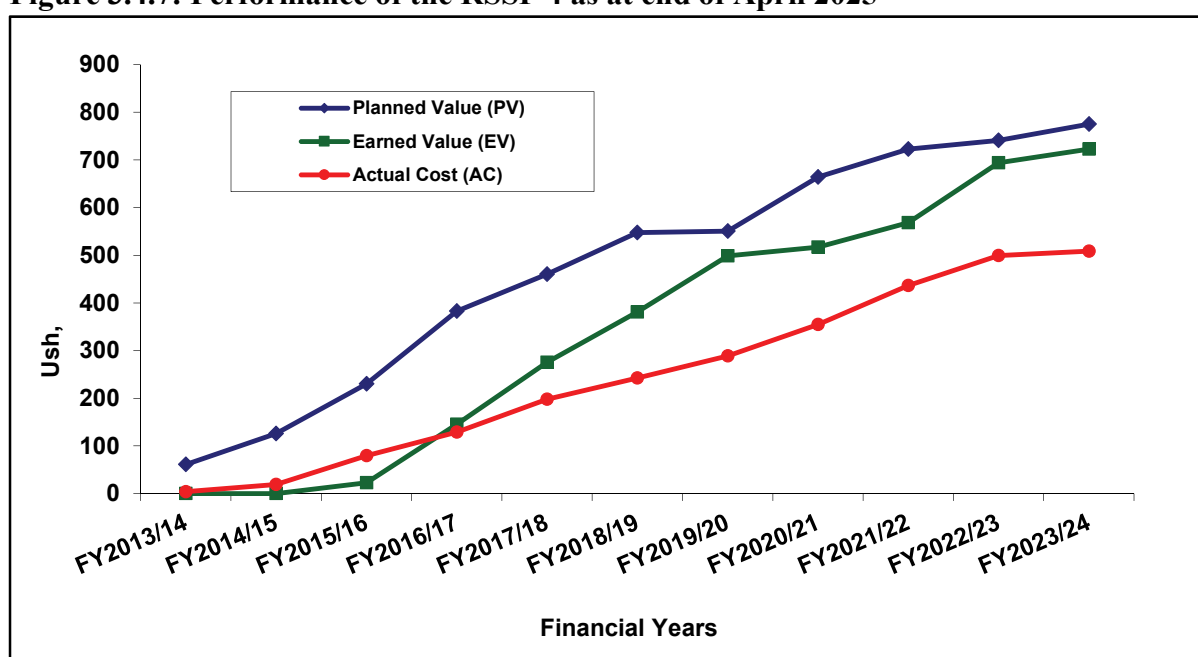
Loan amount	USD 112,388,290
Disbursement performance	89%
Lot 1: Upgrading of Kigumba – Bulima Road (69 km)	
Original contract price	US\$ 159,608,817,498
Revised contract price	US\$ 214,829,488,882 (Increment of 34.59% of original)
Contract start date	1st March 2018
Contract end date (original and revised)	16th August 2020 and 27th October 2021
End of the Defects Liability Period	31 December 2022 – main road and 31 December 2023 – town roads
Land acquisition	The number of PAPs paid was 2,572 (92.64%) out of 2,572 PAPs valued
Lot 2: Upgrading of Bulima – Kabwoya Road (66 km)	
Original contract price	US\$ 141,941,840,327
Revised contract price	US\$ 158,914,317,568 (increment of 11.95% of original)
Contract start date	1st December 2015
Contract end date (original and revised)	31st May 2018 and 27th January 2021
End of the Defects Liability Period	14th July 2022 – main road and 31st December 2022 for town roads and weighbridge works

Source: Author's compilation, project documents

Financial Performance

The disbursement performance of the loan was good, at 89%, as at the end of March 2025. The total loan disbursement to the project was USD100.325 million. All the IPCs for both lots had been settled. The construction of Kigumba Market was estimated at US\$ 7.721 billion and no payment had been made yet as at the end of April 2025 due to the slow progress of implementation of the works. Figure 3.4.7 presents the performance of the project over the years.

Figure 3.4.7: Performance of the RSSP 4 as at end of April 2025



Source: Authors' compilation and project quarterly progress reports FY 2013/14 to FY 2024/25

Physical Performance

The physical performance of the project was very good, at 98%. The project was efficient at conversion of resources into results for most project deliverables (Figure 3.4.7). The construction activities of upgrading the entire project road section of 135 km were completed. Under Lot 1, 13.6 km of town roads were undertaken and completed in Masindi and Kigumba. However, works on the market in Kigumba, which started on 8th April 2024 with a scheduled end date of 15th December 2024, were behind schedule at an estimated progress of 40%, against a planned progress of 100% as at the end of April 2025.

Under Lot 2, 3.1 km of town roads in Hoima Town, and the provision and installation of a weighbridge at Kikoboza were undertaken and completed. However, the weighbridge was not operational due to budgetary constraints and rationalisation of UNRA. RAP implementation for Lot 1 and Lot 2 was at 89.1% and 98.72%, respectively, as at the end of April 2025.



Ongoing works of walling and foundation for the lock-ups and stalls, respectively, at Kigumba Market



Ongoing construction of the market stalls at Kigumba Market

Implementation Constraint

Delayed commencement of the civil works and slow progress of the Kigumba Market affected the full implementation and closure of the project.

Conclusion

The Road Sector Support Project 4 (RSSP4) ended on 31st December 2024 with a good loan disbursement performance of 89%. The construction activities of upgrading the entire project road section comprising 135 km from Kigumba to Kabwoya were completed. This was in addition to 13.6 km of town roads in Masindi and Kigumba; 3.1 km of town roads in Hoima Town; and the provision and installation of a weighbridge at Kabwoya. However, the weighbridge was not operational due to budgetary constraints and the rationalisation of UNRA. Construction of the market at Kigumba under Lot 1 was slowly progressing at an estimated progress of 40% as at the end of April 2025. This had affected project closure.

Recommendations

MoFPED and the MoWT should budget for the completion of the construction of the Kigumba Market with GoU funding estimated at US\$ 8 billion in FY 2025/26 in order to fulfil the conditions for the Road Sector Support Project 4 completion.



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

Introduction

The Multinational Lake Victoria Maritime Communication and Transport Project (MLVMC&T) is an intervention by the 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 the 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 (USD 18,120,891.36, equivalent to US\$ 59,444,106,161⁶⁷).

Table 3.4.8 shows a summary of the project information for the MLVMC&T as at end of October 2024.

Table 3.4.8: Multinational Lake Victoria Maritime Communication and Transport Project details as at end of April 2025

Loan signature & effectiveness date	19th January 2018
Original loan closure date	30th April 2021
New loan closure date	30th September 2025
Planned project start date	1st July 2017
Actual project start date	30th April 2018
Project end date	30th June 2023; revised to 31st December 2024
Loan amount	USD 14.71 million (48.254 billion)
GoU counterpart funding	USD 2.2 m, (US\$ 7.216 billion)
Funding agency	African Development Bank and Government of Uganda
Disbursement performance	53%

Source: Author's compilation

⁶⁷ 1UA = USD1.41; 1UA = US\$ 4625.39



Financial Performance

The overall financial performance of the project was poor. By the end of March 2025, the project had an approved budget of US\$ 172.806 billion, of which US\$ 31.214 billion (18.1%) was released and US\$ 23.238 billion (74.4%) expended. The counterpart expenditure on the project was US\$ 10.006 billion (139% of the approved GoU funding).

A cumulative total of USD 7,829,854 (equivalent to US\$ 25.685 billion (53%)) of the loan amount was disbursed against the loan duration lapse of 95%. The loan absorption was, therefore, behind schedule; and, thus, poor performance. Despite the poor loan performance, the project is projected to be completed within budget⁶⁸.

The contracts under the project had a total value of US\$ 31.096 billion, of which US\$ 13.931 billion (44.7%) was paid for the works and services executed. The noted financial performance was attributed to low physical progress of the civil works at some of the construction works under the project. Overall, the project expenditure was within budget.

Physical Performance

The project's performance was poor. Despite the noted performance, the overall progress of the improved from 37% in October 2024 to 74.45% by the end of April 2025, against a project duration lapse of 105%. The project was therefore behind schedule⁶⁹ by 12 months. The implementation of the civil works under this project had varied progress as indicated below:

- i) The construction of the Search and Rescue (SAR) centres at Panyimur, Kaiso and Zengebe landing sites was completed. The physical progress of the ongoing civil works for the construction of the SAR centres and fish-drying sheds at Kaazi and Masese was estimated at 40% and 20% respectively.
- ii) The construction of the Maritime Rescue Coordination Centre at Entebbe commenced and physical progress was at 20%.
- iii) The supply of nine (9) rescue boats and one (1) firefighting equipment was completed.

The noted improvement in the project was attributed to improved contract management; completion of the planned procurements; and improved payments to the contractors within the stipulated timelines.

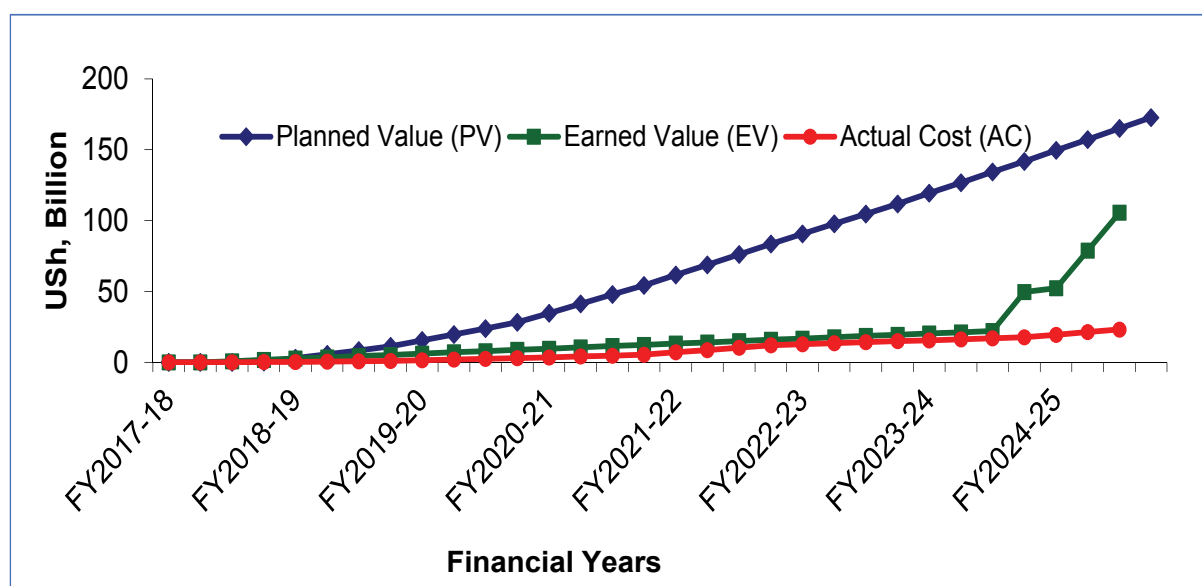
The completed SAR centres at Panyimur, Kaiso and Zengebe were not in use due to delays in furniture and ICT installation. It was also noted that the intended beneficiary communities were not well mobilised and sensitised/trained as they did not understand how to tap into the project. The women groups who are the beneficiaries of the fish-drying sheds did not have start-up capital to enable them to undertake fish trading. Additionally, it was established that the fish-drying beds at Kaiso were not suitable for the type of fish that grows in L. Albert.

The performance of the project is presented in Figure 3.4.8.

⁶⁸ CPI = 4.54.

⁶⁹ SPI = 0.64.

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



Source: PBS and field findings



Completed Search and Rescue (SAR) centre at Kaiso



A rescue boat delivered at Zengebe Landing Site as part of the project deliverables

Implementation Constraints

- i) Delays in payment of contractors for works undertaken.
- ii) Poor performance of the civil works contracts leading to low disbursement of the loan.
- iii) The 5% duration remaining on the loan duration will not be enough for the entire project scope to be completed.

Conclusion

The performance of the Multinational Lake Victoria Maritime Communication and Transport Project was poor. The project was lagging behind by an estimated 21 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. The project will require an extension of at least 12 months to enable completion of the scope.

Recommendations

- i) The Project Management Team at the MoWT should ensure timely payment of the civil works contractors.



- ii) The MoWT/MoFPED should negotiate for extension of the loan duration to enable completion of the project scope.
- iii) The MoWT should engage and support the beneficiary communities on how best the women groups could raise start-up capital.

3.4.11 Luweero–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 USD 40 million (US\$ 93.8 billion). This was to be funded by the Government of Uganda (USD 15.5 million), the Arab Bank for Economic Development in Africa (BADEA) (USD 13.0 million), and the OPEC Fund for Economic Development (OFID) (USD 11.5 million). However, the funding arrangement has since changed as shown in Table 3.4.9. The project started on 1st July 2017 and was to be completed on 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.

Table 3.4.9: Summary of the Luweero-Butalangu (29.72 km) Project details as at 30th April 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
	31st 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)	
Counterpart funding from the GoU based on the new contract amount	USD 17,000,000 with the increase of the contract price from US\$ 93,846,360,134 to US\$ 110,263,286,230	
Contract start date	1st June 2023	
Contract end date	1st June 2025	
Revised end date	30th March 2026 (based on the monitoring programme)	
Contract time elapsed	22 months (67.6% of the revised contract time).	

Source: Monthly Progress Report, April 2025

Financial Performance

The financial performance of the project was poor, with 42.7% of the total project cost (US\$ 47.058 billion) released, of which US\$ 30.3 billion (64.4%) was expended by 31st March 2025. The project was operating under budget⁷⁰ (Figure 3.4.9) due to delays in payments to the contractor. Five out of seven IPCs for the contractor were fully paid, which partly impacted the

⁷⁰ CPI of 1.69.



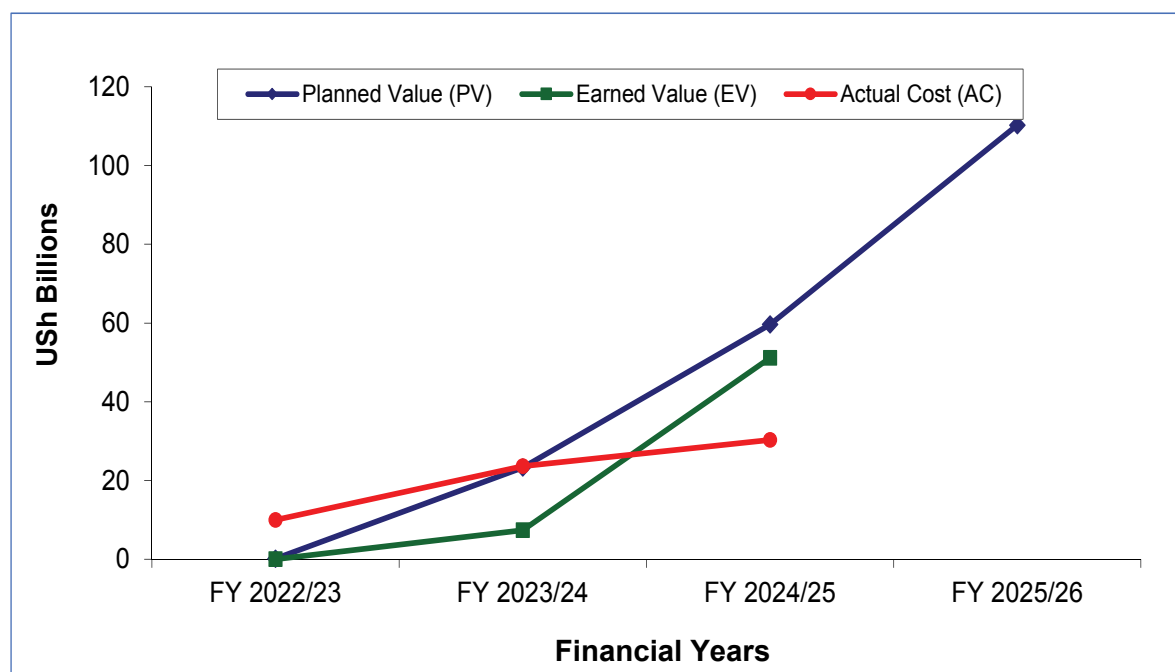
timely execution of work. Additionally, the consultant was last paid in October 2024 because the consultancy services component of the loan was exhausted. The value of executed works was at 33.83% of the project cost.

The loan disbursement was US\$ 40.568 billion (45%), of which US\$ 29.300 billion (72%) was absorbed. The GoU disbursed US\$ 6.99 billion, of which US\$ 6.489 billion was absorbed.

Physical Performance

The physical progress of the project increased from 15.88% in October 2024 to 39%, against a plan of 46%⁷¹ by April 2025. The project was, therefore, behind schedule⁷² by 2.7 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 heavy rains. A total of US\$ 22.548 billion was approved for compensation to PAPs, of which US\$ 19.102 billion had been paid by 30th April 2024. Out of the 2,150 PAPs identified, 1,620 were successfully compensated, representing 75.30% of the total. At the current pace of implementation, the project is projected to have time overruns estimated of 4 months to July 2026 vs the projected March 2026.

Figure 3.4.9: Performance of the Luweero-Butalangu Project as of 30th April 2025



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

⁷¹ Basing on the contractor's working programme accepted by the consultant.

⁷² SPI of 0.86.



A box culvert at one of the swampy sections along Luweero-Butalangu Road



Stone pitching works on a finished pavement section at km 9+170 along the Luweero-Butalangu Road

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 performance of the project was poor despite improvement in the pace of implementation. Both financial (42.7%) and physical performance (39%) of the project was lagging behind the revised contract time of 67.6%. The project experienced payment delays. On the other hand, the financing to the consultant had been exhausted, and this affected the performance of the consultant. The physical performance of the project was majorly affected by delays in completion of the RoW acquisition and delayed payments to the contractor. The project, therefore, is at risk of cost and time overruns.

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 consultant services contract using GoU funds.
- iv) The MoWT should continue with close monitoring of the project to bring it back on track.



3.4.12 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 project is fully funded by the World Bank with a grant of USD 131.25 million (approximately US\$ 430.24 billion). Details of the grant are summarised in Table 3.4.10. The GoU's responsibility was to ensure the availability of the road corridor, including land acquisition and resettlement of the PAPs.

Table 3.4.10: Summary of Moyo-Yumb-Koboko Road Project details and performance as of 30th April 2025

Funding agency	World Bank (85%)
Grant signature date	21st October 2020
Date of effectiveness	20th April 2021
Date of grant closure	31st December 2025
Original 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 202773
Contract time elapsed	316 days (28.9%)
Status of land acquisition	90% acquired

Source: Author's compilation, project documents

Financial Performance

The project's financial performance was good, with the World Bank disbursing a total of USD 85.9 million (66% of the grant) by 31st March 2025, corresponding to 85.7% of the loan period elapsed. Out of this amount, USD 13.849 million was advanced to the contractor as an upfront payment. While total expenditures appear to exceed the value of completed civil works at that point⁷⁴, this is largely due to the advance payment.

Physical Performance

The project's performance was poor, at 1.7%, compared to the planned progress of 7.2% and a time progress of 28.9% as at the end of April 2025. This was a slight improvement upon the 0% in October 2024. The project was behind schedule⁷⁵ by three years. The establishment of the campsites was complete, while earthworks and material sourcing were the only ongoing activities. The project was not fully ready to progress with civil works due to poor mobilisation of the contractor and delayed approval of the Environmental and Social Impact Assessment (ESIA) for the material sources (quarry and borrow pits).

⁷³ Outside the loan period.

⁷⁴ CPI of 0.113.

⁷⁵ SPI of 0.168



Concrete encasing works on the pipe culvert at km 39+660 along Moyo-Yumbe-Koboko Road



Levelling of the sub-base material at km 14+781 along Moyo-Yumbe-Koboko Road

Implementation Constraints

- i) Delayed acquisition of the ESIA for the proposed quarries and borrow areas.
- ii) Delayed contractor mobilisation of adequate equipment.
- iii) Near grant date closure date of 31st December 2025, yet works are still in their initial stages.

Conclusion

The performance of the project was poor. The World Bank disbursed 66% of the grant and this was majorly advance payment to the contractor. The project's physical performance was behind schedule on both the contract and loan duration lapse of 28.9% and 87.5%, respectively. This points to inefficiencies in the utilisation of the grant on this project. The poor physical performance was largely due to delayed contractor mobilisation and acquisition of the ESIA for the material sources, which had prevented full site access to the contractor. The project was lagging by three years. With the above project standings, the project is at risk of scope creep, time and cost overruns.

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) MoFPED should renegotiate for a grant closure extension date of December 2025, given the fact that the project is still in its initial stages and the disbursement is also still low, at 66%.



3.4.13 Namagumba–Budadiri–Nalugugu Road Project (1794)

Introduction

The Government of Uganda, through the MoWT, is upgrading the Namagumba-Budadiri-Nalugugu Road (39 km) from gravel to bituminous standard. The project is estimated to cost US\$ 296.900 billion (USD 77.74 million) 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 objectives of the project 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 PAPs. Additionally, emergency equipment to 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 3.4.11.

Table 3.4.11: Summary of details and performance of the Namagumba–Budadiri–Nalugugu Road Project as of 30th April 2025

Funding agency	African Development Bank and Government of Uganda
Loan amount	USD 71.000 million
Date of loan effectiveness	25th August 2023
Date of loan closure	31st December 2027
Contract price	US\$ 129,865,914,322
Contract period	36 months
Contract start date	3rd January 2025
Contract end date	2nd January 2028
Contract time elapsed	4 months (as of 30th April 2025), equivalent to 10.6 %
Land acquisition	The number of PAPs paid was 859 (30.8%) out of 2,792 PAPs valued

Source: Author's compilation, project documents

Financial Performance

As of 30th March, the total expenditure of the project was USD 9,288,917, representing 11.9% of the total project cost. The loan disbursement level was at 13%, compared to 38.5% of the loan period that had elapsed. The disbursement levels to the project remained low, similar to the status reported in October 2024, mainly due to the delayed commencement of civil works⁷⁶.

The financial progress of the civil works contract for the Namagumba–Budadiri–Nalugugu Road was 6.1%, against a planned target of 13.6%. The earned value on the project was significantly below the actual cost⁷⁷ due to an advance payment to the contractor.

⁷⁶ Civil works commenced on 17th January 2025.

⁷⁷ The CPI was 0.17.

Physical Performance

As of April 2025, the overall physical progress of the project was at 4.0%, against a planned 4.3%. Civil works on the Namagumba–Budadiri–Nalugugu road section had commenced, with notable achievements including the completion of 2.7 km (31.5%) of clearing and grubbing, 1.29 km of rock fill in swampy areas, and 4.3 km (60.8%) of general fill works.

The procurement of the supervision consultant was finalised, and supervision activities commenced on 15th May 2025. The relocation of utilities, detailed geotechnical investigations and the design review process were ongoing.

Other components of the project were at various stages of the procurement process. The procurement was behind schedule, mainly due to delays in obtaining the bank's "No Objection". Regarding RoW acquisition, progress was at 30.8%, with compensation paid to 859 out of the 2,792 valued PAPs.



Namagumba–Budadiri–Nalugugu Road, L-R: Rock filling of a swamp section at km 7+475; concrete plant assembled at the contractor's camp in preparation for concrete works

Project Implementation Constraints

- i) Delayed finalisation of the detailed design review.
- ii) Delays in the procurement of other components of the project
- iii) Slow pace of acquisition of the RoW.

Conclusion

The construction of the Namagumba–Budadiri–Nalugugu Road Project commenced on 17th January 2025. However, given that 38.5% of the loan disbursement period has passed, there is a need to accelerate the implementation of civil works to ensure that the project is completed within the loan duration.

Recommendations

- i) The MoWT should hasten the finalisation of the design review.
- ii) The MoWT should expedite the procurement of the remaining project components.
- iii) The MoWT should expedite the acquisition of the RoW for the entire project corridor to avoid any future delays



3.4.14 The North Eastern Road Corridor Asset Management Project(NERAMP)(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 243.8 million) while the Government of Uganda was to finance the 4.4% (USD 11.2 million) of the project cost.

The project has two components:

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

Component 2: Institutional support to UNRA with a 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 3.4.12.

Table 3.4.12: Summary of Northern Eastern Road Corridor Asset Management Project details and performance as at end of April 2025

Loan signature date	16th February 2015
Loan date of effectiveness	16th June 2015
Original date of loan closure	31st October 2024
Revised date of loan closure	12th February 2027
Loan amount	USD 255.08 million
Loan disbursement performance	93%
Loan duration elapsed	85%
Funding agency	The World Bank and Government of Uganda
Lot 1: Tororo – Mbale – Soroti (150.8 km)	
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)
Contract period	8.5 years (102 months)
Contract start date	13th August 2018
Contract end date	12th February 2027
Contract time elapsed	82 months equivalent to 79%
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	13th August 2018
Contract end date	12th February 2027
Contract time elapsed	82 months equivalent to 79%

Source: Field findings

Financial Performance

By the end of March 2025, the total approved budget of the project was US\$ 1109.478 billion, of which 98.2% was external financing and 1.8% GoU counterpart funding. A total of US\$ 751.925 billion (67.7%) was released and US\$ 507.874 billion (68%) expended.

By the end of April 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%. This was a very good loan performance. The project expenditure was within budget⁷⁸.

Physical Performance

The physical progress improved from 55% in October 2024 to 60% in April 2025 and time lapse of 85%. Thus the project was behind schedule⁷⁹. Project performance was affected by suspension of the works during the initial stages. However, to date the project's pace of implementation has picked up.

The project achieved a cumulative total of 74.57 km of finished work, up from 50 km along the Dokolo–Lira–Kamdini (Lot 2). Works on Lot 1 (Tororo–Mbale–Soroti) achieved 27.4 km. Foundation treatment works at Awoja Swamp, and drainage works involving construction of cross and access culverts, as well as lining of side drains were undertaken. The quality of the works undertaken was satisfactory. Figure 3.4.10 shows the performance of the project over time.



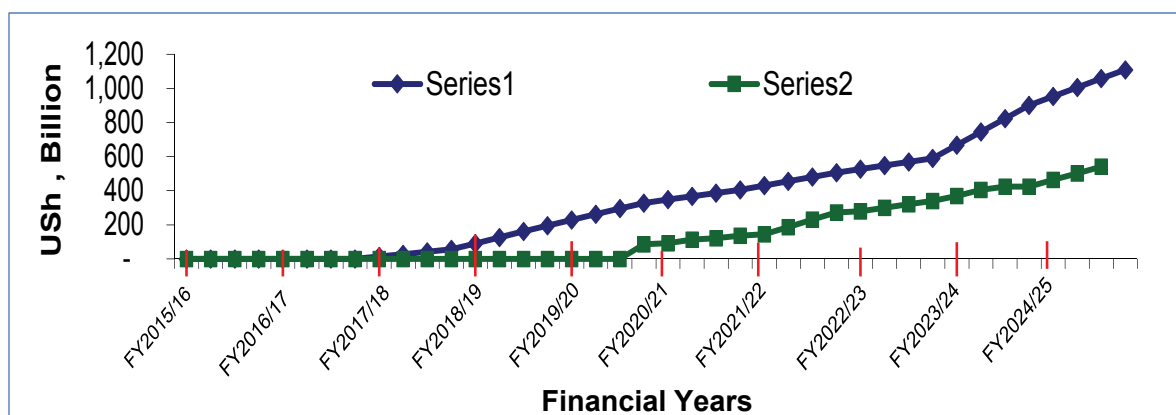
NERMP: Laying of dense bituminous macadam along the Soroti– Lira Section at km 24+400



NERMP: A completed section of Soroti–Lira Road at km 54+200

⁷⁸ CPI = 1.06

⁷⁹ SPI = 0.51


Figure 3.4.10: Performance of the North Eastern Road Asset Management Project as at End of April 2025


Source: PBS reports and field findings

Conclusion

The overall performance of the project increased from an estimated 47% to 55%, and thus improvement in the performance over the period. Despite the improvement, the project was behind schedule. The project had resolved the challenges that affected progress in the earlier years of implementation; and, as such, improved its pace.

Recommendation

The MoWT Project Management Team should continue with close monitoring to ensure the project does not lose the current pace.

3.4.15 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 to play a significant role in the transport and logistics industry, contributing to economic growth of the country and regional integration. The URC Capacity Building Project was conceived with an estimated cost of EUR 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 Programme. A summary of the project information is presented in Table 3.4.13.

Table 3.4.13: Summary of the Uganda Railway Corporation Capacity Building Project details and performance as of 30th April 2025

Funding agency	Spanish Export Credit Agencies (CESCE)	African Development Bank (AfDB)
Loan approval	11th May 2021	28th August 2023
Amount	Loan – USD 30,772,191 Grant – USD 643,860	Loan – USD 165,051,015 Grant – USD 58,735,796
Signature date	Loan: 6th August 2021 Grant: 9th January 2024	18th September 2023
Date of effectiveness	Loan: 10th September 2021 Grant: 9th January 2024	24th April 2024
Original date of closure	Loan: 10th September 2026	31st March 2028
	Grant: 8th January 2025	
Disbursement performance	Loan: USD 22,989,382 (76%) Grant: USD 95,723 (15%)	Loan: 0% Grant: 0%

Source: Author's compilation, project documents

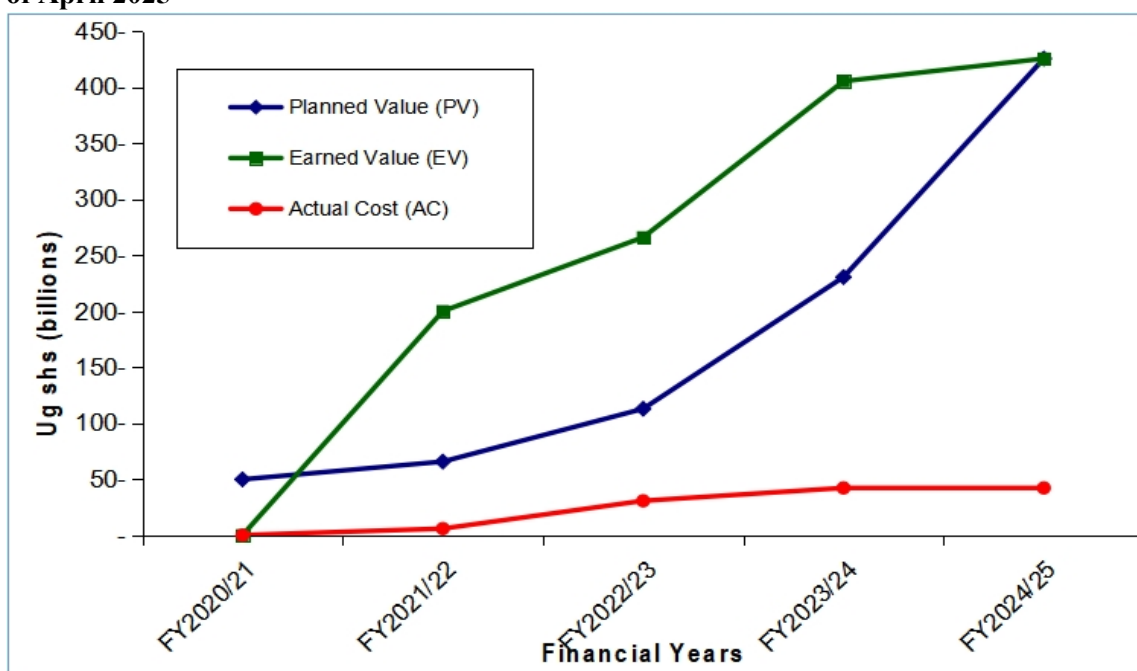
This project implementation was scoped under two (2) components:

- i) **Component 1** – Emergency Phase, funded by CESCE (EUR 25.984 million – 7.87%) includes: preliminary engineering design of the Kampala Multi-Modal Hub; detailed engineering design for refurbishment of the Kampala–Namanve, Tororo–Malaba railway line (28 km); capacity building of URC staff and a refurbishment of a project management office; and refurbishment of the Kampala–Namanve and the Tororo–Malaba line (28 km).
- ii) **Component 2** – Funded by AfDB (EUR 301.1 million – 91.24%) and GoU (EUR 2.916 million – 0.88%) includes, among others: preparatory stage which includes an ESIA and a preliminary engineering design study; purchase of workshop equipment and rolling stock (locomotives and wagons); refurbishment of the Namanve–Tororo line, Port Bell line, Jinja Pier line and the Kampala–Kyengera railway line, totalling 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.

Financial Performance

The overall financial performance of the project was estimated at 9% by the end of March 2025. The disbursement performance of the CESCE grant and loan facilities at the end of March 2025 was 15% and 76% at a time progress of 100% and 72.7%, respectively, with all the funds absorbed. There were no cost variations encountered on the Component 1 activities so far, an indication that it would be completed within budget. The performance of Component 1 of the URC Capacity Building Project is indicated in Figure 3.4.11. No disbursement under the AfDB and the GoU financing for Component 2 had been made by the end of March 2025 at a time progress of 23.7%.

Figure 3.4.11: Performance of the Component 1 of the URC Capacity Building Project as at end of April 2025



Source: PBS reports and field findings

Physical Performance

The overall performance of the project was poor and had stagnated at an estimated 8% between October 2024 and April 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 at 95%, against the loan duration of 72.7% as at the end of April 2025.

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 the Kampala–Namanve and Tororo–Malaba line (28 km) changed from the Tororo–Malaba railway section to the 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 the Kampala–Namanve (12.4 km) and Namanve–Mukono (12.9 km) railway sections, making a total track length of 25.3 km. The difference of 2.7 km of track length was compensated for with double loop lines of 0.6 km each (1.2 km) at the Namanve station and 0.3 km loop line at Interfreight, which reduced the 2.7 km by 1.5 km. The shortfall length of 1.2 km was compensated for through the following elements: 18 transition mix rails and five non-self-normalising turnouts.

Activities under 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 (28 km); the refurbishment of a project management office; the refurbishment of the Kampala–Namanve railway section of length 12.4 km (including station line at Namanve); and the Namanve–Mukono railway section of 12.9 km were under DLP. The



railway section between Kampala and Mukono was open to railway operations, with the passenger services resumed. Ongoing activities were the capacity building of URC staff.

Implementation of Component 2 was still in the preparatory stages and, so far, a Project Management Consultant (PMC) had been engaged to provide project management assistance and oversee the construction of the MGR rehabilitation works. The PMC consultant services commenced on 4th October 2024. 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.

Implementation Constraint

Delayed disbursement of funding from both the AfDB and GoU affected the commencement of the Component 2 preliminary activities like the finalisation of the procurement of the PMC services.

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 Component 1 was good (95%). Key among the completed activities under Component 1 were: the preliminary engineering design of the Kampala Multi-Modal Hub; the detailed engineering design for refurbishment of the Kampala–Namanve and Tororo–Malaba railway line (28 km); and refurbishment of the Kampala–Mukono line (28 km), which was under DLP. The component had no cost-related variations. Both the AfDB and the GoU had made no disbursements 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 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.

3.4.16 Upgrading of Muyembe–Nakapiripirit road Project (1322)

Introduction

The upgrading of Muyembe–Nakapiripirit Road (92 km) 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)⁸⁰. The funding is broken down as follows: 86% by ISDB and 14% as GoU counterpart funding.

⁸⁰ Exchange Rate: 1USD = US\$ 2572.01.



The project scope entails civil works for the upgrading of the 92 km 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 3.4.14.

Table 3.4.14: Summary of Muyembe–Nakapiripirit Road Project Information as at 30th April 2025

Date signed	2nd October 2019
Effectiveness date	2nd October 2019
Original closure	30th October 2021
New closure date	7th February 2025
Loan amount	USD 110 million (US\$ 282.921 billion)
Gou counterpart funding	USD 18 million (US\$ 46.296 billion)
Loan duration	65 months
Loan disbursement performance	79%
Funding agency	Islamic Development Bank
Original contract price	Civil works contract: US\$ 399,958,528,511 Supervision contract: US\$ 8,561,483,499 & USD 890,500
Contract period	36 months
Revised contract period	65 months
Contract start date	30th March 2020
Contract end date	30th March 2023
Revised contract end date	Previous revision: 8th May 2024 Current revision: 16th June 2025
Contract time elapsed	62 months (95.3%)
Loan duration elapsed	68 months (104%)

Source: Field findings

Financial Performance

By the end of March 2025, the total approved budget of the project was US\$ 457.026 billion, of which US\$ 377.449 billion (82.6%) was released and US\$ 313.973 billion (83.2%) 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 86,459,985 (79%), equivalent to US\$ 222.375 billion, against a loan duration lapse of 104%. The loan performance was, therefore, lagging. The negotiations for extension of the loan duration were ongoing.

Physical Performance

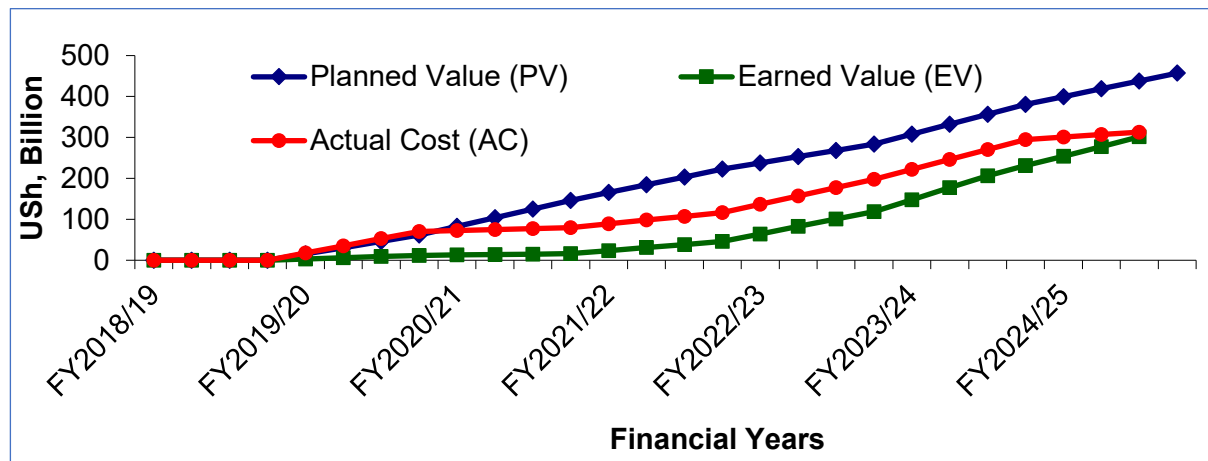
The cumulative physical progress of the project increased from 70.29% in October 2024 to 79.19% in April 2025, with a contract and loan time lapse of 95.3% and 104%, respectively. The project was, therefore, behind schedule⁸¹. The project would require extension of both the loan and contract durations amounting to 6 months to enable completion of the entire scope. The observed performance was majorly due to the trickle-down effects of delayed RoW acquisition and cash flow issues during the early stages of the project. The project has since picked up the pace of implementation mainly due to improved project management. The project has completed one bridge, 39 box culverts, and 68 km of asphalt concrete.

The progress of the RoW acquisition on the project stagnated at 85.7%, with the 349 PAPs pending payment. However, the total outstanding amount to be paid reduced from US\$ 2.236 billion to US\$ 1.880 billion following a supplementary review of the valuation. The delay in

⁸¹ SPI = 0.68

payments to PAPs affected access to sites by the contractor. Figure 3.4.12 shows the performance of the project.

Figure 3.4.12: Performance of the Muyembe-Nakapiripirit Road Project as at end of April 2025



Source: PBS and field findings

Implementation Constraints

The project has uncompensated PAPs which has affected access to some sections of the road.



Muyembe–Nakapiripirit Road Project: L – Laying of base layer at km 74+800; R – Completed Chepsikunya Bridge at km 42+170

Conclusion

The performance of the project was rated good. There was an improvement in the performance of the project between October 2024 and April 2025. The performance of the project was majorly affected by persistent Right of Way issues. Despite the improvement in performance, there is a risk that the project would require extension of both the loan and contract durations amounting to 6 months.

Recommendations

- i) The MoWT should prioritise allocation of financing for the acquisition of the RoW.
- ii) The MoWT should negotiate for extension of the loan duration to enable completion of the project scope.



3.4.17 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 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 3.4.15.

Table 3.4.15: Summary of Rwenkunya–Apac–Lira–Acholibur Road Project details and performance as of 30th April 2025

Funding agency	Islamic Development Bank
Loan signature date	12th March 2020
Date of loan effectiveness	30th April 2020
Original closure date of loan	1st May 2025
Revised closure date of loan	31st August 2027
Loan amount	USD 210.0 million
Loan disbursement performance	61%
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 57 months
Contract start date	07th December 2020
Original contract end date	07th December 2023
Revised contract end date	7th October 2025
Contract time elapsed	52 months (as of 30th April 2025), equivalent to 91.2 %.
Land acquisition	The number of PAPs paid was 1,345 (48.4%) out of 2,776 PAPs valued
Lot 2: Apac – Lira – Puranga Road (100.1 km)	
Original contract price	US\$ 416,337,936,348.42
Contract period	The original contract period was 3 years (36 months). The contract period has been revised to 53 months
Contract start date	14th December 2020
Original contract end date	14th December 2023
Revised contract end date	23rd May 2025
Contract time elapsed	52 months (as of 30th April 2025), equivalent to 98.1%
Land acquisition	The number of PAPs paid was 4,237 (85.6%) out of 4,947 PAPs valued

Source: Author's compilation, project documents

Financial Performance

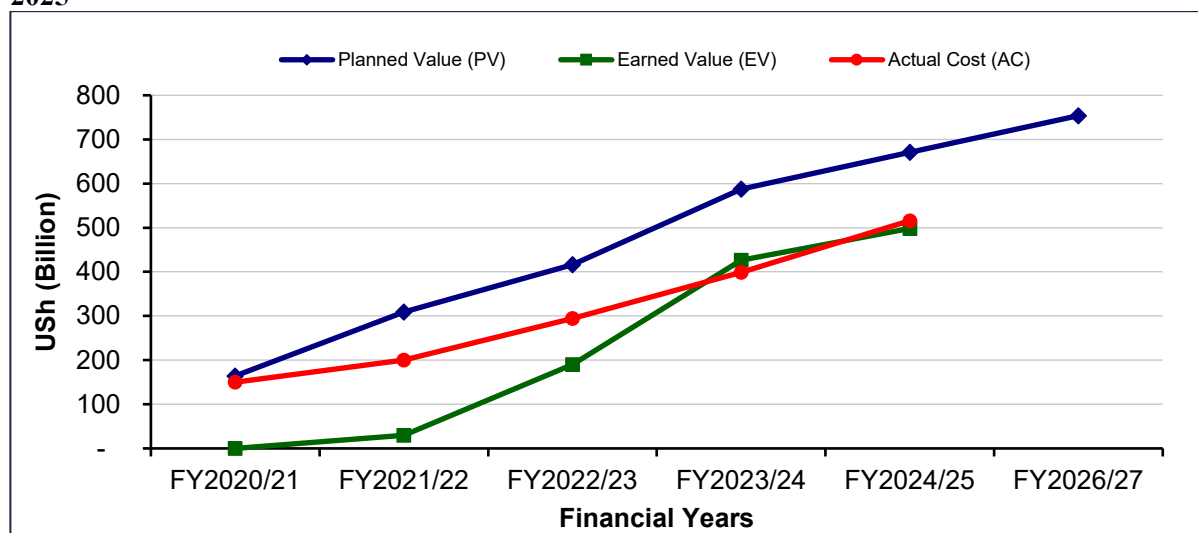
The cumulative loan disbursement was 61%, against the loan lifetime of 67% as at the end of March 2025. A total of USD 127,269,284 had been disbursed by the bank and fully absorbed. The land acquisition budget under the GoU funding was estimated at USh 120.317 billion, of which USh 66.203 billion (50.0%) was paid.

By the end of March 2025, the financial progress of the civil works contract for Lot 1 was at 68.0% while that of Lot 2 was at 68.8% against a plan of 72.9% (based on the revised programme).

Physical Performance

Overall, the performance of the Rwenkunya–Apac–Lira–Puranga Road Project was fair but behind schedule⁸² (Figure 3.4.13). Lots 1 and Lot 2 achieved an average physical progress of 66.3%, against a plan of 89.3%. This was a slight improvement compared to the average physical progress of 60% achieved in October 2024.

Figure 3.4.13: Performance of Rwenkunya–Apac–Lira–Puranga Road Project as of 30th April 2025



Source: Author's compilation, project documents

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

Lot 1: The cumulative physical progress achieved was 59.7%, against a plan of 100%, representing a slippage of 40.2%. Along the 90.1 km road section under Lot 1, the contractor had achieved 47.7 km of asphalt concrete surfacing (52.9%), 51.0 km of subbase (56.6%), 51.0 km of base course (56.6%), 2.4 km of swamp treatment (31.1%), and 32 box culverts (47.8%). The quality of work executed was satisfactory.

Lots 2: The cumulative physical progress achieved by the end of April 2025 was 72.9%, against a plan of 78.6%, hence a slippage of 5.7%. Out of the 100.1 km road section under Lot 2, the contractor had achieved 52.6 km of asphalt concrete surfacing (52.6%), 53.2 km of base course (53.1%), 53.4 km of subbase (53.3%), 18.2 km of swamp treatment (100%), 94 box culverts (90.4%), and 49 pipe culverts (50.5%).

The project's slow progress was mainly caused by the persistent delays in securing the RoW and the prolonged design review process. As of April 2025, only 67.8% of the RoW had been

⁸² The project had a schedule variance of USh -172.31 billion and a SPI of 0.74.

acquired. Consequently, the contractors faced a shortage of workspaces, leading to reduced productivity. Given the current performance levels, the project is projected to experience a time overrun of 20 months⁸³, with the anticipated completion date of 30th May 2027.



Construction of a 3-cell box culvert across Ibuje Swamp at km 72+100 along Rwenkunya – Apac Road Project



Completed section of Apac–Purange Road Project with road marking, at km 101+780

Project Implementation Constraints

- i) The project performance was affected by delays in RoW acquisition arising from inadequate GoU funding for this component.
- ii) Delay in finalisation of design changes.

Conclusion

The performance of the project was fair, at 66.3%. The implementation of the civil works on both lots was behind schedule, which could lead to a time overrun of 20 months. This would push the project end date to 30th May 2027, which is within the loan withdrawal limit of 31st August 2027. The value of the civil works accomplished was commensurate with the expenditures; nonetheless, the project has experienced an increase in the scope of works, which will likely result in an estimated cost overrun of US\$ 26.7 billion.

Recommendations

- i) The MoWT 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

3.4.18 Upgrading Rukungiri–Kihiki–Ishasha/Kanungu Road (1311)

Introduction

The Road Sector Support Project V (RSSP V) was formulated to facilitate the upgrading from gravel to bitumen standard of Rukungiri–Kihiki–Ishasha/Kanungu (78.5km) – Lot 1, and Bumbobi–Lwakhakha (44.5km) – Lot 2 Roads, including: capacity enhancement; consulting services for technical and financial audits; and compensation and resettlement. Thus, the

⁸³ The Project Estimated Schedule at Completion is 77 months.



project objective was to improve road access to socio-economic facilities and quality of transport service levels in the southwestern and eastern parts of Uganda. These interventions were expected to contribute to improved standard of living of the beneficiaries; provide support to the tourism industry; and promote regional integration and cross-border trade with the DRC and Kenya.

The RSSP V was co-financed by the African Development Fund (85.11%) and the Government of Uganda (14.89%). The total project cost was UA 82.25 million (USD 126.27 million, which was made up of UA 70.00 million (USD 107.46 million) ADF contribution and UA 12.25 million (USD 18.81 million) as GoU counterpart financing. Table 3.4.16 presents a summary of the project information.

Table 3.4.16: Summary of the Road Sector Support Project V as at end of March 2025

Funding agency	African Development Bank (85.11) and GoU (14.89%)
Loan signature date	3rd February 2015
Date of loan effectiveness	20th April 2015
Original date of closure	31st December 2020
Revised date of closure	31st December 2024
Loan amount	USD 96,376,157
Loan disbursement performance	97%
Lot 1: Rukungiri–Kihiki–Ishasha (78.5 km)	
Original contract price	US\$ 207,834,646,967
Revised contract price	US\$ 245,091,706,731 (increment of 17.9%)
Contract start date	5th November 2018
Original contract end date	4th November 2021
Revised contract end date	17th November 2023
Lot 2: Bumbobi – Lwakhakha (44.5 km)	
Original contract price	US\$ 140,724,306,533
Revised contract price	US\$ 171,323,485,532.38 (increment of 21.7%)
Contract start date	6th December 2016
Contract end date	6th December 2018
Revised contract end date	21st December 2020

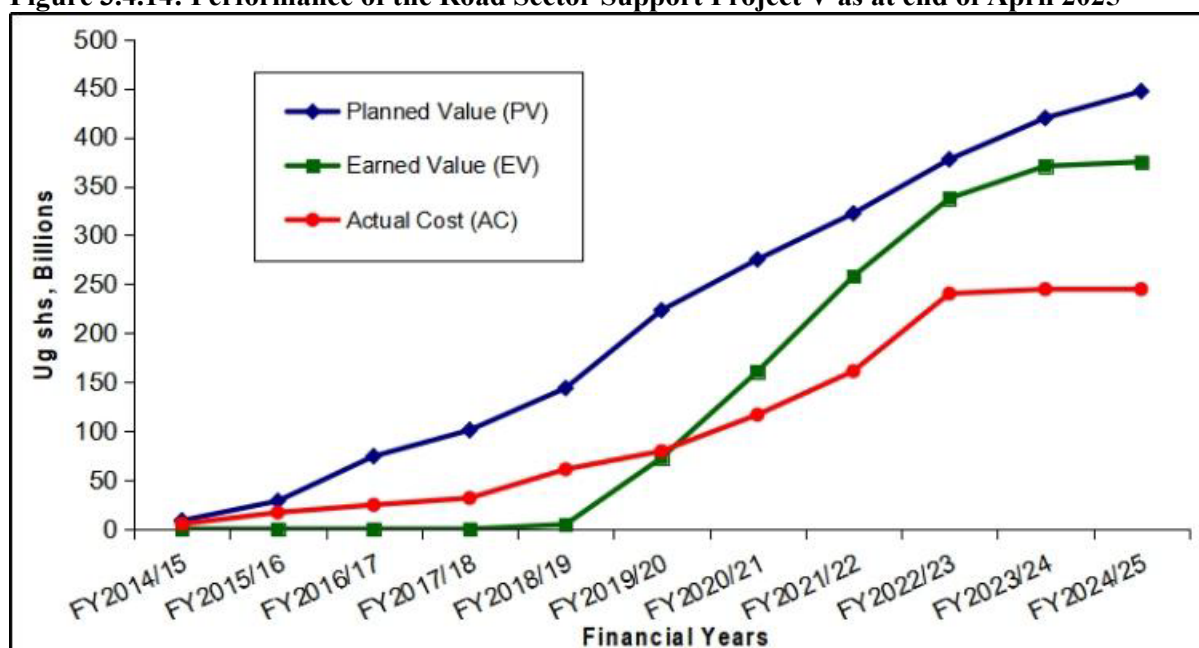
Source: Author's compilation, project documents

Financial Performance

The disbursement performance of the loan was good, at 97%, at the end of March 2025. A total of USD 96.376 million had been disbursed by the bank. The cumulative financial progress of Lot 1 was 108.21%, against planned of 100%, as at the end of the contract. The overall revised cost of Lot 1 at completion was US\$ 359.966 million, out of which US\$ 245.091 million was approved. The required amount above the approved contract amount needed to ensure full execution of the Lot 1 scope was US\$ 114.874 million (46.9% of the contract amount), which the GoU had committed to funding. Figure 3.4.14 shows the performance of the RSSP V Project over the years.



Figure 3.4.14: Performance of the Road Sector Support Project V as at end of April 2025



Source: Author's compilation, project documents

Physical Performance

The physical performance of the project was very good, at 96%. The construction activities of the upgrading of the main roadworks achieved completion (end of Defects Liability Period) on 17th November 2024 and 20th February 2022, for Lot 1 and Lot 2, respectively. Both lots were under use by the general public. RAP implementation was at 88.08% and 99.2% for Lot 1 and Lot 2, respectively. The pending cases on Lot 2 were mainly absentee PAPs and those with court disputes that are yet to be resolved.

However, the project demonstrated inefficiencies in the conversion of resources into results as both lots had had suffered delays, majorly attributed to delayed land acquisition of the RoW and extreme wet weather conditions during implementation. Specifically, for Rukungiri–Kihiki–Ishasha (Lot 1), there was delayed access to the Ishasha bridge on the border of Uganda and DRC. Full implementation of the Lot 1 scope was affected by the increased quantities beyond the approved cost of the civil works.

The additional amount needed to ensure full execution of the Lot 1 scope was required for: the construction of 6 km town roads; access to Kihiki Airstrip (1.3 km), and the Ishasha DRC bridge; cost for variation of price; lining of drains along the cut sections and construction of embankment toe drains; and turnout/mitre drains within the RoW.

Other additional works were: unforeseen ground conditions – rock excavation works; additional slope protection works using gabion boxes at locations with collapsing/shearing soils; additional cross culverts and access culverts; relocation of utilities for town roads; payment for time-related cost due to the awarded extension of time of 24 months that ended on 30th November 2023; increased quantities for precast barrier kerbs at high fills; and super-elevated road section costs for chutes.



Lessons Learnt

- i) Delayed acquisition of the RoW affects project implementation and performance.
- ii) Inadequate designs increase the project scope, and leads to exhaustion of project budgets.

Conclusion

The disbursement performance of the loan as at the end of December 2024 was 96.77%. Both Lot 1 and Lot 2 main road upgrading works were completed; and the RSSVP V ended in December 2024. However, the scope of Lot 1 was not fully implemented due to an increase in the target quantities beyond the approved project budget. The required amount needed to ensure full execution of the Lot 1 scope was USh 114.874 million. The procurement of the contractor for the additional works for Lot 1 was ongoing at the stage of negotiation.

Recommendation

The MoWT should expedite the procurement of the additional Lot 1 works in order to enable full execution of the project scope.

3.4.19 Kisoro–Mgahinga Road Upgrading Project (1545)

Introduction

The Government of Uganda, through the MoWT, is upgrading the Kabale–Lake Bunyonyi (15.1 km) and Kisoro–Mgahinga (18.1 km) Roads from gravel to bituminous standard. The project is estimated to cost USD 80.231 million (USh 301.540 billion)⁸⁴ and is jointly financed by a loan from the African Development Fund and the Government of Uganda counterpart funding. 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 implementation period was from 1st July 2021 to 30th June 2025.

The project is divided into five components:

1. Road Construction Works of Kabale–Lake Bunyonyi and Kisoro–Mgahinga Roads
2. Project Supervision and Implementation Support Services
3. Institutional Capacity Building
4. Provision of Ferries and Search and Rescue Boats
5. Compensation and Resettlement

Table 3.4.17 presents a summary of the project information.

⁸⁴ 1USD = USh 3758.40

**Table 3.4.17: Summary of the Kisoro–Mgahinga Road Upgrading Project as of 30th April 2025**

Funding agency	African Development Bank	
Loan signature date	11th May 2021	
Date of loan effectiveness	21st July 2021	
Date of closure	31st December 2025	
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)
Contract period	36 months.	27 months
Contract start date	1st April 2025	16th October 2023
Contract end date	31st March 2028	8th August 2025

Source: Author's compilation, project documents

Financial Performance

The project's financial performance was poor, with a total expenditure of USD 21.721 million (US\$ 81.636 billion), equivalent to 27% of the total project cost. The poor absorption of funds was attributed to the delayed commencement of civil works.

The disbursement performance of the loan was at 31%, against the loan lifetime of 83%, as at the end of March 2025. A total of USD 11,309,219 had been disbursed and spent by the end of March 2025, up from USD 5,279,312 (15% of the loan amount) disbursed by October 2024. The counterpart funding budget for land acquisition was US\$ 44.976 billion, out of which US\$ 39.132 billion (87.0%) had been released and spent.

Physical Performance

The performance of the Kisoro–Mgahinga Road Upgrading Project was poor, at 22.2%. This poor performance was due to earlier delays in procurement and commencement of contracts for both civil works and consultancy services. The project was behind schedule, given that the remaining loan duration was 17%. It is clear that although the implementation of the project has begun, it cannot be completed within the loan duration. The performance of each component is shown in Table 3.4.18.

**Table 3.4.18: The Kisoro –Mgahinga Road Upgrading Project physical performance by component as at 30th April 2025**

Component	Performance (%)	Remarks
Road Construction Works	0	The contract for the civil works commenced on 1st April 2025, and the contractor had started mobilisation.
Project Supervision and Implementation Support Services	0.5	A consultant for project supervision was procured and commenced work on 8th February 2024
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 had not commenced by April 2025
Provision of Ferries and Search and Rescue Boats	8.9	Assembly of the two ferries and delivery of rescue boats was on going and at 63.4% progress. Progress was affected by heavy rains
Compensation and Resettlement	12.8	The number of PAPs paid was 1,661 (89.4%) out of 1,857 PAPs valued
Overall Physical Performance of the Project	22.2	The performance of the project was poor

Source: Author's compilation, project documents

Conclusion

The implementation of the Kisoro–Mgahinga Road Upgrading Project is behind schedule. The project will not be completed within the stipulated loan timelines; therefore, there is a need for an extension of the loan duration to achieve the full scope.

Recommendation

The MoWT and MoFPED should negotiate with the African Development Bank for an extension of the loan duration to account for the timelines of the construction contract.

3.4.20 Kyenjojo (Kihura) –Bwizi–Rwamwanja–Kahungye/Mpara–Bwizi Roads (1785)

Introduction

The Kyenjojo (Kihura)–Bwizi–Rwamwanja–Kahunge/Mpara–Bwizi (68 km) Road is a civil works project aimed at upgrading the roads to a bituminous standard. The project is estimated to cost USD 110 million 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 – Kahunge (68 km) and Mpara – Bwizi (37km) Roads to paved standard; ii) Upgrading of 20km of selected town roads; and iii) Installation of solar-powered street lighting in four major townships and urban centres. Table 3.4.19 provides a summary of the project information.



Table 3.4.19: Summary of the Kyenjojo (Kihura)–Bwizi–Rwamwanja–Kahungye/Mpara–Bwizi Roads Project as at end of April 2025

Funding agency	Islamic Development Bank
Loan signature date	29th April 2024
Date of loan effectiveness	29th October 2024
Date of loan closure	30th April 2028
Loan amount	USD 110 million
Contract price	US\$ 463,798,895,154
Loan disbursement performance	15%

Source: Author's compilation, project documents

Financial Performance

By the end of March 2025, the loan disbursement was at 15%, against the loan lifetime of 11%. A total of USD 16.666 million had been disbursed by the end of March 2025. The counterpart funding budget for land acquisition was US\$ 71.0 billion; however, by March 2025, no funds had been released.

Physical Performance

The contract for the civil works to upgrade the Kyenjojo (Kihura)–Bwizi–Rwamwanja–Kahungye/Mpara–Bwizi Roads was signed on 18th December 2024, however, construction for the project had not commenced by the end of April 2025. The delay in starting construction was due to several factors, including the delay in procuring a supervision consultant and the delayed acquisition of at least 30% of the RoW, which is a prerequisite for commencement. The delay in acquiring the RoW was due to a lack of funding from the Government of Uganda.

Implementation constraints

- i) Delayed acquisition of the RoW due to inadequate counterpart funding of this component.
- ii) Delayed procurement of a supervision consultant.

Conclusion

The commencement of construction has stalled. With 11% of the loan duration elapsed, it is necessary to expedite the procurement of consultancy services and the acquisition of the RoW if the project is to be completed within the loan period.

Recommendations

- i) The MoWT and The Islamic Development Bank should expedite the procurement of the consultant.
- ii) The MoWT and MoFPED should prioritise the allocation of funding for the acquisition of the RoW.

3.4.21 Upgrading of Katine–Ochero Project (1796)

The Government 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 total project cost is estimated at USD 108 million, funded through a combination of loans and GoU contribution. The OPEC Fund for International Development (OFID) provided a USD 30 million loan (27.8% of project cost), while the Islamic Development Bank (IsDB) provided a USD 70 million loan (64.8% of project cost). The GoU is responsible for financing land acquisition along the project corridor. Table 3.4.20 presents a summary of the project information.

Table 3.4.20: Summary of the Katine–Ochero Road Project as at end of April 2025

Funding agency	OPEC Fund for International Development	Islamic Development Bank
Loan signature date	7th February 2024	29th April 2024
Date of loan effectiveness	23rd April 2024	29th October 2024
Date of closure	31st March 2028	30th April 2029
Loan amount	USD 30 million	USD 70 million
Loan disbursement performance	0%	0%
Project status	Still under procurement	

Source: Author's compilation, project documents

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.

As of April 2024, the procurement process for both the contractor and the project consultant was ongoing, with bids at evaluation stage for the civil works contractor.



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. 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.
Project duration	42 calendar months (revised to 62 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	US\$ 17,134,514,500.
Defects Liability	12 months
Scope of works	Project studies (economic studies, park management studies, flood risk assessment, and drainage masterplan). Design and construction of 44.35 km road network, bridges, and weighing bridges facility (upgrade roads to asphalt pavement and walkways, plus greening). Design and construction of drainage network (complete surface water drainage network in the road corridors using stone pitch and concrete culverts). Design and construction of a 20 km sewerage network, including an underground sewer pipe network.

	<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.</p>
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Source: UIA- Project progress report, March 2024

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 30th April 2025, the overall contract financial performance was 57.91%, against a time progress of 94%. A total of 24 Interim Payment Certificates (IPCs) worth EUR 117.242 million were 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 new supervising consultant's (MBW Consulting Limited) invoices were still pending payment as of 30th April 2025. It was reported that US\$ 5 billion was released to UIA under the GoU non-wage component in the second quarter of FY 2024/25 to cater for some of the unpaid invoices for supervision.

The project was spending more resources and achieving less value⁸⁵ (Figure 3.5.1). This is further emphasised by a cost overrun of over EUR 10 million.

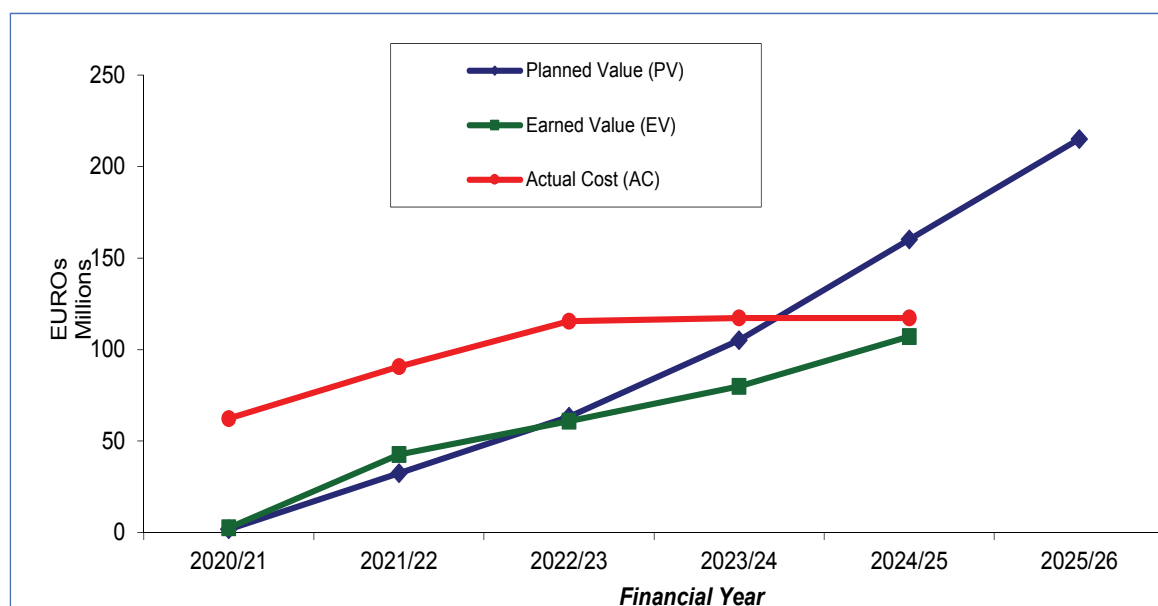
Physical Performance

The cumulative physical progress was 58%, compared to 54% in November 2024, 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, solid waste treatment plant, and SME park, which contribute 30% of the project scope. Although the site for the waste water treatment plant was handed over to the contractor in April 2023, construction had not commenced as of 30th April 2025 due to contractor's reluctance to start works.

The project's cumulative earned value was below the planned value at EUR 107.146, against a EUR 160.122 for the same period. The project was behind schedule⁸⁶ with a schedule variance of EUR -52,975,940.

⁸⁵ Cost Performance Index (CPI)=0.91.

⁸⁶ Schedule Performance Index (SPI)=0.67

**Figure 3.5.1: Performance trends of KIBP by 30th April 2025**

Source: UIA, MoFPED, and field findings

It was observed that although the Technical Committee resumed meetings, the Steering Committee hardly met to guide progress and address the outstanding issues between the contractor and the client. The slow progress on achievement of outputs poses a risk of cost and time overruns. This emanates from idle time, delayed payment to the contractor and Owner's Engineers, and delayed acquisition of 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 a divergent interpretation of the contract terms.

Table 3.5.2: KIBP summary performance by 30th April 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	83%	59%	Approximately 34 km of the 45 km of roads were under construction. The North Estate registered significant progress at 93% while the South B Estate posted poor performance at 27%.
5	Water supply network construction	75%	53%	Excavation and pipe laying of HDPE DN 80 and backfilling were ongoing in South C Estate, but behind schedule.
6	Sewerage network construction	74%	44%	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.

No.	Activities	Planned Progress	Achieved	Remarks
7	Wastewater collection	61%	0%	Progress was registered in the North Estate. No ongoing works with some encumbrance affecting the completion of the sewer line P1-2, N2-1, and N2b.
8	Solid Waste Treatment Facility construction	53%	0	No work done since the site had not been identified. UIA plans to re-scope and package it for another phase.
9	Power supply services construction	66%	17.27%	The UEDCL approved the final design and was submitted to the Engineer's Representative (ER) for review.
10	Fibre optic	69%	18.17%	NITA-U review and approval of the Good for Construction drawings still awaited, micro ducts samples and data sheets submission.
11	CCTV services construction	69%	18.17%	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	61%	8%	Works ongoing in the North Estate and no progress registered in the South B and C Estates.
13	Waste Water Treatment Plant (WWTP)	62%	0%	Site acquired, contractor procured but yet to commence works.
14	Solid Waste Treatment Facility (SWTF)	53%	0%	No work done since the site has not been identified. UIA initiated the procurement of alternative land for SWTF .
15	Weighbridge	75%	6%	Slow progress on the weighbridges
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	69%	58%	Fair performance overall with a 2% increase from the previous assessment. All works are behind schedule.

Source: UIA 2025, and field findings



L-R: A box culvert along A3 road in the South A Estate. Drainage works along a road in the North Estate, KIBP, Namanve.

Implementation Constraints

- i) The delayed acquisition of sites for the solid wastewater treatment plant and an SME Park has slowed project progress.
- ii) 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.
- iii) Failure by the Project Steering Committees to regularly convene meetings was delaying the settling of some disagreements between the contractor, the supervisor, and the client. This was exacerbated by the absence of a Disputes Adjudication Board.
- iv) Absence of GoU counterpart funding for the project to cover the costs of the Owner's Engineer. All certificates for the Owner's Engineers, worth US\$ 10.28 billion, had not been paid due to a lack of counterpart funds.



L-R: A section of a completed road in South B Estate. A section of a completed road and drainage in the North Estate of KIBP, Namamve

Conclusion

The cumulative project performance by 30th April 2025 stood at 58%, against a target of 84%, indicating fair progress with significant delays. The majority of the planned outputs were behind schedule, with some yet to commence. This underperformance is largely due to delays in site acquisition for key components, including the Wastewater Treatment Plant (WWTP), Solid Waste Treatment Plant, and the SME Park, which together account for approximately 30% of the project scope. These delays highlight issues with project readiness on the part of the client.

The project exhibits a negative schedule variance and is projected to exceed the original budget, with the estimated cost at completion (EAC) now at EUR 235,329,678.16. Delayed initiation of critical works has led to both time and cost overruns.

The UIA should avoid establishing industrial and business parks in wetlands, due to the complex compliance requirements and environmental constraints these areas present. For future industrial and business parks, it is essential to complete comprehensive feasibility studies, designs, and master plans before any land allocation to investors. This approach will ensure better coordination, more efficient infrastructure development, and reduced project delays.



Recommendations

- i) The UIA 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.
- ii) The UIA should compel the contractor for the WWTP to commence works without further delay. Additionally, NEMA should be proactively engaged at every stage of land acquisition, particularly where the infrastructure development intersects with fragile or sensitive ecosystems.
- iii) The Project Steering Committee should adopt a more proactive and vigilant oversight role in project implementation. This includes holding regular, structured meetings to monitor progress and respond to stakeholder concerns in a timely and coordinated manner.

The GoU should ensure adequate and timely counterpart funding to fulfill its financial commitments



3.6 Mineral Development

3.6.1 Airborne Geophysical Survey and Geological Mapping of Karamoja (1542)

Introduction

The airborne geophysical survey and geological mapping of the Karamoja Project aims at exploring the mineral potential in the whole of the Karamoja Region and Lamwo District. The region is endowed with both metallic and industrial minerals due to the diverse nature of its geology and the vast area that remains undiscovered.

The project is being implemented by the Ministry of Energy and Mineral Development (MEMD). The total cost of the project is EUR 23.663 million, with funding by a loan of EUR 20.113 million from the Corporate Internationalisation Fund of Spain (FIEM) and the rest from the GoU. The loan signing date was 27th June 2019, with the project start date of 1st July 2019 and an initial completion date of 30th June 2023, which was revised to 30th June 2025.

Project Scope

The airborne survey aimed at using magnetic and radiometric techniques to survey the whole Karamoja Region, covering an approximate distance of 350,000 to 378,957 line-kilometres. The electromagnetic survey was meant to cover three targets with the potential of high mineral occurrence by geological observation, with a total of 8,157 line-kilometres.

The project work was categorised into three phases, namely:

- **Phase one:** Survey of a total of 227,993 line-km of geophysical data and 23,189 line-km of gravity data for the whole of Karamoja and Lamwo. The data for this survey identifies the target areas in the region to undertake additional activities.
- **Phase two:** A detailed survey of 40% of the potential areas explored in phase one using a narrower line spacing, providing high-resolution information. This targeted: 90,000 line-km of magnetic and radiometric data; 8,600 line-km of gravity data; and 90,000 line-km of electromagnetic data using magnetic, radiometric, and gravity technologies. Electromagnetic technology will also be used to improve the quality of data.
- **Phase three:** Geological and geochemical activities to improve the existing data and confirm anomalies detected in the phases one and two airborne surveys.

Financial Performance

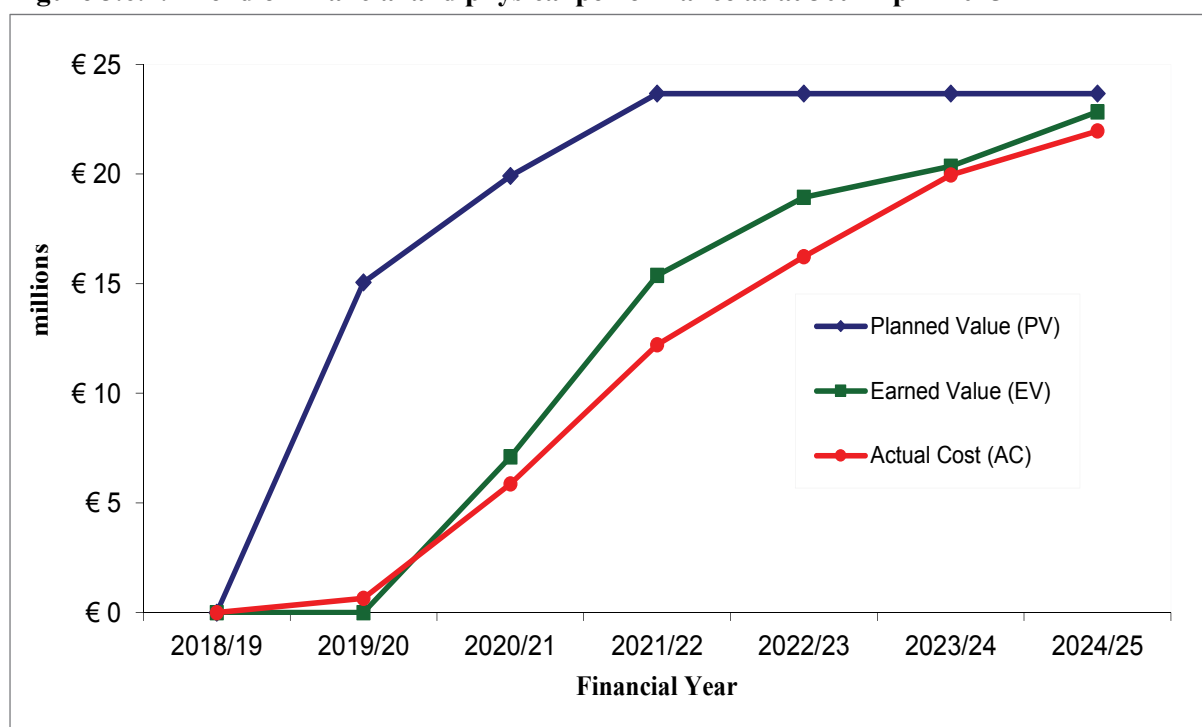
The cumulative loan disbursement was EUR 19.3 million (96%). The project was performing well financially⁸⁷, with actual costs below the value of completed works (Figure 3.6.1). This was partly due to the pending payment of the contractor under the loan, with payment of the last certificate (34th) of the aerial survey and retention bond yet to be processed. The payment for the Quality Control Consultant by the GoU had also not yet been made due to a lack of counterpart funding arising from low project prioritisation by MEMD.

⁸⁷ Cost performance index of 1.03.

Physical Performance

The overall physical progress was at 97%. The project was slightly behind schedule⁸⁸, thus 3% behind schedule with earned value less than the planned value (Figure 3.6.1) as at the end of April 2025. This is because some phase three activities, such as drilling of special areas of geological interest to confirm anomalies, were pending due to GOU counterpart funding constraints. The survey in its initial years also experienced delays due to the COVID-19 pandemic and failure to meet the effective loan conditions.

Figure 3.6.1: Trend of financial and physical performance as at 30th April 2025



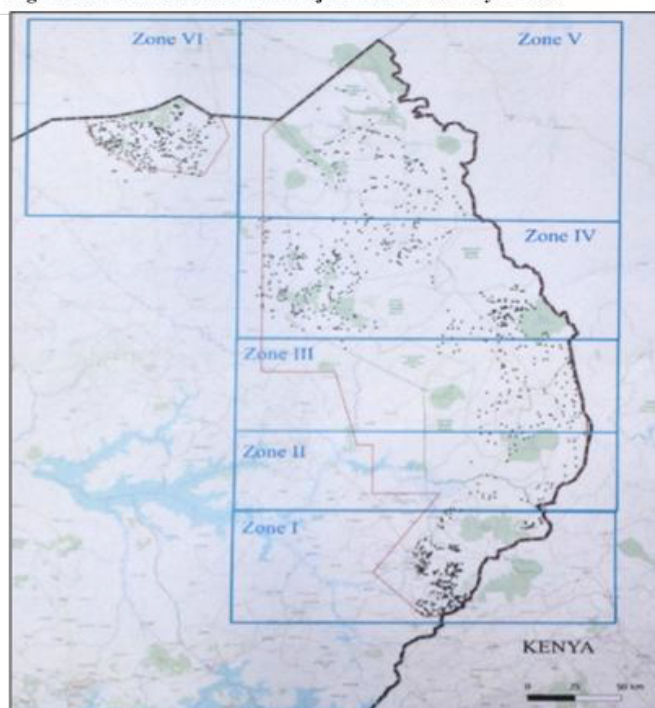
Source: Progress project reports, author's analysis

The geophysical data acquisition for the Karamoja and Lamwo areas under phases one and two was completed. This component of data acquisition included the use of gravity, magnetic, radiometric, and electromagnetic technologies for the respective minerals. The magnetic surveys were for magnetic minerals (iron ore), gravity surveys for high-density minerals (gold) and radiometric survey for conductive minerals (copper), and electromagnetic surveys for radioactive minerals (uranium). Figure 3.6.2 illustrates the geographical coverage for phase 1 and 2 completed areas in Karamoja (Block A) and Lamwo (Block B).

The phase three geochemical survey works over an area of 41,581 square kilometres, was completed. A total of 1,248 stream sediment samples were collected across six zones (Figure 3.6.2), but short of the 3,000 target for the project. Mineral content analysis of the collected samples was undertaken at the designated International Standard Organisation (ISO) certified laboratories, namely ALS-Minerals in Spain and ACTLABS in Canada. The analysis of samples was undertaken in overseas laboratories due to the lack of an appropriate laboratory at the Directorate of Geological Survey and Mines (DGSM) for conducting sample analysis.

⁸⁸SPI of 0.97

Figure 3.6.2: Location of Karamoja Airborne Survey Blocks



Source: MEMD Reports

The collected samples were being kept at the data preparation and sample storage facility at the DGSM, Entebbe.

A project database to identify and locate the sample storage on the GIS system was also developed. Additionally, with the conclusion of phases one and two works and part of the phase three activities, the geophysical and geochemical mineral atlas for the sub-region was generated.

The pending work under phase three involved drilling activities for mineral resources assessment for some of the explored targets in the Karamoja and Lamwo areas. This was affected by the unavailability of counterpart funding.



L-R: A data preparation and sample storage room at Entebbe; some of the analysed samples on shelves in the storage sample room, Entebbe

Implementation Constraint

The MEMD's lack of prioritisation of the counterpart funding delayed payment of the Project Consultant and the conclusion of phase three drilling activities, with less than two months to project closure on 30th June 2025.

Conclusion

The airborne survey progress was good, at 97%, although slightly behind schedule by 3%. Phases one and two of the aerial survey data collection were completed, and phase three for data analysis was being concluded. The disbursement on the loan was also high, at 96%, while the 15% GoU contribution had been fully utilised. However, the project was also operating



slightly under budget due to pending payments for the supervision consultant. With the project scheduled to end by 30th June 2025, some of the phase three project activities, such as drilling to confirm mineralisation, were also pending as a result of low counterpart funding due to low prioritisation by the MEMD.

Recommendation

The MEMD should reallocate a funding amount of US\$ 1.13 billion from the DGSM budget to cover incomplete activities after the project closure on 30th June 2025.



3.7 Natural Resource, Environment, Climate Change, Land and Water Resources Management

Introduction

Ten externally financed projects were assessed under the Natural Resources, Environment, Climate Change, Land, and Water Management Programme. These are: i) Development of solar-powered Water Supply and Irrigation Systems; ii) Farm Income Enhancement and Forestry Conservation-III; iii) Integrated Water Management and Development; iv) Investing in Forests and Protected Areas for Climate-Smart Development; v) Irrigation for Climate Resilience; vi) Kampala Water – Lake Victoria Water and Sanitation Project; vii) South Western Cluster Project; viii) Strategic Towns Water Supply and Sanitation Project; ix) Support to Rural Water Supply and Sanitation; and x) Water and Sanitation Development Facility – North Phase II.

3.7.1: 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 by a commercial loan from the United Kingdom Export Finance (UKEF) and a Government of Uganda (GoU) contribution. The overall project cost is US\$ 383.522 billion (taxes inclusive)⁸⁹. The project is implemented through the MWE by Nexus Green (UK) Limited as the contractor. The project objective is to address the demands for water supply in the different parts of the country amidst impacts of climate change, on agricultural productivity and the entire economy.

The contract commencement date was 26th July 2021 for a period of 36 months up to 25th July 2024 with a Defects Liability Period of 12 months. However, this was extended for a period of 16 months to August 2025. The project has three components, which are: Water for Production (WfP), Rural Water Supply (RWS), and Urban Water Supply (UWS). Henceforth, the project will provide water to support irrigation and increase water supply to at least one site per constituency to ensure equitable distribution across all regions in the country. The project basic information is presented in Table 3.7.1.

Table 3.7.1: Development of solar-powered Water Supply and Irrigation Systems Project basic data

Project name	Design, supply and installation of solar-powered water supply and irrigation systems
Type of contract	Commercial contract
Contract financing	Government of Uganda and the United Kingdom Export Finance
Loan amount	EUR 111,060,59190 (US\$ 415,248,445,296 with 18% VAT inclusive)
Government contribution	15% of the contract sum, US\$ 13,710,610,744 (taxes inclusive) as consultant fees and administrative costs not priced at project formulation
Contract sum (VAT inclusive 18%)	94,119,144.91 (US\$ 351,903,012,115)
Date of contractor's signature	3rd July 2020

⁸⁹ The project cost excludes the administrative costs which were not budgeted for.

⁹⁰ Exchange rate = US\$3738.91.



Date of signing financing agreement	12th February 2021
Date of commencement	26th July 2021
The original date of completion	26th July 2024
Current completion date	23rd August 2025
Last loan disbursement	6th July 2025
Advance payment	EUR 9,000,000 (Nine million euros)
Retention	10% of the value of works
Number of liquidated damages	0.1% of the final contract sum pay day
Limit of liquidated damages	10% of the contract price
Bond and guarantee validity	21st November 2025

Source: Owner; compilation; Facility agreement February 2021; Supervision contract July 2021; and MWE March 2025 Project report

Scope of Work

Construction of 687 solar-powered water supply and irrigation systems across the country. These include 252 irrigation sites (WFP) and 435 water supply sites, catering for both rural and urban communities. The irrigation sites form the small-scale irrigation systems (SSIS), while urban site receive energy packages⁹¹ and rural communities receive piped water supply. The site works comprise of mainly: pump and guardhouse; solar array; fencing; transmission line; distribution line; reservoir tank; external works; public stand post; and sanitation facility.

Financial Performance

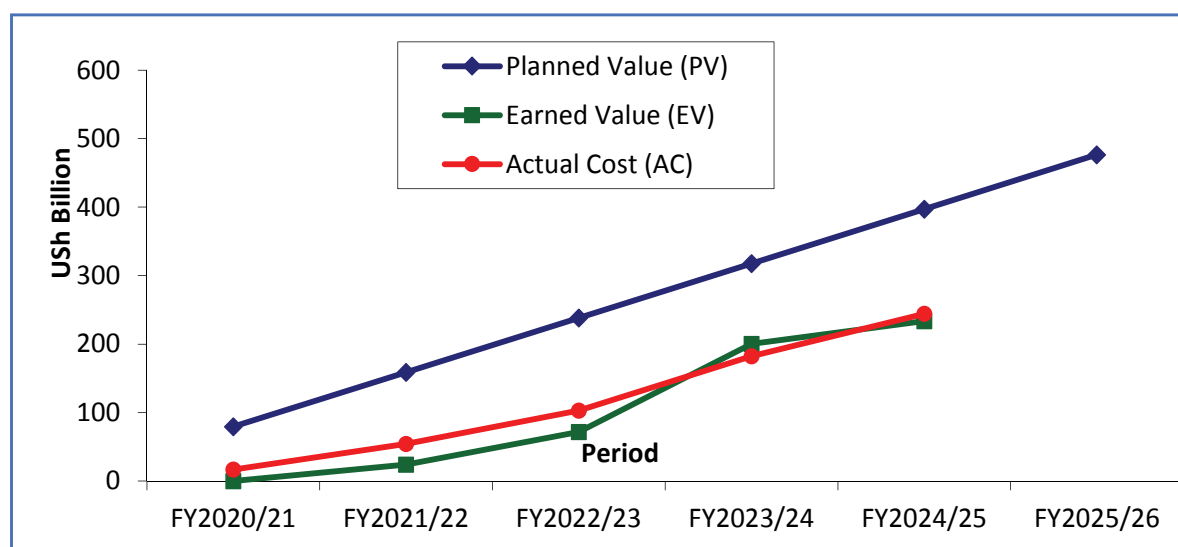
By 30th March 2025, US\$ 195.403 billion (51%) of the project cost had been released and spent. This comprised the prerequisite advance payment of US\$ 33.7 billion in 2021. It thus shows an inefficiency⁹² (Figure 3.7.1). In particular, the project cost will increase to US\$ 409.8 billion to complete the remaining works.

⁹¹ The energy package is installed on the existing water supply systems, mainly comprising solar panels, an energy storage system, and energy-efficient pumps and motors.

⁹² Cost variance (-105).



Figure 3.7.1: The performance of solar-powered water supply and irrigation systems by 30th June 2025



Source: Development Committee concept note, PBS and MWE Project data for the period 2020–2025

Physical Performance

As of May 2025, 378 (55%) out of the planned 687 sites were completed. This was an improvement upon the 169 completed sites reported in September 2024. However, the project was behind schedule⁹³ and may require another extension of 17 months with contract ending 23rd August 2025 (90.2% time progress). The other ongoing project works included 28 sites that were still in the design phase and four sites that were ready for construction to commence. These designs were at various stages of development. These stages included a pre-feasibility stage, a feasibility stage and a detailed design stage (Table 3.7.2).

Table 3.7.2: Site status for solar-powered water supply and irrigation systems project by May 2025

Site category	No. of sites ongoing		No. of sites substantially competed		No. of sites substantially handed over	
	September 2024	May 2025	September 2024	May 2025	September 2024	May 2025
Urban sites	65	74	38	53	6	41
Rural sites	91	121	37	74	8	55
Irrigation sites	130	146	90	99	10	56
Total	266	341	145	226	24	152

Source: MWE reports September 2024 and March 2025, and author's analysis

The works delays were attributed to a number of factors, including late commencement of works a year after the contract signing; delay in signing the financing agreement, and the need to fulfil the preconditioned 5% advance payment which was not budgeted for at that time;

⁹³ The schedule variance is negative = -1.6 showing the project is behind schedule.

delays in design approvals by the MWE and in site handover to the contractor, which affected the pace of works.

During the months of May and June 2025, 17 sites were monitored, which included 10⁹⁴ irrigation site and 6⁹⁵ water supply system (WSS) sites plus one having both. The quality of works was commendable, with an average functionality rate of 98%. Delays in technical handover of completed sites (67%) meant extra costs for management to the contractor.

The installation of the solar energy package resulted in reduced energy costs, and improved efficiency as reported by the managers at the various sites. Especially, the water supply systems sustainability, reliability, and resilience improved. There was reduced reliance on grid electricity or generators, which is costlier for systems which were on the grid or that used generators.

There were cases of re-designing to get better yields in Kasanda, Gayaza Kayunga, and Luweero sites. In terms of performance, the systems are highly depending on sunlight, which is affected by weather patterns and seasonal changes. Based on these, beneficiaries reported dry taps and reduced flow of water to their gardens on days of less sunshine since less or no energy is produced to pump water to the reservoirs.

The irrigation systems provided reliable and consistent water supply for agricultural production in cases where farmers were already in practice. Increase in crop yields and improved food security were evident to them. The completed schemes provided reliable and consistent water supply, reducing dependence on rainfall, and thus there was improvement in crop quality and quantity since famers were able to produce during the dry season when others waited for the rains. Some of the crops grown include tomatoes, eggplants and coffee.

Despite the benefits, some of the solar-powered small-scale irrigation schemes visited had operational issues. Others had works delayed due to famer delays in clearing the land or conflicts over land; but there were no more cases of pumping system failures. The cases of underutilisation of completed facilities reduced too, implying that they were rectified during the defects period.



Water intake for Nakitoola SSI, Mityana District and a PSP at Iruhura SSIS, Kabarole

Implementation Constraints

- i) Insufficient water resources in certain areas of the county led to site failures, disruptions, and premature abandonment by the contractors, causing significant delays in project works.

⁹⁴ Paminmel (Gulu), Apitopat (Amolatar), Rwot Obilo (Gulu), Lapem (Nwoya), Nakitoola (Mityana), Namakofu (Luweero), Nakakono (Luweero), Iruhura (Kabarole), Nankusi (Mbale), Miti Ebiri (Rakai).

⁹⁵ Kalingo-Kyakadaali (Mubende), Rwigo-Kinombe (Kabarole), Mailo (Namutumba), Lwanda Urban (Rakai), Luyanzi Toowa (Buikwe), Katunguru WSS (Buikwe).



- ii) There is lack of a clear budget allocation for administrative costs, hindering the project's ability to effectively manage and cover essential operational expenses. These encompass establishment of sustainability structures; building capacity in agronomy practices to enhance agricultural productivity; and commissioning of sites to facilitate handover and operationalisation.

Conclusion

The project performance was fair compared to the previous one in September 2024 and having increased on the number of completed outputs. However, the project was behind schedule and the value of outputs lower than the incurred cost. The project was affected by poor project planning where there were no prior project feasibility studies and designs before project initiation. Land acquisition and resource constraints, too, were constraining factors on the pace of implementation. To complete all the planned outputs, the project will incur time and cost overruns of 10.8 months and US\$ 276.495 billion, respectively.

Recommendation

The MWE should prioritise and reallocate funding to operational costs for the project to enhance capacity building of the project beneficiaries and commission completed sites to offset the contractor's burden of maintenance and payment for security.

3.7.2: Farm Income Enhancement and Forestry Conservation Project Phase II (1417)

Introduction

The Government of Uganda (GoU) is completing the implementation of the second phase of Farm Income Enhancement and Forestry Conservation Programme - Project (FIEFOC-2) financed with a loan from the African Development Bank (AfDB) and a grant from the Nordic Development Fund (NDF). It is jointly funded to the tune of US\$ 333,719.5 billion by AfDB, NDF and the GoU. The AfDB loan agreement was approved on 20th January 2016, signed on 17th February 2016, and the first disbursement effected on 31st May 2016. The NDF grant was signed on 21st July 2016. The project was initially planned to be completed on 30th June 2021; but it was later extended three times, and is expected to be finalised by 31st December 2025.

The MWE, in collaboration with MAAIF, are the Executing Agencies (EA) of the FIEFOC-II. The overall goal of the project is to contribute to poverty reduction and economic growth in Uganda through enhanced productivity and commercialisation of agriculture. 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 expected outcomes of the project were: i) Improved incomes for farmers and rural entrepreneurs; and ii) Improved integrated natural resources management practices.

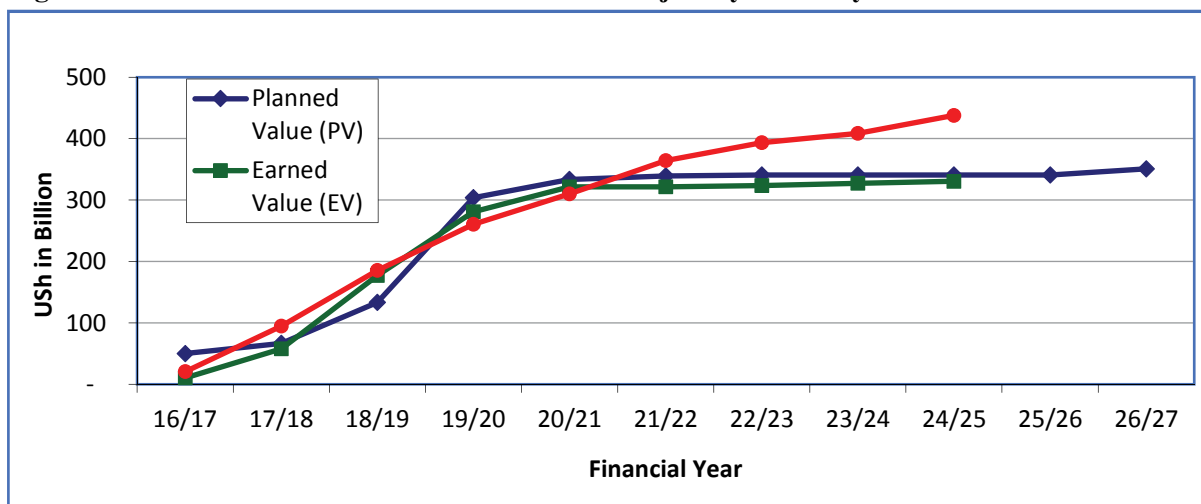
The project has four components, namely: 1) Agricultural Infrastructure Development; 2) Agribusiness Development; 3) Integrated Natural Resources Management; and 4) Project Management.

Financial Performance

The overall project cost was US\$ 333.719 billion, of which 113% (US\$ 444.767 billion) was spent by 31st May 2025 (Figure 3.7.2). The GoU counterpart funding was 72.087 billion (22%), of the project cost. By 31st May 2025, the project registered cost overruns of US\$ 52.522 billion, which were attributed to changes in the scope of works for the Wadelai and Tochi Irrigation Schemes, and project extensions.

The project was expected to be complete by 30th June 2024, but was later revised to 31st December 2025. However, work performed cost more than planned under the GoU counterpart funding in respect of expanded scope at the Wadelai and Tochi Schemes (Figure 3.7.2). It is estimated that the project cost will rise up to US\$ 444.959 billion to complete the remaining works and 3.6-month extension.

Figure 3.7.2: Performance trends of FIEFOC-II Project by 31st May 2024



Source: MWE, IFMS and PBS data and authors' analysis

Physical Performance

The overall physical performance was at 97%, four irrigation schemes of Doho II, Mubuku II, Ngenge, and Tochi were completed 100% and are functional. However, it was noted that Tochi was completed but later eroded by flooding.

The remaining scheme at Wadelai was substantially complete at 96% progress. This was delayed by a change of site for major scheme components and subsequent land acquisition issues. The project provided capacity building for farmers and farmer organisations in financial accessibility and financial management skills. However, the project registered cost overruns worth US\$52.522 billion on the GoU counterpart funding due to continuous project extensions and variations in the scope of works. A summarised performance is indicated in Table 3.7.3.



Table 3.7.3: Summarised performance of Farm Income Enhancement and Forestry Conservation Project Phase II Project by May 2025

Agricultural Infrastructure Development	
The four irrigation schemes (Doho II, Wadelai, Mubuku II, Tochi, and Ngege) had been completed save for Wadelai which stagnated at 94%. However, it was noted that Tochi which was completed, was later eroded by flooding.	<p>Only remedial works, functionality improvements and technical backstopping for Mubuku II, Doho I, Olweny, Wadelai, Ngege and Agoro Irrigation Schemes were provided.</p> <p>Procurement for contractors and specialists is in advanced evaluation, with contract signatures expected by mid-July.</p> <p>However, there were Paten community grievances over the 365 ha command area.</p>
Agribusiness Development	
Aquaculture was promoted within irrigation schemes, apiculture within watershed areas, alongside seed/seedling production and marketing, capacity building, market development, cooperative support, and youth empowerment through ENABEL youth initiatives.	<p>Business skills development was imparted, from which 14,676 benefitted (4,814 women, 6,187 youth, 3,675 men).</p> <p>Capacity building for farmers/farmer organisations in financial accessibility and financial management skills benefitting a total of 11,843 farmers, of whom 2,624 were youth while 453 were trainees.</p> <p>103 youth under the ENABLE Youth Pilot Programme were trained and supported with US\$ 2,343,868,330 to establish agri-businesses based on a revolving fund approach.</p>
Integrated Natural Resources Management (INRM)	
The management plans for each of the five catchment areas had been concluded.	The project successfully facilitated ecosystem protection and restoration in key catchment areas, trained nursery operators, and conducted forestry resource assessments.
Project Management	
The implementation of the options selected in the catchment management plans for Mubuku-II, Manafwa, Ngege and Tochi watersheds was completed apart from Wadelai.	No further progress was made here.

Source: Authors' compilation

Implementation Constraints

- i) Insufficient counterpart funding for start-up activities, including community engagements and ESIA, which could delay project initiation.
- ii) Community disputes: The Paten community in Wadelai has raised grievances over the 365 ha substitute command area due to conflicts with cultural leadership, potentially affecting project progress and community relations.
- iii) Contractor performance issues: Delays in completing works on the Wadelai Irrigation Scheme are primarily due to contractor cash flow constraints, impacting project timelines.



Conclusion

The project performance stagnated at 97%. The construction of four irrigation schemes had been completed and were functional. However, work at the Wadelai Scheme was not achieved efficiently. Procurement of a new contractor took time partly due to land conflicts with the Paten community and their cultural leadership. The MWE needs to fast-track procurement and the land conflict resolution to avoid further project delays.

Recommendations

- i) The MWE should actively engage community stakeholders to facilitate dialogue between the Paten community and cultural leadership, aiming to resolve disputes, foster community buy-in, and minimise project disruptions.
- ii) The MWE should prioritise budgeting for start-up activities related to Wadelai, including community engagements and ESIA, to ensure timely project commencement and avoid delays in subsequent phases.
- iii) The MWE should expedite procurement processes and strengthen project oversight by implementing robust monitoring and evaluation systems to track progress, address emerging issues promptly, and ensure adherence to new project timelines.

3.7.3: Integrated Water Management and Development Project (1530)

Introduction

The Integrated Water Management and Development Project (IWMDP) is financed through a combination of 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 million⁹⁶ (US\$ 1,162.17 billion).⁹⁷ The financing became effective on 27th June 2019, with an initial closing date of 2nd December 2024, which was later revised to 31st January 2026.

The project development 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. The MWE and the National Water and Sewerage Corporation (NWSC) are the implementing agencies. The project comprises four components, namely Component 1: Water Supply and Sanitation (WSS) in Small Towns and Rural Growth Centres (RGCs), and Support to Refugee Host Districts; Component 2: WSS in Large Towns and Support to a District Hosting Refugees; Component 3: Water Resources Management; and Component 4: Project Implementation and Institutional Strengthening.

⁹⁶ GoU counterpart (USD 8 million), KfW financing (USD 25 million) and IDA (USD 280 million).

⁹⁷ Exchange rate is USD 1 = US\$ 3,713.



Financial Performance

By 31st March 2025, the overall financial performance of the project was fair, with total releases amounting to USD 226.16 (72% of the project cost), of which 76% was absorbed (Table 3.7.4). Loan disbursements improved from 57.2% in September 2024 to 65.78% by March 2025, with 71.11% of the loan funds absorbed. However, the GoU expenditure exceeded its commitment level by 72%, driven by higher land compensation costs and the redesign of River Nyamwamba, which were not part of the original project scope. Overall, the value of work completed slightly exceeded⁹⁸ actual expenditure⁹⁹ (Figure 3.7.3), attributed to increased progress of work across several awarded contracts.

Table 3.7.4: Financial performance of the Integrated Water Management and Development Project as at 31st March 2025

Funder	Committed funds (USD million)	Disbursement (USD million)	Expenditure (USD million)	% disbursed or released	% of disbursement spent
IDA	280.00	184.2	130.99	65.78	71.11
KfW (grant)	25.00	27.55	27.55	110.2	100
GoU counterpart	8.00	14.41	14.00	180.13	97.16
Total	313	226.16	172.54	72	76

Source: NWSC; MWE, externally funded projects' report March 2025; Programme Budgeting System progress reports FY 2019/20 – FY 2024/25

Physical Performance

Overall, the project had a steady improvement in performance, rising to 64% in May 2025 from 58% in November 2024 to (Figure 3.7.3). However, with the planned costs significantly higher than the actual work accomplished, the project was way behind schedule¹⁰⁰. There were delays arising from land acquisition challenges in Busia, Mbale and Namasale; design reviews; delayed importation of materials; financial constraints on the part of some contractors; and re-tendering due to overpriced bids, among others.

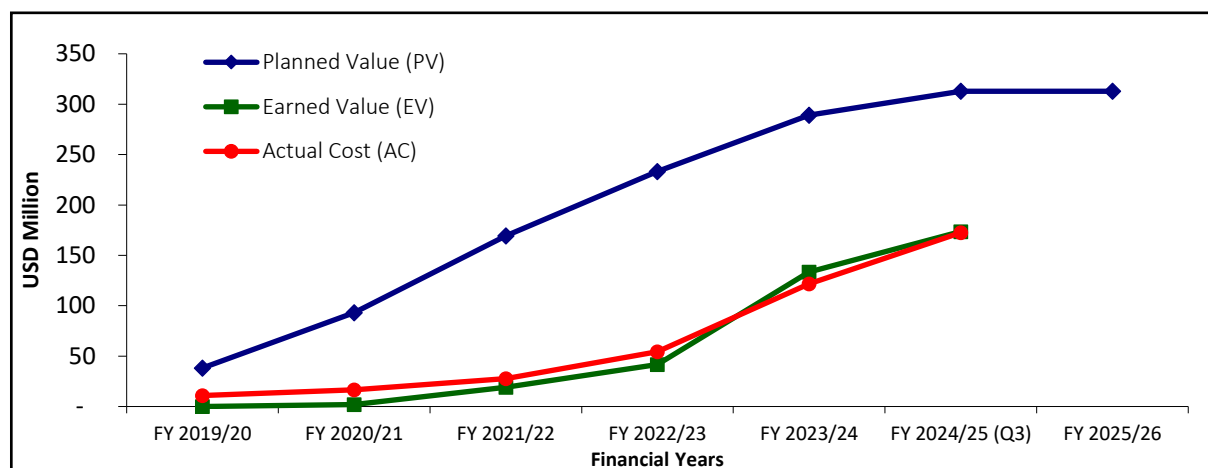
Component 3 recorded the highest performance, at 92%, followed by Component 1, at 53%, and Component 2, at 47%. The improvement was largely attributed to the completion of water supply and sanitation works in Busia and Gulu-Karuma, as well as several interventions under Component 3, such as the Lwakhakha priority catchment, installation of the Water and Environment Information System (WEIS), and catchment management plans, among others. Additionally, piped water systems advanced significantly as follows: Bitsya (80%), Namasale (99%), Kaliro-Namung'alwe (62.9%), Butaleja-Busolwe (80%), Tirinyi-Budaka-Kibuku-Kadama (69%), and Adjumani (40%).

⁹⁸ Earned value (EV) = USD 173.63 million.

⁹⁹ Actual cost (AC) = USD 172.54 million.

¹⁰⁰ Schedule Performance Index = 0.56 which is less than one (1) implying behind schedule.

Figure 3.7.3: Performance of the Integrated Water Management and Development Project as at May 2025



Source: Authors compilation from MWE, externally funded projects reports; PBS progress reports FY 2019/20 – FY 2024/25

The following sections provide a detailed breakdown of performance status for key project outputs and activities under each component.

Component 1: Water Supply and Sanitation in Small Towns, Rural Growth Centres, and Support to Refugee Host Districts

This component focuses on implementing activities aimed at improving access to water supply and sanitation services through three sub-components. The overall performance of the component was fair, at 53%. A detailed breakdown of progress under each sub-component is provided below.

(i) Water supply and sanitation services for small towns

As of May 2025, the achievement under this sub-component was very good, averaging 96.2% completion, reflecting steady improvements across ongoing works (Table 3.7.5).

Table 3.7.5: Performance of the water supply and sanitation services for Small Towns Sub-programme by 31st May 2025

Output and Target	Achieved	% Progress
Five (5) piped water supply systems (including public & institutional sanitation facilities) constructed for the following towns: Busia, Namasale, Kaliro-Namungalwe, Tirinyi-Kibuku-Budaka-Kadama, Butaleja-Busolwe; and Kyegegwa-Mpara-Ruyonza WSS designed	Completion levels: Busia 100%, Namasale 99%, Kaliro-Namungalwe 62.9%, Tirinyi-Kibuku-Budaka-Kadama 69%, Butaleja-Busolwe 81%. Kyegegwa-Mpara-Ruyonza (100%)	85.15
Four (4) faecal sludge treatment facilities (FSTFs) constructed for the following locations: Busia-Butebo, Ngora-Kumi, Koboko, Rukungiri	Busia-Butebo (100%), Ngora-Kumi (100%), Koboko (98%), Rukungiri (100%)	99.5
765,560 m pipes and fittings, and 25,000 micro and bulk water meters procured, supplied and installed for UWS	This output was 100% achieved	100
Capacity of Umbrellas of Water and Sanitation (UWS) strengthened and Water Utility Regulation Department supported	This output was 100% achieved	100
Average Performance		96.2

Source: MWE, IWMDP 3rd quarter progress report, FY 2024–25

The Namasale Water Supply System and Sanitation Facilities recorded 99% physical progress, against 100% time elapsed, a significant improvement upon the 71.3% in November 2024, with major works such as the installation of electromechanical equipment finalised during the reporting period.

The Butaleja-Busolwe Water Supply and Sanitation System reached 81% physical progress, against 80% time elapsed, up from 41% in November 2024, with critical works like transmission mains, distribution networks, sanitation facilities, and reservoirs largely complete. However, challenges such as changes in pipe materials led to an extension of the completion date to September 2025, while delays in consumer connections persisted due to pending promotional payments.

The Tirinyi-Kibuku-Budaka-Kadama Water Supply and Sanitation System also showed notable improvement, reaching 72% completion, compared to 77.9% time elapsed, rising from 24.3% in November 2024. Ongoing activities, including sanitation facilities and pipeline works, continued to face community and PAP resistance delays along transmission and distribution lines, which impacted overall progress.



Electrical and mechanical installations at the water treatment plant of Namasale WSS in Amolatar District

(ii) Water Supply and Sanitation for Rural Growth Centres (RGCs)

As of May 2025, the overall progress under this sub-component was at 53%. For the two large Gravity Flow Schemes (GFSs), Nyamugasani reached 54% completion and Bitsya 80%. Nyamugasani's works, split across two contracts, showed steady progress on core structures such as the chemical house, sedimentation and clear water tanks, sanitation facilities, and reservoir tank supports. Health, safety, and gender measures were in place, although the project faced delays due to protracted compensation and redesign needs following the rejection of initial compensation by a PAP at the intake site.



L: The chemical mixing house; R: Stud columns awaiting the reservoir tank at Nyamugasani WSS in Kasese District

Regarding the large solar-powered schemes, the original plan for 32 systems was scaled down to 15 due to limited water sources at some sites, and budget constraints linked to high capital costs. Of the 15 systems under implementation, completion levels varied widely: Kikoora and Mwitanzige in Kakumiro District reached 96% physical progress, against 72% time elapsed, with nearly all infrastructure – including pumping stations, electromechanical works, reservoir tanks, pipelines, and sanitation facilities – complete.

Other systems ranged as follows: Kasese and Lwentulege, both in Rakai District (83%); Kabamba and Bugwara, both in Kagadi District (43%); Bukizibu-Bumwena in Mayuge District (28%); Lugala in Namayingo District (16%); Kitenga in Kaliro District (27%); Kidera and Igwaya, both in Buyende District (75%); Bugomolwa and Kikonge-Nakasero both in Kyankwanzi District (27%); Kikooge in Nakasongola District (30%); and Labaali in Kassanda District (30%).

(iii) Water Supply and Sanitation for Refugee-Hosting Communities

As of May 2025, the overall achievement for this sub-component stood at 10%, with detailed progress for each output outlined below:

The **Ala-Ora Water Supply System** in the refugee-hosting districts of Madi-Okollo, Yumbe, and Terego comprises the Nyagak and Anyau systems, serving areas like Rhino Camp, Mvepi, and Bidi-Bidi Zone 5. Construction works, divided into four lots and fully contracted by July 2024, started in September 2024 and are expected to finish by December 2025. However, physical progress remained low by May 2025, with Lots 1–4 ranging between 3% and 14%, against 40% time elapsed.

The **20 solar-powered water systems** target was revised to 13 due to budget limitations, with construction started at Gulinya and Arinyaipi in Adjumani and contracts signed for eight other sites in Yumbe, Moyo, and Lamwo. In Kiryandongo, the contract for three systems (Gaspá, Mutunda, Kyakabale) was terminated in September 2024 due to poor performance at only 15% progress, and the remaining works were under retendering as of May 2025.

Meanwhile, micro-catchment management plans were developed for six sites (Ora, Anyau, Laropi, Ayugi, Nyimur, and Mutunda) but procurement for implementation was suspended due to funding shortfalls, leading to deprioritisation of this activity.

Component 2: Water Supply and Sanitation for Large Towns and a Refugee-Hosting District

This component, implemented by NWSC, focuses on improving water supply, sanitation, and sewerage services in Gulu and Mbale Cities, Adjumani-Pakele Town Councils, and selected areas of Adjumani District, along with source protection measures for Arua, Gulu, Mbale, and Bushenyi. Overall progress was at 47% by May 2025.

- **Karuma-Gulu Water Supply and Sanitation System:** Implemented in two packages, both of which were substantially completed and handed over in December 2024, with the contractor addressing snags. The developed infrastructure includes a water intake, treatment plant, reservoirs, and a 69.5 km transmission pipeline.
- **Mbale City Water Supply and Sanitation System:** Divided into two lots, Lot 1 (sewerage and treatment) and Lot 2 (distribution and public sanitation). Both lots were behind schedule by May 2025 (Lot 1 at 27% and Lot 2 at 5%) due to land disputes, scope changes, and technical design adjustments.
- **Adjumani-Pakele Water Supply System:** Progress was at 40%, compared to 67% of elapsed time, indicating delays. Key structures for the intake and treatment plant were under



construction, and approximately 42 km of 65 km of the distribution pipeline was laid, and 35 km pressure tested.

- **Source protection measures:** Implementation started for 10 out of 15 activity sets in Arua, Gulu, and Mbale in January 2025. In Bushenyi, three contracts were at signature stage as of mid-April 2025.

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. As of 31st May 2025, the average achievement of component three (3) was very good, at 92%. The detailed performance of the interventions under this component is presented below.

The implementation of priority catchment management measures: A combination of priority catchment management measures was implemented across four sub-catchments. The performance status for each was as follows: Lwakhakha (100%), Aswa-II (95%), Kochi (85%), and Lower/Middle Awoja (78%), resulting in an average achievement of 89%. In total, 2,693 hectares were planted with various tree species, and 1,132 households benefitted from alternative livelihood activities such as apiary, energy-saving stoves, fish farming, and fruit growing (see Table 3.7.6).

Table 3.7.6: Performance of catchment management measures in the four sub-catchments as at 31st May 2025

Catchment Management Measure	Target	Achieved	% Progress
Tree planting (ha)	2,948	2,693.00	91
Soil and water conservation measures (ha)	840	847.52	100
Water source protection (number)	55	44.50	81
Riverbank stabilisation (km)	633.4	590.00	93
Gullies control (km)	6.73	6.73	100
Wetland restoration (ha)	1,602.5	1,470.50	92
Alternative livelihoods (households)	1,700	1,132.00	67
Average performance			89

Source: MWE, IWMDP project report September 2024

Albert Water Management Zone Strategy: The strategy and action plan for Albert Water Management Zone (AWMZ) were successfully developed, including a simplified popular version, achieving 100% completion. This strategy lays the foundation for long-term sustainable water management and development by promoting a participatory and integrated planning process at the catchment level.

Catchment management plans (CMPs): The preparation of the CMPs for all four catchments of Nyamugasani, Kafu, Sezibwa and Okweng have been successfully prepared, with the final versions under review, reflecting 95% achievement.

Groundwater assessment: A countrywide study assessing groundwater quantity and sustainability progressed to 70% completion level.

The Water Information System (WIS): The rollout of the WIS in regional laboratories was 100% completed. The WEIS is now operational at the MWE headquarters in Luzira (Kampala), DWRM offices in Entebbe, and in all the MWE regional offices (Mbarara, Lira, Mbale, Wakiso and Fort Portal).



Monitoring stations: The establishment of 17 hydro-meteorological monitoring stations (5 surface water, 5 groundwater, 2 climate, and 5 atmospheric deposition) and equipment supply was 80% achieved. Five pieces of 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 equipment was supplied, and installation, training and commissioning are awaiting conclusion of all the civil works.

Water quality laboratories: Due to limited funds, the National Water Quality Reference Laboratory rehabilitation was rescope, but new equipment was fully installed and operational in four regional labs (Lira, Mbale, Mbarara, Fort Portal), despite some requiring additional installations like direct water supply. The equipment led to increased revenue, sample throughput, accuracy, and reduced analysis costs, with sustainability supported through servicing agreements and enhanced staffing and training.

River Nyamwamba flood management in Kasese District: Completed in 2023, this output delivered priority catchment management measures, including reforestation of 1,775.7 hectares, restoration of 660 hectares through conservation, and stabilisation of 30 km of riverbanks, alongside alternative livelihood support such as beehives, cookstoves, and fish ponds, guided by a sustainability strategy with Kasese District Local Government. Emergency maintenance works also reinstated 5.4 km along River Nyamwamba. Meanwhile, a long-term flood protection solution covering 20 km, estimated at US\$ 132 billion, is being developed with a comprehensive design funded by the Government of Uganda.

Flood early warning system: The establishment of floods early warning system in Kasese District was deprioritised due to insufficient project funds.

Component 4: Project Implementation and Institutional Strengthening

The Water and Environment Sector Liaison Department coordinated and supported the engagement of various project stakeholders. Technical assistance was provided by a Project Support Team composed of individual specialists. Notably, a new Financial Management Specialist (FMS) was yet to assume duty following the resignation of the previous FMS on 30th September 2024. Key achievements during the period included: (i) preparation of quarterly and annual work plans, budgets, and progress reports; (ii) delivery of training to the MWE and NWSC staff on financial management, procurement, and environmental and social policies and procedures; and (iii) support to safeguards monitoring, among other activities.

Implementation Constraints

- i) Lengthy land acquisition for the location of water system components due to community resistance. For instance, in Nyamugasani, the PAPs at the original water treatment plant site rejected the CGV's assessed compensation, thereby leading to relocation and redesign, which caused delays.
- ii) Delayed processing of contractor and consultant payments by the MWE led to cash flow challenges, resulting in slow implementation of works, such as in the Bitysa WSS.



Conclusion

Overall, the IWMDP project registered slight improvement, reaching 64% physical progress by May 2025, up from 58% in November 2024. Key milestones during the reporting period included the operationalisation of the Karuma–Gulu water treatment plant and transmission mains, the test running of the Namasale WSS, and notable progress across several other water systems. However, challenges such as land acquisition delays and procurement setbacks continued to hinder implementation, leaving the project behind schedule. An estimated three additional years will be required to complete the remaining outputs. To achieve the project's objectives, the MWE needs accelerate implementation, resolve land acquisition bottlenecks, and ensure timely payments to contractors.

Recommendations

- i) The MWE should continually engage stakeholders to reduce community resistance and, where feasible, identify alternative land options in advance to minimise delays if proposed sites are rejected.
- ii) The MWE should ensure timely payments to contractors and consultants in line with contractual provisions, while also enforcing strict delivery on agreed performance targets.

3.7.4: 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 148.2 million¹⁰¹ (83%) and the GoU providing USD 30 million¹⁰² (17%). The project implementation period was from 1st July 2020 to June 2026. The loan became effective on 18th August 2021, and is scheduled to close on 30th August 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 geographical coverage includes the Albertine Rift and West Nile, with a focus on selected protected areas (PA): Seven National Parks (NP), four Wildlife Reserves (WRs), 27 Central Forest Reserves (CFR) and 19 refugee-hosting districts (RHDs).

The 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 (DLGs).

¹⁰¹ Exchange rate 1 USD= 3,700, equivalent value USh 548.34 billion.

¹⁰² Equivalent USh 111 billion.

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.

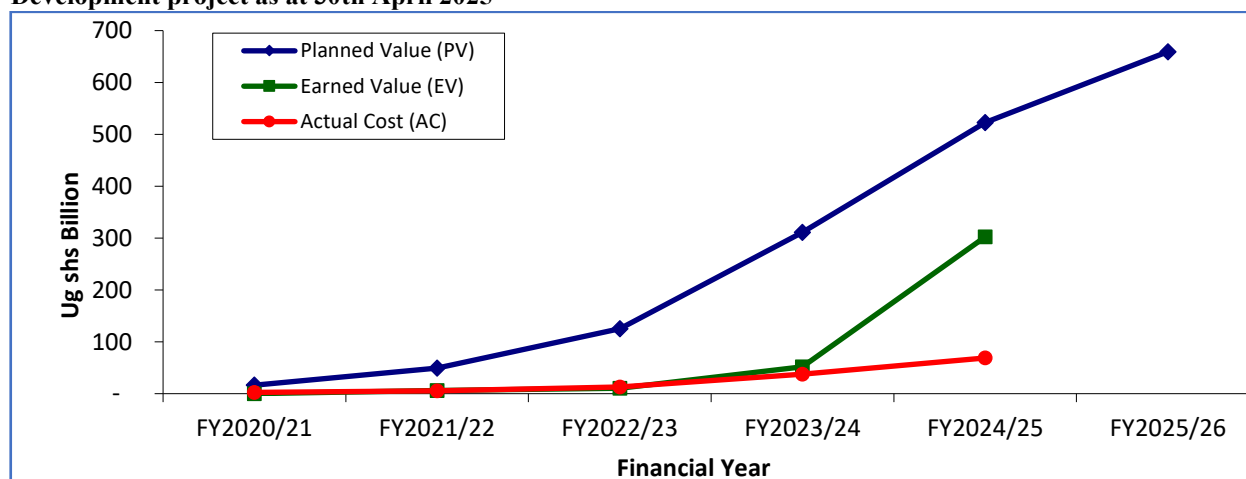
Financial Performance

By 30th April only USD 43.5 million (24% of the project cost) had been disbursed and USD 18.6 million (43% of the disbursed amount) expended. Although this was an improvement upon the USD 12.6 million in November 2024, this indicates poor financial performance, with both disbursements and expenditures lagging behind the project timeline of 80%. The cumulative earned value was below the planned value but above the actual cost, at USh 296.91 billion¹⁰³, compared to a target of USh 518.50 billion (Figure 3.7.4). This was partly due to pending payments to suppliers.

Physical Performance

By April 2025, the project had achieved 48% physical progress, 52% behind schedule. Notable gains were registered in infrastructure development, forest restoration, tourism enhancement, and community livelihoods. Key outputs included roadworks, boundary demarcation, invasive species control, enrichment planting, and tourism infrastructure, alongside support to Collaborative Forest Management (CFM) and Collaborative Resource Management (CRM) groups. The Cost Performance Index (CPI) shows the project is operating below the planned budget and was behind schedule. Despite initial delays due to procurement and staffing challenges, implementation gained momentum. The higher earned value was attributed to pending payments to suppliers for work done under the GoU counterpart funding.

Figure 3.7.4: Performance trend of the Investing in Forest and Protected Areas for Climate-Smart Development project as at 30th April 2025



Source: Authors' analysis based on MWE, IFPA-CD Project progress report June 2025, IFMS Data Programme Budgeting System Reports FY 2019/20 – FY 2024/25, 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

¹⁰³ Exchange rate of 1 USD=3,700 is used to translate to USh.

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 the NFA, the main targets 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. Community engagement was prioritised through the establishment of 19 Collaborative Forest Management (CFM) groups. Restoration efforts for enrichment planting of 5,000 ha. Accordingly, seedling production targets were reduced from 2.5 million to 988,000.

By April 2025, procurement for road construction design and supervision was concluded. Boundary demarcation covered 276.8 km, with 1,641 pillars installed. Contracts for office block construction were under evaluation. Invasive species management contracts were signed, and 17 out of 19 CFM plans had been agreed. A total of 4,101 ha had been planted, including 817 ha in Kitechura, Ibambaro, Matiri, and Muhangi CFRs, engaging 168 community members. In Bugoma CFR, 200,000 seedlings had been raised for planting on 500 ha.

UWA's interventions included constructing and maintaining 400 km of new and existing murram 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 Murchison Falls National Park (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 April 2025, 129.4 km of roads were maintained (100 km in MFNP and 29.4 km in QENP), and 1.2 km of trench maintenance was completed in Kibale NP. Fence construction had reached 7.8 km in QENP and 22 km in MFNP. Agro-inputs for buffer tea were supplied in BINP, and 2.2 km of buffalo wall was completed, with pending work near the Rwanda border requiring diplomatic engagement. Mapping of invasive species was completed in Katonga and Toro Semliki reserves, with 3,009.5 ha cleared and 1,226 ha mopped-up. One fire truck and 34 motorcycles were delivered, with another 48 motorcycles under contract. All 11 drones and 12 digital cameras were supplied. Community interventions achieved 60 new stoves and 526 water tanks, contributing to a cumulative total of 4,060 stoves and 633 tanks across protected areas.



Grader and tipper truck during roadworks in QENP



Part of the electric fence in QENP and a section of the boardwalk in Kibale National Park

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 the NFA, UWA, and the MWE.

The 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 April 2025, procurement for the VICs and reservation system was at contract award stage. Chimpanzee habituation was ongoing, trail maintenance had reached 74 km (50 km in Budongo and 24 km in Kalinzu), and staff training was completed.

UWA targeted five VICs in MFNP, SNP, RMNP, KNP, and BINP. Tourism diversification included a canopy walk in KNP, a zipline in QENP, a three-peak trail and boardwalks in MGNP and SNP, and mountain climbing infrastructure in Rwenzori NP. Gates, multipurpose centres, and bird hides were also planned. Equipment such as graders, excavators, bulldozers, tippers, and water bowsers were to be procured.

By the reporting date, procurement for all major infrastructure and tourism products was at bid evaluation stage.

Under this component the MWE was able to establish 18,000 hectares of forest plantations, and facilitated the development of a curriculum for diploma and certificate programmes at Nyabyeya Forestry College, and conducted a study on sustainable financing models for plantation forestry. Procurement processes for the related consultancy services were ongoing at different stages.



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 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 April 2025, the woodlot establishment contract was at the negotiation stage. Firewood call-off orders had been issued, and supply to PSNs was underway. The MWE had contracted 15 wood fuel suppliers, five distributors, and five monitors. Suppliers had stocked 52,538 m³ of wood fuel, of which 923 m³ had already been delivered to beneficiaries. These early interventions mark progress towards long-term goals of sustainable wood energy and enhanced landscape resilience in refugee-hosting areas.

Implementation Constraints

- i) Persistent procurement and contracting delays, which repeatedly push critical works from road construction in protected areas to tourism-product infrastructure and woodlot establishment into protracted bid-evaluation or negotiation phases. Slow procurement cycles stall physical implementation, compress delivery timelines, and risk cost overruns or no-cost-extension requests across all three components.
- ii) Coordinating multiple actors and overlapping interventions. Targets such as enrichment-planting hectares and buffer-tea acreage have had to be revised downward when boundaries, mandates, or diplomatic clearances intersect. Balancing the agendas of the NFA, UWA, the MWE, DLGs, community groups, and external partners (e.g., WCS, WWF) stretches management capacity and can dilute accountability for on-the-ground results.
- iii) Sustaining landscape resilience amid human pressures remains difficult. Protected-area managers confront simultaneous threats – human-wildlife conflict, invasive species spread, wood-fuel demand in refugee settlements, and fire outbreaks – yet the scale of remediation (fencing, trenching, clearing, energy stoves, water tanks) still lags behind need. Without quicker scale-up and long-term financing, ecological gains risk being incremental and easily reversed.

Conclusion

The IFPA-CD project achieved 48% physical progress, against an 80% time progress. The progress under all three components demonstrates a strong foundation for achieving long-term environmental resilience, improved protected area management, and enhanced community livelihoods. Institutional frameworks are in place, and procurement pipelines have advanced across implementing agencies. However, the success of the project now hinges on accelerating implementation, streamlining coordination among stakeholders, and ensuring timely delivery of contracted works. Strengthening inter-agency collaboration, enhancing Local Government capacity, and fast-tracking procurement processes will be critical for converting planned outputs into tangible, lasting outcomes. As implementation enters a critical phase, the focus must shift from planning to execution, with greater attention to adaptive management, community ownership, and sustainability of interventions across forest and wildlife landscapes.



Recommendations

- i) Accelerate procurement and contract management processes: Implementing agencies (MWE, NFA, and UWA) should streamline procurement procedures across all implementing agencies to reduce delays, fast-track project execution, and ensure timely delivery of outputs, especially for infrastructure, restoration, and tourism development activities.
- ii) Strengthen multi-stakeholder coordination and governance mechanisms: The NFA, UWA, the MWE, DLGs, and partners should align interventions, avoid duplication, and resolve cross-sectoral or transboundary implementation bottlenecks efficiently.
- iii) Scale up community-based and landscape-level interventions: Prioritise the expansion of sustainable livelihood and conservation measures such as energy access, invasive species control, and restoration through increased financing, community engagement, and integration with broader resilience strategies.

3.7.5: 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 USD 210.7 million consisting of an IDA credit of USD 169.20, counterpart funding of USD 20.90, borrower/recipient USD 2.40, and beneficiary contributions of USD 18.50. The project commenced on July 1, 2019 and the loan became effective on December 17, 2020. The revised closing date is April 2026. The project objective is to provide farmers in the designated areas with access to irrigation and other agricultural services, while establishing effective management arrangements for irrigation service delivery.

The key implementing agency is the MWE, working in collaboration with MAAIF and the NFA. The project is comprised of three components, namely: (1) Irrigation Services; (2) Support Services for Agricultural Production and Value-Chain Development; (3) Institutional Strengthening and Implementation Support.

Financial Performance

By 30th May 2025, the financial performance of the project was poor as it was in November 2024. A total of USh 285.5 was disbursed and USh 138.3 (48.4% of the release) was spent, against an 86% lapse of the project period. The project was operating under budget¹⁰⁴ and the earned value was far below the planned value¹⁰⁵ because more expenditure was made on PAPs (Figure 3.7.5). The poor financial performance was attributed to the termination of the contract for the Kabuyanda earth dam and delayed start of the Matanda earth dam works. On the other hand, there was over-expenditure on the GoU counterpart due to high costs for PAPs compensation.

¹⁰⁴ Cost Performance of Index = 2.73

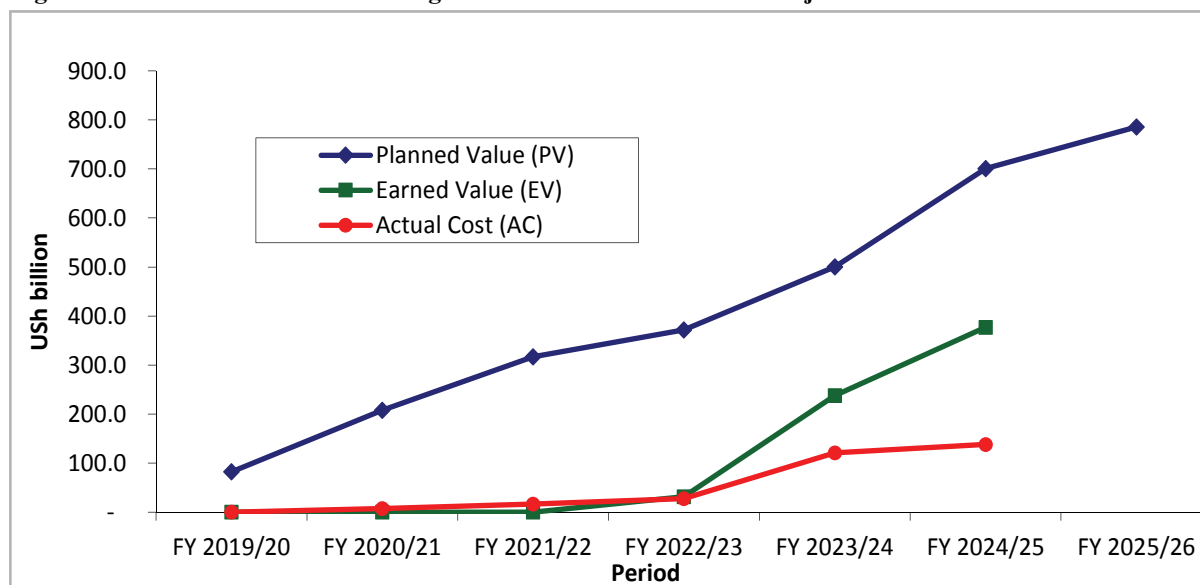
¹⁰⁵ Earned value = 377.136; Actual cost = 138.3



Physical Performance

The overall physical progress remained poor since the project progress stagnated at 20%, as reported in November 2024. Most of the planned outputs were not yet achieved despite 80%-time progress¹⁰⁶. Thus, the project was behind schedule, with Kabuyanda works at 21%, while Matanda was still at the procurement stage. The Resettlement Action Plan (RAP) was completed in Kabuyanda but still ongoing in Matanda. The project delays were primarily caused by extended design reviews and slow procurement processes.

Figure 3.7.5: Performance of the Irrigation for Climate Resilience Project as at 31st March 2025



Source: Authors' analysis based on MWE, ICRP Project profile; ICRP progress report October 2022–March 2025; Programme Budgeting System Reports FY 2019/20 – FY 2024/25

Component 1: Irrigation Services

This component aims to provide farmers with irrigation water across various irrigation models, including large- and medium-scale irrigation, and small- and micro-scale irrigation. The main focus was on infrastructure development of Matanda and Kabuyanda Irrigation Schemes and the progress is discussed below.

Kabuyanda Irrigation Scheme in Isingiro District: The Kabuyanda Dam Project in Isingiro District experienced significant changes. Initially awarded on 23rd November 2022, work began on 11th May 2023. However, the contract was terminated on 2nd September 2023, with only 21% progress. In May 2025, the project tender documents had been submitted to the World Bank for clearance after along settlement process.

A total of 1,328 PAPs were involved. All the six PAPs at the earth dam were paid, and no grievances were registered. In the main pipeline, 308 PAPs were fully paid. For the network, 1,235 of 1,298 PAPs were paid by January 2025, leaving 63 unpaid, while 26 required re-engagement for various reasons. Additionally, 149 new PAPs were assessed on new land. Overall, approximately 95.2% of PAPs received compensation, with efforts ongoing to resolve remaining cases.

¹⁰⁶ Schedule Performance Index=0.48.

Construction of Kabuyanda Off-Farm Network: The off-farm network construction works started on 9th April, 2024. Despite this, progress remained slow, with only 14% physical completion, against 86% of the scheduled time elapsed by May 2025. The contractor undertook site clearance, pipe trenching, pipe laying, and hydrostatic testing of pipelines. Challenges affecting progress include slow mobilisation of pipes and equipment; and disruptions caused by compensation-related encumbrances. The contractor established key site infrastructure, including offices, residential facilities, and storage areas.

Design of infrastructure and stakeholder engagement: Preliminary designs for roads, scheme buildings, and sanitation facilities in Kabuyanda were completed. A stakeholder engagement meeting was held, which involved the Local Government and community representatives, to review and prioritise the proposed designs. The initial plans included 46.48 km of community and sub-county roads and 47.24 km of farm roads. Stakeholders emphasised the importance of constructing river crossings to ensure year-round connectivity within the scheme.



Stone-pitched drainage under construction and pipe laying in Kabuyanda, Isingiro District

Matanda Irrigation Scheme

The MWE conducted a pre-bid site visit for the construction of the Matanda Roller Compacted Dam in Kanungu District, with bids from interested bidders received on 5th March 2025. The evaluation process was still ongoing. Compensation of the PAPs within the dam area was underway to facilitate smooth project implementation. Additionally, the MWE, in collaboration with MAAIF, held an entry workshop in Kanungu District aimed at disseminating the implementation modalities of the Matanda Irrigation Scheme.

A total of 782 PAPs were assessed for the Matanda Irrigation Scheme, with 542 at the dam site and 240 along the main pipeline. Of these, 521 dam PAPs consented, and 345 received compensation, representing 63.7%. The remaining PAPs had not yet consented, thus underwent reassessment. Compensation surveys for secondary and tertiary pipelines covered an estimated 2,300 PAPs, with validation conducted in 34 villages. Six Grievance Redress Committees (GRCs) were established at the parish and sub-county levels within the project area.

Implement catchment management measures for Kabuyanda and Matanda

The aim is to develop and implement integrated catchment management interventions upstream of the Kabuyanda and Matanda Irrigation Schemes to enhance their sustainability. It includes activities such as restoration and reforestation in Rwoho Central Forest Reserve (CFR) in Kabuyanda.



The planting and maintenance of 1,000 hectares of Rwoho CFR and the updating of the Forest Management Plan were completed. Contractors are still conducting patrols and fire management until 2025. A Sustainability Management Plan (2025–2031) was developed. Micro-catchment plans focusing on restoring riverbanks, wetlands, and degraded lands, promoting conservation, supporting local livelihoods, and encouraging alternative income activities was achieved.

Component 2: Support Services for Agricultural Production and Value Chain Development

The component aims to support farmers and farmer organisations in large-scale (Kabuyanda and Matanda) and medium-scale (Agoro and Olweny) areas to learn and apply proper on-farm irrigation practices to improve agricultural production and progress, and enhance value addition and market linkages

On-farm production and productivity: There was significant improvement in project implementation since December 2024 with the number of registered farmers in Kabuyanda Irrigation Scheme increasing from 3,115 to 4,005 by April 2025, using the Irritrack App. Beyond the initial engagements made by MAAIF with DLGs to sensitise them about the project, additional outputs were achieved, including 3,734 farmers trained in Farmer Field School Methodology. A total of 266 Lead Farmers were selected and 133 Farmer Field School Groups established.

By April 2025, several assessments were accomplished on the available extension capacity and needs of farmers, on the agro-input supply and distribution system at Kabuyanda, and on areas where the four demonstration sites were to be sited. The extension strategy was validated at the district level.

Value addition and linkages: Additional outputs delivered during this reporting period were: A value chain analysis was undertaken for tomatoes, onions, green pepper, cabbage, coffee, beans, banana and maize; suppliers of tools, agro-processing equipment and machinery in Isingiro and Kanungu Districts were profiled; and existing farmer organisations, operational financial organisations and key government and non-governmental organisations were profiled.

MAAIF cleared the ICRP to use the e-Voucher Management System as the electronic system for input distribution to the farmers. The mapping of certified input suppliers was concluded.

Component 3: Institutional Strengthening and Implementation Support

The project established a structured coordination framework, with regular internal progress review meetings and bi-weekly online sessions that facilitate effective communication among project staff from various institutions. The multi-sectoral Project Steering Committee, comprising high-level officials from government agencies, Local Governments, and Development Partners, held five meetings to provide strategic guidance and technical support, ensuring the project remains aligned with its objectives.

The Geo-Enabling Initiative for Monitoring and Supervision (GEMS) was fully deployed for routine data collection through various digital platforms, including Kobo Toolbox and Irritrack App. However, the GEMS dashboard awaited routine data population to achieve full functionality, and the process of hosting PowerBi licenses was ongoing. The development of a Management Information System (MIS) for the Integrated Community Recovery and Planning (ICRP) was underway to centralise and streamline data management.

For communication, the project actively disseminated updates through newsletters, social media, video content, and radio programmes. It documented key activities such as construction of the Kabuyanda Dam and the restoration of Rwoho Forest, sharing success stories and progress reports with stakeholders. These efforts were complemented by ongoing documentation of project activities, aimed at enhancing transparency and public participation in the project's implementation.

Implementation Constraints

- i) The delay in finalising the procurement of the new contractor for Kabuyanda and Matanda activities has impacted the overall project timeline, hindered progress and increased the risk of schedule overruns.
- ii) The slow progress of work negatively impacted on overall expenditures and increasing the risk of underutilising resources.

Conclusion

The project's performance was poor, achieving only 20% progress. This underperformance was mainly driven by delays in the procurement process for a new contractor for the Kabuyanda Earth Dam and Matanda Irrigation Scheme. Consequently, the loan absorption rate remained critically low. It is essential to implement targeted corrective measures to accelerate progress, address procurement bottlenecks, and ensure optimal utilisation of the remaining funds to prevent further delays and enhance project outcomes.

Recommendation

- i) The MWE should accelerate the procurement process to select a new contractor for the Kabuyanda Earth Dam, aiming to recover lost time and ensure the project's timely completion.
- ii) The MWE/MAAIF should reconsider and rescope the project activities, prioritising the completion of the Kabuyanda works. Simultaneously, they should repackage the remaining works at Matanda and Component 2 into a separate phase and renegotiate the financing arrangements accordingly.

3.7.6: 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 a total project cost of EUR 372 million¹⁰⁷. 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 funding was secured under two separate financing agreements, referred to as KW-LVWATSAN I and KWLWATSAN II (Table 3.7.7). 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

¹⁰⁷ KfW (30 m grant), EU-ITF (8 m grant), EIB (75 m loan), AFD (225 m loan) and GoU counterpart contribution (34m)



2035.” The project commenced in January 2011, with an original planned end date of February 2022, which was later revised to December 2025.

Table 3.7.7: Project financing data

Approved funding	KW-LVWATSAN I	KW-LVWATSAN II
Approved amount	EUR 222 million	EUR 150 million
Counterpart funding	EUR 34 million	Nil
Loan commencement date	28th April 2011	25th January 2019
Loan closure date	30th December 2024 (Closed)	25th January 2026 (ongoing)
Funding duration	13.5years	7 years

Source: NWSC

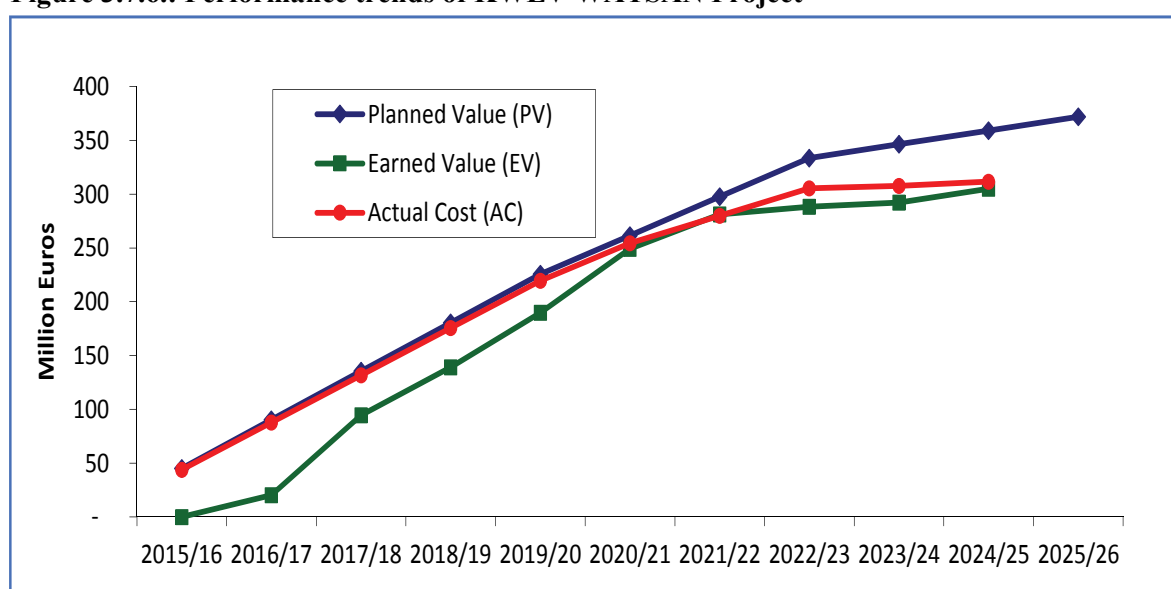
Scope of Work

The project comprises five components, whose outputs were progressively re-scoped during implementation: Component 1 is the upgrading and rehabilitation of the Ggaba Water Treatment Complex. Component 2 covers network restructuring and rehabilitation. Component 3 involves the extension of water supply in informal settlements. Component 4 focuses on the construction of new water treatment plant east of Kampala and the associated network. Component 5 consists of accompanying measures.

Financial Performance

By 31st March 2025, EUR 323.22 million (86.89% of the total project cost) was released, of which 96.44% (EUR 311.73 million) was absorbed. Disbursements and expenditure increased by just 0.4% during the reporting period. However, actual spending¹⁰⁸ slightly exceeded the value¹⁰⁹ of work completed, indicating weak cost control (Figure 3.7.6). If current trends continue, the final project cost is likely to exceed the original budget, highlighting the need for stronger cost management.

Figure 3.7.6.: Performance trends of KWLW WATSAN Project



Source: Authors' compilation from NWSC, IFMS and PBS data

¹⁰⁸ Actual cost (AC) = EUR 311.73 million

¹⁰⁹ Earned value (EV) = EUR 301.96 million

Physical Progress

By April 2025, the project's overall physical performance slightly increased, reaching 80% compared to 79% in November 2024. All outputs under Components 1 and 4 were 100% completed in 2019 and 2022, respectively. The works included expanding the Ggaba Water Treatment Plant, building new reservoirs, installing pumps and meters, strengthening non-revenue water management. In addition, the Katosi Water Treatment Plant was constructed with a transmission pipeline and booster station, ensuring better water supply for communities in areas including Mukono, Seeta, Sonde, Namugongo, Kira, and Gayaza. These facilities were still functional at the reporting time.

Component 2 had achieved 30% of its overall planned outputs by 2020, having successfully completed the network diagnostic study and master plan preparation. However, the construction and rehabilitation works to improve bulk water transfer from the Katosi Water Treatment Plant and supply within the Kampala area were not implemented due to funding shortfalls and were subsequently re-scoped. To address this, a EUR 45 million loan from AFD was secured in March 2025 to finance the outstanding works. Approval for either a project time extension or a second phase was pending a decision by the Development Committee of MoFPED. In the meantime, preliminary activities, including mapping utility lines and identifying PAPs, commenced during the reporting period while awaiting final approval.

Component 3 was near completion, with 94% of its planned outputs achieved. Works on the Nalukolongo Feecal Sludge Treatment Facility were 100% complete, an improvement upon 95% as at November 2024. The facility was handed over to the NWSC and placed under the defects notification period. It was functional, receiving approximately 50 cesspool trucks per day, thereby enhancing sewerage management in and around Kampala City. The entire planned total of 53 km water distribution pipes in informal settlements was laid, and all 64 toilets were completed and handed over to KCCA for operation. These were functional and of good quality. Out of the planned 2,600 pre-paid meters (PPM), 1,440 (55%) were supplied, of which 664 (46% of those supplied) were installed and operational. The remaining of 1,160 PPMs were yet to be delivered into the country. The installation of PPMs experienced delays from the limited capacity of sub-contractors, manufacturing and importation delays, and interference from the KCCA political leadership regarding meter locations.

Component 5, which covers project management support consultancy services, capacity development, capacity needs assessment, and technical audit services, was 76% achieved. Project management support remained an ongoing activity throughout the reporting period. The capacity needs assessment was completed, while technical audits for the rehabilitation and optimisation of Ggaba I and II Water Treatment Plants were also accomplished. A consultancy contract for capacity development was signed in December 2024, and further assessments to strengthen capacity were ongoing.

Implementation Challenge

Delayed completion of prepaid meter installation due to insufficient human resource capacity of subcontractors.



Conclusion

Overall, the project has progressed fairly, having successfully completed key infrastructure such as the upgraded Ggaba and the new Katosi Water Treatment Plants, which continue to operate effectively and enhance water supply reliability in the Kampala Metropolitan Area. However, some planned activities, particularly those related to network restructuring and rehabilitation, were not executed as initially planned owing to funding constraints. However, additional financing was secured in March 2025 to address these shortfalls. Actual expenditures had surpassed the value of work completed, indicating weak cost control and a potential risk of cost overruns if trends persist. While physical progress showed slight improvement during the reporting period, the project remained behind schedule, due to delays in activities like capacity building, final technical audits, and prepaid meter installation.

Recommendations

- i) The NWSC, through the supervision consultant, should strengthen oversight of the contractors' performance by requiring increased work teams, and by ensuring strict adherence to agreed targets and timelines.
- ii) The Development Committee of MoFPED should fast-track the approval of the project's Phase II, in view of the latest AFD funding secured in March 2025, to facilitate timely implementation of the re-scoped outputs under Component 2.

3.7.7: South Western Cluster Project (1531)

Introduction

The South Western Cluster (SWC) Project is funded through a loan from the French Development Agency (Agence Française de Développement) (AFD). The total project cost is approximately US\$ 529.2 billion (EUR 126 million), of which US\$ 504 billion (EUR 120 million) is a loan from AFD, and US\$ 25.2 billion (EUR 6 million) is co-financed by the National Water and Sewerage Corporation (NWSC). The project start date is 1st July 2019, with an end date of 30th June 2025. 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.

Scope

The project has three components, namely: i) Kagera waterworks; ii) Mbarara waterworks; and iii) Masaka waterworks. The expected outputs of the project are:

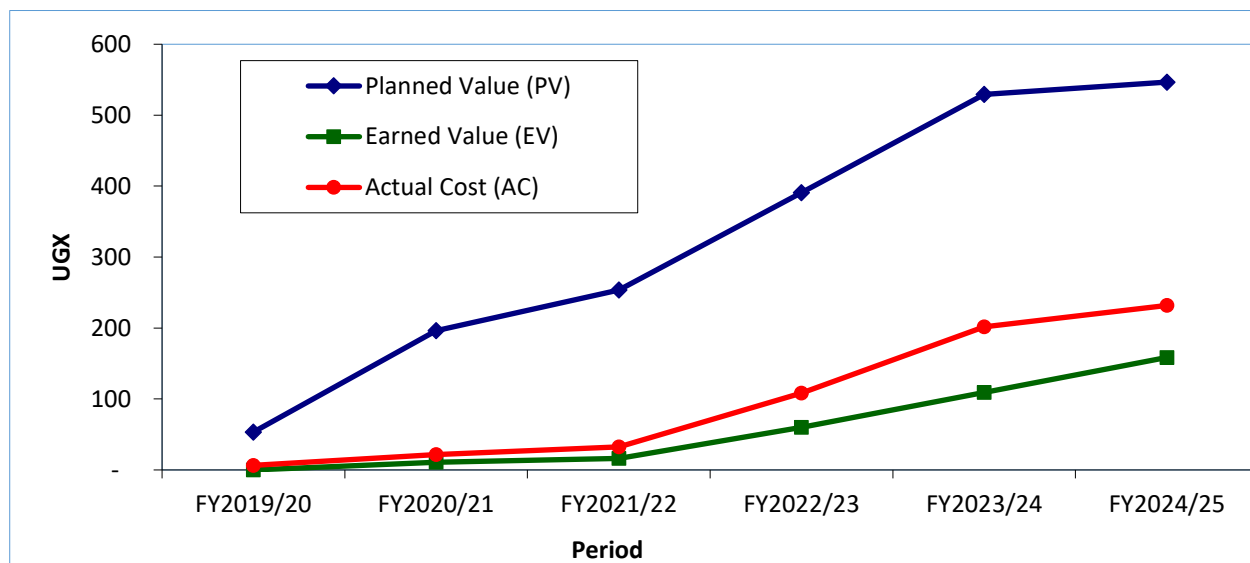
- i) A new water intake on Kagera River at Nshungyezi constructed.
- ii) A new water treatment plant in Kagera and associated infrastructure constructed.
- iii) Mbarara water supply expanded from 7,000 to 12,000 cubic metres per day and sanitation system rehabilitated.
- iv) Masaka water supply expanded from 8,000 to 14,000 cubic metres per day and sanitation system rehabilitated.

Financial Performance

As of 31st March 2025, US\$ 333 billion, representing 63% of the budget, had been spent, primarily on the Kagera works. Progress in Mbarara was halted due to escalated bidding prices and reallocation of works in Masaka, where civil works had not yet commenced. The earned

value was below actual cost, indicating the project was over budget¹¹⁰ (Figure 3.7.7). This was partly due to rework caused by client-rejected intake works at Kagera over quality issues, increased cost of materials overtime with associated high bidding prices.

Figure 3.7.7: Performance of South Western Cluster project by the end of March 2025



Source: Project documents and field findings

Physical Performance

The overall project progress was poor, at 42%, with 94% elapsed. The Kagera works improved from 70% progress in November 2024 to 90% by May 2025. The Mbarara and Masaka components had not yet begun civil works.

The project was behind schedule¹¹¹, indicating inefficiency. The Mbarara component awaited securing of another funding sources, while for Masaka the contractor had just signed the contract. The Kagera works in Mbarara still had RoW challenges in Mbarara City. A detailed performance review of the three components is provided below:

Component 1 – Kagera Waterworks: The Kagera Waterworks Project made significant progress across all phases, with an overall progress of 89%. By the end of March 2025, approximately 87.5% of the revised project timeline (10 months) had elapsed, with the completion date extended to June 30, 2025.

The construction of the intake works and the treatment plant had advanced to 93%, while the transmission mains and related infrastructure had reached 92%. Reservoir tanks were 95% complete. The raw water pumping station showed the least progress, at only 46%.

The acquisition of RoW for Sections 7.1 and 7.2, along with the necessary permissions from Mbarara City Council to allow the contractor to cut through the road for the transmission mains, resulted in delays. However, the Memorandum of Understanding (MoU) was signed in April 2025 and pipeline works were ongoing as of May 2025.

¹¹⁰ Cost performance index=10.12.

¹¹¹ Schedule Performance Index = 0.29.



Micropiling works at R. Rwizi Bridge crossing in Mbarara



Electrical and mechanical installation at the drinking water pumping station at the Kagera waterworks



Pipe connection to the raw water pumping station (intake works) at Nzingezi, Kagera



Control system at the Kagera waterworks

Component 2 – Mbarara Waterworks: The objective is to rehabilitate and expand water supply and sanitation in Mbarara and nearby areas. However, civil works procurement was halted due to bid quotations exceeding the budget threefold. As a result, this component was dropped from the current funding, and the NWSC is seeking alternative funding sources by packaging it as a separate project.

Component 3 – Masaka Waterworks: The plan is to rehabilitate and expand the existing water supply and sanitation infrastructure in Masaka Municipality and several towns along the Lukaya-Masaka Highway. The contractor had signed the contract and was in the process of mobilisation to commence work. However, implementation was delayed primarily due to the AFD's request for a comparative study of groundwater versus surface water sources. This process took considerable time to complete, before a decision was made to abstract water from Lake Victoria, a surface water source.

Implementation Constraints

- i) Difficulties in obtaining way leaves for pipeline routes and key sites for key installations under the Kagera waterworks, especially under Component 2 of the transmission line within Mbarara City Council.
- ii) Delayed procurement, which affected the commencement of civil works in Masaka.

Conclusion

By the end of March 2025, the South Western Cluster project was at 42% completion, despite a 94% time lapse. The project still had hurdles with the RoW in Mbarara City to complete pipe laying connections to Boma and the contract for Masaka had just been procured. The project was behind schedule and halted works in Mbarara had funding yet. There is need for better stakeholder coordination, alternative funding sources, and project repackaging for works which have not started. Owing to resource limitations and tight timelines, the project extension is not feasible.

Recommendations

- i) The NWSC should continue engagements with key stakeholders/landlords and finding alternative routes and sites for the project where possible.
- ii) The NWSC should repackage works for Component 2 – Mbarara Waterworks – and Masaka to find alternative funding for them.

3.7.8: Strategic Towns Water Supply and Sanitation Project (1529)

Introduction

The Strategic Towns Water Supply and Sanitation Project (STWSSP) is financed through a loan from the African Development Bank (AfDB) and a counterpart contribution from the Government of Uganda (GoU). The project is being implemented by the MWE. The primary objective of the project is to support the GoU's efforts to achieve sustainable access to safe water and hygienic sanitation services for the urban population by the year 2030. Further project data and details are provided in Table (3.7.8).

Table 3.7.8: Strategic Towns Water Supply and Sanitation Project basic data

Project cost	US\$ 287.13 billion
ADF loan	224.233 billion
Government of Uganda Contribution	62.897 billion
Scope variation	Construction of Bihanga WSS in Kamwenge; contract addendum in the Kayunga-Busana WSS; additional network expansion in Kyenjojo-Katooke WSS
Contract signing	September 2018
Loan tenure	40 years
Loan effective date	September 2018
1 st disbursement	December 2018
End of first contract	31st March 2025
End of second contract	31st December 2025

Source: Owner's compilation; Project appraisal report 2018; Project quarterly reports (FY 2019/20 – 2024/25)

Scope of Works

- (i) Construction works in 10 towns across various districts, including Kyenjojo-Katooke (Kyenjojo District), Nakasongola (Nakasongola District), Kayunga-Busana (Kayunga District), Kamuli (Kamuli District), Kapchorwa (Kapchorwa District), Dokolo (Dokolo District), Bundibugyo (Bundibugyo District), and Buikwe (Buikwe District); an addendum to the contract for the Kayunga-Busana water supply system; additional network expansion in the Kyenjojo-Katooke water supply system; and additional infrastructure works for Kamuli Water Supply System.



- (ii) Enhancement of urban sanitation and environmental management.
- (iii) Sector programme support.

Financial Performance

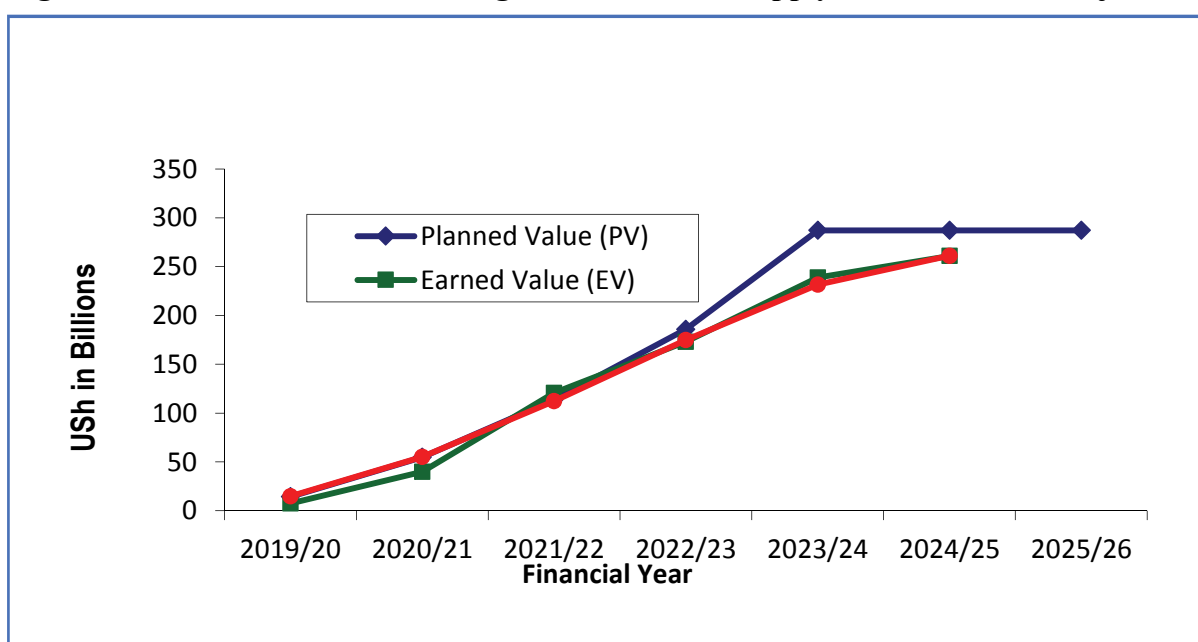
The total project budget is US\$ 287 billion and by the end of March 2025, US\$ 257.579 billion was released and spent which is very good financial performance. The project was operating on budget¹¹², but with outstanding payments totalling US\$ 12 billion¹¹³. These are costs for unpaid certificates (Figure 3.7.8).

Physical Performance

By the end of May 2025, the project physical performance was good at 95%, having improved from 90% in November 2024. The construction of nine out of the planned 10 WSSs was completed. The remaining town, Kamuli, was at 90% progress, an improvement upon 80% progress previously. The consumer connections were at 98% from the previous 70% progress, and an additional toilet was being constructed at 40% progress. However, the project was behind schedule¹¹⁴. The remaining works were ongoing under the Defects Liability Period.

The construction of faecal sludge treatment facilities and the countrywide bulk water transfer study were cancelled due to inflation. Additional works include the construction of the Bihanga Town Water Supply System in Kamwenge and the expansion of networks in the Kayunga-Busana, Kyenjojo-Katooke, and Kamuli water supply systems.

Figure 3.7.8: Performance of Strategic Towns Water Supply and Sanitation Project



Source: Owner's compilation and Project quarterly reports (FY 2019/20–2024/25)

¹¹² US\$ 255 billion is still within the project cost estimate of US\$ 285 billion.

¹¹³ Comprises US\$ 8 billion for the Kamuli WSS and US\$ 2.5 billion for the Kayunga WSS, respectively, and US\$ 1.5 billion for environmental and social monitoring.

¹¹⁴ Schedule Performance Index = -478.



The detailed achievements of the project outputs are illustrated below:

Rehabilitation works for WSSs: The rehabilitation of the Kibale Water Supply System in Kibale District and the Kabingo Water Supply System in Kamwenge District were completed.

Construction of WSS in 10 towns: The construction of the nine towns of Dokolo, Nakasongola, Kayunga, Busana, Kyenjojo, Katooke, Bundibugyo, Buikwe, and Kapchorwa, was completed. The operation and maintenance of these water supply systems was placed under the NWSC. As a result, a total length of transmission mains across these towns amounts to approximately 136.17 km while distribution pipelines extend to about 582.16 km.

Additional works: In collaboration with NGO, Water for People, clean water was successfully extended to Kabingo/Bihanga Town near Kyenjojo-Katooke, with the system being completed and officially commissioned. This project benefitted 11,400 residents across 13 villages in Kabingo Parish (Kamwenge District) and an additional 3,890 beneficiaries in Kibale.

In Kamuli, ongoing works included extensive earthworks, foundation stabilisation, riverbank protection, and tunnelling under roads for pipeline crossings. Progress included the completion of river and swamp crossings, steel structures, and the installation of cranes and air pipes. Over 100 km of transmission and distribution pipelines, private connections, ancillary supports, and concrete supports were in progress, with about 70% of the work completed.

Improved urban sanitation and environmental management: Due to insufficient funds, the planned construction of three faecal sludge treatment facilities was not completed; however, six cesspool emptiers were procured, and 36 out of 40 gender-segregated, disability-friendly public sanitation facilities were constructed, including in schools and institutions. Public sanitation facilities were completed in 42 towns across Kyenjojo, Kayunga, Kapchorwa, Nakasongola, Buikwe, and Kamuli, covering both general and institutional needs.

Training in urban sanitation practices inclusive of masonry, mechanics, and waste management was successfully conducted, with 850 women and youth trained in water and sanitation services as a business opportunity. Additionally, water and sanitation service regulation tools, including technical and commercial guidelines, were developed to promote sustainable management.

The sector programme support included completing and disseminating water and sanitation regulation tools and finalising the new atlas. The water and sanitation tariff regime was reviewed and updated. Feasibility studies and detailed designs for 10 towns under Uganda's Climate Resilience Programme were completed, with a project proposal for Green Climate Fund funding finalised and pending further consultations. The Uganda Water and Sanitation Atlas was updated, but a strategy for bulk water supply remains on hold due to lack of funding. Water source protection measures were successfully implemented in eight catchments. However, the development of a bulk water supply strategy and framework was not achieved.



L-R: Pump house re pair works and Pump house at Kamuli Water Supply System



L-R: Chemical house and intake at the Kamuli water supply system

Implementation Constraint

The change in scope of works resulted in a US\$ 34.52 billion (13.8%) increase in the GoU project budget. This increase covers the construction of the Bihanga WSS in Kamwenge, additional works for the Kayunga-Busana WSS, and network expansion in the Kyenjojo-Katooke WSS. The outstanding debt for these works was approximately US\$ 12 billion.

Lesson Learnt

Effective project preparation should encompass the entire project development process to ensure thorough readiness, thereby minimising variations, reducing associated costs, and mitigating risks.

Conclusion

The STWSS Project was 95% complete, an improvement upon the 90% in November 2024, with only Kamuli WSS remaining at approximately 90% among the 10 planned towns. However, scope changes led to cost variations, bringing the total project cost to US\$ 287 billion as of 30th March 2025 from the original cost of US\$ 250 billion. There is need for improvement in project planning to reduce the range of cost evaluations.

Recommendation

The MWE should maintain regular progress tracking to ensure the contractor completes the remaining works as soon as possible to avoid extra costs.



3.7.9: 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 funded through loans from the Agence Française de Développement (AFD) and the EXIM Bank of India, together with counterpart funding from the Government of Uganda. The AFD loan specifically supports the Isingiro Water and Sanitation Project, while the EXIM Bank of India loan is directed towards the implementation of the supply of solar-powered water pumping systems in rural sub-counties with safe water coverage of less than 50%.

The project started on 1st July 2020 and is expected to end on 30th June 2027. Although the estimated project cost is US\$ 1,911 billion¹¹⁵ (equivalent of USD 502.77 million)¹¹⁶, the project secured funding to the tune of USD 114.65 million (Table 3.7.9). Its core objective is to increase access to safe and clean water through a source per village strategy as part of capacity building for district Local Government promoted Improved sanitation in Rural areas.

Table 3.7.9: 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) ¹¹⁷ , 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 District Local Governments (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.

¹¹⁵ Integrated Bank of Projects; Public Investment Plan.

¹¹⁶ Exchange rate is USD 1 = US\$ 3,800.

¹¹⁷ Exchange rate is USD 1.15 = EUR 1.



Financial Performance

Cumulatively, the overall financial performance of the project was poor. Since inception in FY 2020/21, a total of US\$ 186.95 billion (47%) had been released, against a budget of US\$ 401.5 billion. By March 2025, expenditure stood at US\$ 158.76 billion. However, only 28.2% of the total loan financing had been disbursed (Table 3.7.10), and total project disbursement stood at just 9.78%, compared to a time progress of 70%. Although spending appeared to be under budget¹¹⁸, this did not reflect efficiency. Rather, it was a result of delayed project implementation, slow procurement processes, and challenges in accessing and utilising available funds.

The earned value analysis (Figure 3.7.9) showed that the project had delivered slightly more than what had been paid for. This was mainly because the contractors had completed some works and submitted payment certificates that were still pending settlement. These unpaid certificates resulted in progress appearing to outpace actual expenditure, despite the limited flow of funds.

The significant gap between financial and time progress pointed to a high risk that the project would not be completed within the scheduled timeframe. Persistently low disbursement also posed serious risks of further delays and potential cost escalation.

Table 3.7.10: Financial performance of the Support to Rural Water Supply and Sanitation Project as of 31st March 2025

Funding Source	Amount (USD)	Disbursed (USD)	Absorbed (USD)	% Disbursed	% Absorbed
AFDI	79.35m	16.78m	16.78m	21.15	100
Exim Bank loan and GoU counterpart	35.30m	15.56m	14.00m	44.08	90
Total	114.65m	32.33m	30.78m	28.2	95.2

Source: MWE Project progress reports

Physical Performance

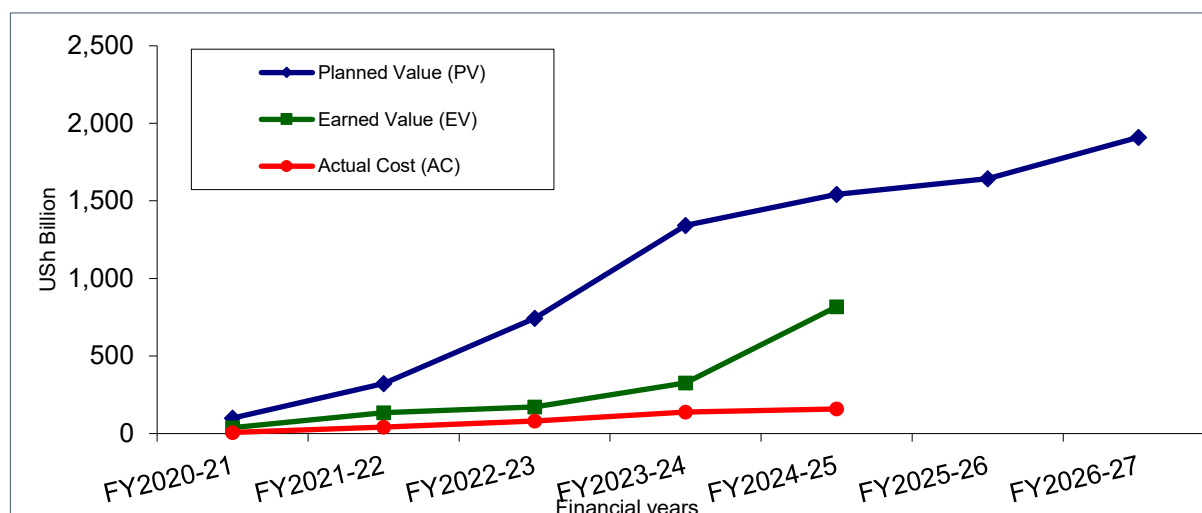
As of May 2025, overall physical progress stood at 42.8%, which, although an improvement upon the 21% in September 2024, remained poor and behind schedule¹¹⁹ relative to the 70% time elapsed. The value of delivered outputs¹²⁰ was significantly lower than the planned outputs by May 2025 (Figure 3.7.9). This shortfall was mainly attributed to delays in land acquisition, slow approval of designs, and incomplete feasibility studies, all of which hindered the timely commencement of construction activities. Additionally, logistical challenges, such as delays in the delivery of essential materials, further slowed implementation. In some districts, including Mubende and Kayunga, community resistance and political interference led to temporary work stoppages, exacerbating delays.

¹¹⁸ Cost Performance Index = 5.15; this is greater than one (1), meaning the project is under budget.

¹¹⁹ Schedule Performance Index = 0.53; this is less than one (1), meaning the project is behind schedule.

¹²⁰ Schedule variance (SV) = -725.221 billion.

Figure 3.7.9: Performance of the Support to Rural Water Supply and Sanitation Project as of May 2025



Source: Authors' compilation from MWE, externally funded projects reports; PBS progress reports FY 2019/20 – FY 2024/25

The detailed performance by output is presented below:

Solar-powered systems in the rural communities rehabilitated

This output initially targeted 130 solar-powered WSSs, although the EXIM Bank loan financing was secured for only 50 water systems covering 22¹²¹ districts. Therefore, performance assessment is limited to the 50 water systems. As of 31st May 2025, the output achieved 68% physical progress overall. Out of the targeted 50 solar-powered systems, six were completed, 41 ongoing, and two had not yet started. Several regions recorded significant construction activities with varying completion levels across water pumping stations, reservoirs, transmission and distribution mains, and installation of electro-mechanical equipment.

Among the schemes under implementation, the Kalingo-Kyakadaali Water Supply System in Mubende District was selected for physical verification. Located in Kalingo Village, Bageze Sub-county, the project had attained approximately 60% physical completion as of May 2025. Implementation commenced in November 2024, with completion targeted for May 2025, hence 100% time elapsed. Progress at Kalingo-Kyakadaali experienced a four-week standstill due to resistance from local residents who were initially reliant on an existing free borehole that was earmarked for motorisation. This community resistance, largely related to fears of losing access to free water, underscores the importance of stakeholder engagement and communication during implementation. Furthermore, challenges surrounding land acquisition and unresolved matters with PAPs have hindered uninterrupted progress.

¹²¹ Kyegegwa, Buyende, Lyantonde, Kyankwanzi, Namayingo, Buliisa, Bulambuli, Mityana, Agago, Amudat, Yumbe, Kaabong, Sembabule, Rakai, Buvuma, Kasese, Mubende, Kisoro, Rubanda, Kassanda, Nakaseke and Bulambuli Districts.



L: Sanitation facility under construction; R: Pump house under construction at the Kalingo-Kyakadaali water supply system in Kalingo Village, Bagenze SC, Mubende District

New and dilapidated piped water supply system rehabilitated and/or expanded

The target for this output was to construct 16 WSSs. However, funding under the AFD was secured for only the Isingiro water supply and sanitation system with the aim of improving equitable access to safe and reliable water and sanitation services in Isingiro District. By May 2025, the Isingiro water supply and sanitation system had reached 20.5% physical progress, up from 5% in September 2024, despite early delays caused by land compensation issues. With 32% of contract time elapsed, the project was behind schedule. Financial progress stood at 21.15%, with EUR 14.6 million fully disbursed.

Construction, which began in August 2024, is expected to be completed by September 2026, followed by a one-year Defects Liability Period. Key works include reservoirs, sumps, pumping stations, transmission and distribution pipelines, and service connections. Additional lines to connect with existing systems in Kabaare, Masha, and Kabuyanda are in progress, pending pipe deliveries from the UK. The system will be operated by the NWSC.



Katojo sump in Isingiro district

High-yield boreholes with solar-powered systems motorised and upgraded.

The target for this output was to motorise and upgrade 344 high-yield boreholes with solar-powered systems to support 50 rural water supply schemes. As of May 2025, assessments had been completed on 83 boreholes identified for motorisation to serve the targeted schemes, representing a 24% achievement rate. The low achievement rate was largely due to delays in assessments and preparatory work, which are still ongoing.

Capacity of District Local Governments (DLGs) built through the regional decentralised unit

The target was to build the capacity of 127 DLGs through the Regional Support Units (RSUs), and this was fully achieved (100%). The RSUs provided annual support to DLGs in engineering design, procurement, and policy matters. The funds under this output also catered for salaries of contract staff and operational costs such as fuel, office equipment, and stationery.

DLGs monitored to ensure compliance with sector standards

The monitoring target was to cover 127 DLGs, which was fully met (100%). The RSUs carried out the compliance monitoring alongside the capacity-building activities. Monitoring covered key sector standards and contributed to improved planning and implementation of water and sanitation interventions.

District databases on the existing water and sanitation systems updated

The target was to update water and sanitation databases in 127 districts. While no direct updates were recorded under this output, indicating that progress remains at 0%, the activity is now being jointly implemented under the UgIFT programme. The MWE is also in the process of upgrading its central database system to enhance the accuracy and timeliness of data across the water, environment, and sanitation sectors.

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. By April 2025, only one had been partially achieved, reflecting an estimated completion rate of 50%. A mid-term review exercise by an external firm and a separate documentation process are ongoing but not yet completed.

Implementation Constraints

- i) Land acquisition delays were a major constraint, particularly Isingiro WSS and solar-powered schemes across Ssembabule, Nakaseke, Kakumiro, and Kisoro Districts. Disputes over land ownership, lack of documentation, and resistance from affected persons delayed site handovers and construction.
- ii) Logistical and procurement delays, including shipping disruptions and customs clearance challenges, slowed the delivery of materials like pipes and fittings. This affected progress in several districts, notably in the Isingiro, Kakumiro, and Mubende projects.

Conclusion

There was an improvement in the project physical performance from 21% in September 2024 to 42.8% by May 2025, mainly due to progress in key water supply systems and capacity-building activities. However, the project remained behind schedule and the value of delivered outputs was substantially below the planned targets, posing a high risk of non-completion within the scheduled timeframe. Financial disbursements were low, with only 47% of the budget released and 28.2% of loan funds disbursed, which constrained implementation. The project appeared under budget not due to efficiency, but because of delayed activities and limited fund absorption. Land acquisition delays, along with logistical and procurement bottlenecks, further hampered implementation, affecting timely delivery of materials and commencement of works. If the current pace continues, the estimated time to complete the project is approximately 6.2 years, far beyond the intended timeframe. This underscores the urgent need for accelerated implementation strategies.

Recommendations

- i) The MWE, together with Local Governments and District Land Boards, should fast-track land acquisition and compensation by creating a dedicated task force and engaging affected communities early to minimise delays.



- ii) The MWE and contractors need to improve procurement planning and logistics by forecasting material needs early, diversifying suppliers, collaborating with customs for faster clearance, and sourcing locally where feasible.

3.7.10: Water and Sanitation Development Facility North –Phase II (1534)

Introduction

The Water and Sanitation Development Facility North – Phase II (WSDF-N II) is a six-year development project implemented in Lango, Acholi and West Nile sub-regions from 1st July 2019 to 30th June 2025. 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 has a total budget of US\$ 172.73 billion¹²² (approximately USD 45.46 million)¹²³, jointly financed by the 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 3.7.11.

Table 3.7.11: 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	1st 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 (Closed)	12th Nov. 2025 (Ongoing)

Source: MWE/WSDF-N

The project secured an additional EUR 59.3 million grant from KfW and the EU under the Climate Resilience and Water Infrastructure for Refugees and Host Communities in Northern Uganda Programme I. This funding, effective from 7th May 2024, will implement selected outstanding Phase II activities and support planned Phase III works awaiting Development Committee approval. This assessment focuses exclusively on the performance of Phase II implementation.

The projects scope of work includes the following outputs¹²⁴:

- 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.

¹²² Public Investment Plan FY 2024–25.

¹²³ Exchange rate is USD 1 = US\$ 3,800.

¹²⁴ Public Investment Plan FY 2019/20 – FY 2024/25.

- 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 10 faecal sludge treatment facilities (FSTFs) completed.
- iv) Ten piped water schemes with system capacity less than 50% rehabilitated/improved.
- v) Trainings on sanitation and hygiene promotion practices conducted.

Financial Performance

As of 31st March 2025, the total grant disbursements was 93.14%, of which 90.65% was absorbed (Table 3.7.12). Overall, the project's expenditure¹²⁵ exceeded the actual progress¹²⁶ of outputs delivered (Figure 3.7.10). Project costs had risen due to increased prices of key construction materials such as fuel, cement, pipes, and iron bars, as well as the need for deeper and more expensive borehole drilling caused by declining groundwater availability.

Table 3.7.12: Financial performance of the Water and Sanitation Development Facility North II Project as of 31st March 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	13.82	100	77.7
GoU financing	18.20	15.08	15.08	82.85	100
Total Project funding	45.46	42.34	38.38	93.14	90.65

Source: MWE/WSDF-N; Programme Budgeting System progress reports FY 2019/20 – FY 2024/25

Physical Performance

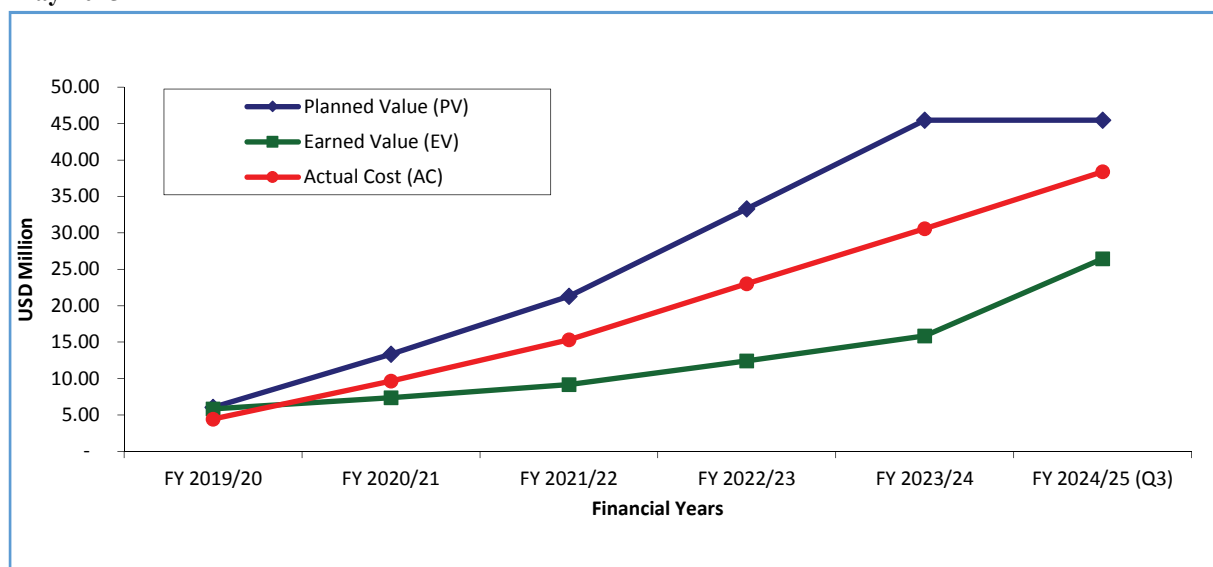
The overall physical performance increased to 63% in May 2025, from 42% in September 2024. While this indicates fair progress, the project remained behind schedule¹²⁷, since the end date of June 2025 was spent with unfinished outputs. Out of the planned 62 piped water supply systems (WSSs) and 10 faecal sludge treatment facilities (FSTFs), a total of 21 WSS and three FSTFs were completed and commissioned. An additional three WSSs were completed during the reporting period. All completed facilities were functional, contributing to increased access to safe and reliable water supply and sanitation services.

¹²⁵ Actual cost = USD 38.38 m.

¹²⁶ Earned value = USD 26.44 m.

¹²⁷ Schedule Performance Index = 0.58, which is less than one, an indicator of time lag. The project is behind schedule by 42%.

Figure 3.7.10: Performance trends of the Water and Sanitation Development Facility North II as at 31st May 2025



Source: Author's compilation with data from MWE; PBS progress reports FY 2019/20–FY 2024/25

The detailed performance of the key 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**

As of May 2025, implementation of the piped water supply and sanitation systems continued to progress well, with 21 out of the targeted 62 systems fully completed, commissioned, and functional, under the management of the NWSC or NUWS. An increase of three water systems since the last monitoring in November 2024. The completed schemes contributed to lessening the burden of fetching water, especially for women and children. The public stand posts with subsidised tariffs made water more affordable for low-income households. The sanitation blocks were gender-responsive with separate stances for men, women, and PWDs.

In Lamwo District, the Palabek Kal and Lamwo Town Council water supply systems each reached 98% completion, with all major infrastructure in place, but experienced time overruns due to additional works such as network extensions. The Lacekocot system in Pader District made good progress at 87%, but faced funding delays which affected timely implementation. The quality of work in Lacekocot was generally unsatisfactory, with observable defects on the public sanitation facility and pump houses. Rhino Camp in Madi-Okollo and Arra/Dufile water systems in Moyo District also advanced well, with physical progress at 80% and 78% respectively. Lobule reached 55% and Boroli had just commenced at 5% physical progress.



A functional pumping station for Lamwo TC WSS in Lamwo District



L: A functional PSP for Palabek-Kal WSS in Lamwo District; R: Cracks on the public latrine wall for Lacekocot WSS in Pader District

ii) Engineering designs for 52 piped water schemes and sanitation facilities completed

Overall, 40 designs were finalised and approved by the Design Review Committee, up from 21 in November 2024. In addition, eight piped water schemes advanced to detailed design, while three others remained at the feasibility study stage.

iii) The construction of 10 faecal sludge treatment facilities completed

Three faecal sludge treatment facilities, in Dzaipi (Adjumani District), Yumbe Town Council (Yumbe District), and Rhino Camp (Madi-okollo district) were 100% completed with good workmanship, providing safe sewage treatment and protecting the environment in their respective towns. A fourth facility in Loro (Oyam District) was at contract award stage as of May 2025, while six others remained unfunded.

iv) Ten 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 activities were conducted in towns with new piped systems, covering pre- to post-construction phases through community training, awareness campaigns, drama, and radio shows. Gender mainstreaming and HIV/AIDS awareness were integrated, and Local Governments were supported to sustain these efforts. Additionally, environmental and water source protection measures, such as fencing and tree planting, were implemented to safeguard water sources and ensure sustainability.

Implementation Constraints

- i) Increased costs of construction inputs/materials such as fuel, pipes, cement and iron bars, which affected cost estimates, resulting in increased project costs.
- ii) Prolonged land acquisition processes for water system components, resulting from community resistance, ownership disputes, and delays in compensation, contributed to implementation delays.
- iii) Declining groundwater resources: The project mainly depends on borehole drilling as its primary water source. However, over time, groundwater availability has decreased, necessitating deeper and costlier drilling. In certain areas, such as Alebtong, groundwater resources are especially limited, leading to restricted service coverage and difficulties in meeting the growing water demand.



Conclusion

The WSDF-N Phase II made fair progress in expanding water and sanitation services, with an additional three piped water systems completed and operational as at May 2025. However, spending exceeded actual work progress due to rising construction costs, deeper borehole needs, and delays in land acquisition. There were risks of time and cost overruns, given that the project required an additional four years and USD 20.5 million to complete outstanding outputs. In light of these challenges, it is recommended that the outstanding piped water systems be re-scoped for inclusion under future or alternative projects.

Recommendations

- i) The MWE and WSDF-N should improve cost estimation and contingency planning to reduce exposure to price shocks.
- ii) The MWE and MoFPED should consider prioritising budgets and releases for land acquisition costs, including survey, legal fees, and compensation.
- iii) The MWE should consider diversifying water source options by prioritising the development of alternative systems such as surface water treatment plants, especially in groundwater-stressed areas. Additionally, the MWE should invest in detailed hydrogeological mapping and groundwater recharge interventions, while also strengthening the protection of critical ecosystems such as wetlands and forests to enhance long-term water resource sustainability.



3.8 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.

3.8.1 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 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 (comprising of USD 96 million IDA credit, USD 104 million IDA grant, and USD 18 million multi-donor 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 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, designed and adapted for the context:

- i) 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;
- ii) Providing liquidity to small and micro firms on better terms to cope with the fall in demand and economic opportunities; and
- iii) Establishing an innovative factoring facility for MSMEs. This component also supports financial services to refugee-hosting districts (RHDs), and communities where transaction costs are high and communities are vulnerable.

The project is subdivided into four components, namely: Component 1 on relief and restructuring phases; Component 2 on restructuring and resilient recovery phases; Component 3 on building the capability of institutions and firms; and Component 4 on implementation support, monitoring, and evaluation.

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.

Financial Performance

A total of USD 8.07 million (3.7%) was disbursed and USD 672,388 (8.3% of the disbursement) spent by 30th April 2025 (Table 3.8.1). This represents poor financial absorption. The project was operating above budget¹²⁸, with a cost variance indicative of slightly more expenditure than the value of work done.

Table 3.8.1: The INVITE Project budget, disbursement plan, actual releases and expenditure as of 30th April 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	0	0
4	Actual expenditure (USD)	173,466	498,922	0	0

Source: World Bank, INVITE project appraisal document, and PSFU

Physical Performance

The project performance was still poor (0.3%) compared to 0% in November 2024. The project was behind schedule¹²⁹ (Figure 3.8.1). This poor performance was attributed to the delayed approval of the project by Parliament (December 2021 and May 2023) and changes in implementation arrangements (creation of the INVITE Trust as a special purpose vehicle for the execution of the credit windows).

By 30th April 2025, the actual implementation of the planned outputs was yet to commence and the project had only fulfilled the conditions precedent for funds disbursement as follows: The INVITE Trust was duly established with a certificate of incorporation, the trust deed, and the appointment of the Independent Investment Committee (IIC). The BoU Project Operations Manual (POM) was adopted. The Environmental and Social (E&S) Capacity Building Plan, the Environmental and Social Management Framework (ESMF) for INVITE Trust and for PSFU were prepared.

Under Components 1 and 2, the IIC was operational after a formal induction of its members. The procurement process for the Trust Manager was at the contracting stage, and the draft contract was under final review by the World Bank in preparation for submission to the Solicitor General for clearance. The procurement process of the office space for the INVITE Trust had also commenced.

Under Component 3, the Project Advisory Committee for Refugees (PACR) was constituted, comprising the Office of the Prime Minister (OPM), PSFU, MoFPED, Uganda Investment Authority (UIA), the Ministry of Trade, Industry and Cooperatives (MTIC), Uganda Free Zones and Export Promotions Authority (UFZEPA), and the United Nations High Commissioner for Refugees (UNHCR).

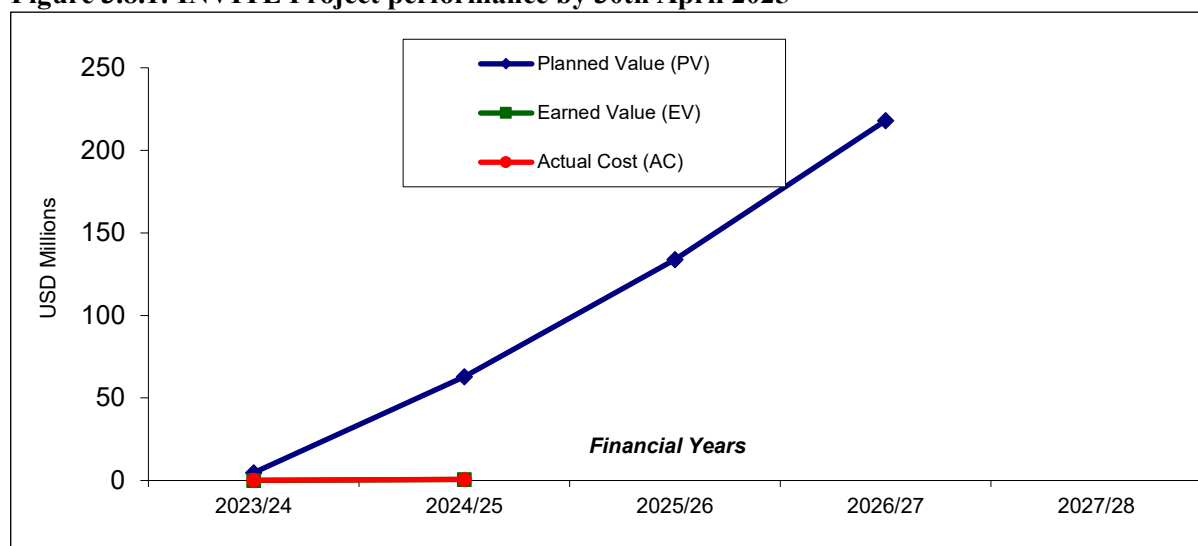
¹²⁸ Cost Performance Index (CPI) = 0.98.

¹²⁹ Schedule Performance Index (SPI) = 0.01.

Under Component 4, the INVITE web platform was developed and launched. The procurement process for a due diligence firm was at the negotiation stage, while the procurement process for engaging the Transactional Advisor for the investment in rural supply chains in RHDs was at the contracting stage.

For the implementation support, monitoring, and evaluation, assorted office furniture and equipment were procured, the communication strategy was reviewed, the INVITE internal audit manual was developed, and the project work plan and budget for FY 2025/2026 were developed.

Figure 3.8.1: INVITE Project performance by 30th April 2025



Source: PSFU & MoFPED

Implementation Constraint

Lengthy approval processes with over 10 conditions precedent to disbursement of funds and changes in context post COVID-19.

Conclusion

The overall project performance was poor, at approximately 0.3%, and significantly behind schedule. The Schedule Performance Index indicates that the project will require additional time to deliver the planned outputs. Given the persistent delays and shifting implementation realities, the original project objective of addressing COVID-19-related constraints has become less relevant. This may require a review to address the current priorities, implementation context, and ensure that the intervention delivers greater relevance, impact, and value for money.

Recommendation

The project implementing partners (MoFPED, BoU, and PSFU) should engage the World Bank to review the objectives post-COVID-19 in light of the changes in context in order to achieve greater value.



3.9 Regional Development Programme

3.9.1 Local Economic Growth Support Project (1509)

Introduction

The Local Economic Growth Support (LEGS) Project is a Government of Uganda initiative aimed at increasing household incomes among smallholder farmers in selected districts. The project focuses on improving agricultural productivity and developing key priority value chains. It is co-financed by the Ugandan Government and the Islamic Development Bank (IsDB). Detailed project profile information can be found in Table 3.9.1.

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 ¹³⁰ .
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:	31st August 2025
Components	A. Rural Infrastructure for Agricultural Productivity and Environmental Conservation B. Support to Household Livelihoods and Value Chain Development

Source: LEGS progress reports

Financial Performance

Over the six-year implementation period, the programme was allocated a total budget of US\$ 208.839 billion, jointly funded by development partners and the Government of Uganda (GoU). Total cumulative expenditure stood at US\$ 92.9 billion while the value of completed work stood at US\$ 159 billion. The project has a good cost efficiency¹³¹ with the actual value of works completed higher than the actual set of the works (Figure 3.9.2).

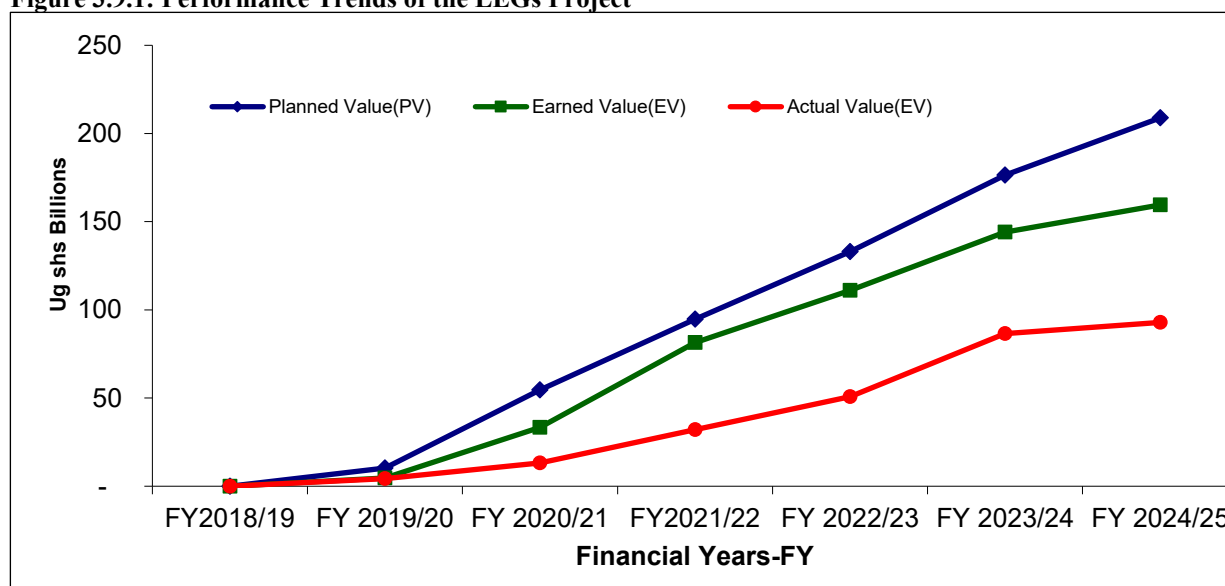
¹³¹ Cost Performance Index of 1.75

Physical Performance

By May 2025, the project's overall physical performance had improved from 72% in November 2024 to 78%. However, the project was behind schedule, as the earned value is lower than the planned value (Figure 3.9.2). This was mainly due to delayed procurement, slow civil works, and pending agro-machinery deliveries.

Component A recorded notable progress with the rehabilitation of 176 km of access roads and completion of all storage centres, although water-for-production facilities lagged behind schedule. Component B registered strong achievements in rural finance, cooperative development, and the delivery of agricultural machinery. However, challenges such as underutilisation of equipment and low loan recovery rates remain. To maximise project impact, greater emphasis is needed on inter-agency coordination, contractor supervision, and accelerating implementation.

Figure 3.9.1: Performance Trends of the LEGS Project



Source: LEGS project financial reports

The LEGS Project is structured around *two main components*, each designed to address specific aspects of rural development and economic transformation. The performance details of each component are outlined below.

Component A: Support to Rural Infrastructure for Enhanced Agricultural Productivity and Environmental Conservation

This component aimed to enhance agricultural productivity through rural infrastructure development. It targeted the construction or rehabilitation of seven valley tanks, eight domestic water systems, and seven rainwater harvesting facilities to improve water access. To boost connectivity and market access, 200 km of community access roads and two produce storage centres were planned for upgrade. The component also aimed to install seven solar systems and 10 biogas units to expand clean energy use. For livestock improvement, 90 artificial insemination units and solar-powered milk collection centres with cold storage were to be established.

Implementation Progress

Water for production: Construction/rehabilitation of seven valley tank surface water schemes (irrigation): By May 2025, the water for production component remained significantly behind schedule. Of the seven planned facilities, only three had been procured: Kajamaka Dam in Kumi District (65% physical progress but non-functional due to poor works), Rwakibira Dam in Gomba District (stalled at 25%), and the Kinoni pipeline in Nakaseke District (50% complete but ineffective due to a low-yield borehole). Palaam Scheme in Katakwi District made minimal progress (5%), Kimara Valley Tank had not yet been contracted, while Ominya and Nangaiza Dams remained under bid evaluation. Persistent contractor delays, poor hydrological assessments, and weak supervision continue to impede progress. Urgent technical corrections and stronger oversight are required to get the component back on track.



Left: Works ongoing at Kajamaka Earth Dam in Kumi District. Right: Ongoing works at Rwakibira Valley Dam in Gomba District

Construction and/rehabilitation of eight valley tanks, surface water schemes (water for consumption): By May 2025, five out of eight planned piped water supply systems were completed and fully operational, improving access to clean water and public health in districts like Alebtong, Kyenjojo, Bunyangabu, Gomba, and Katakwi. However, three systems – Nyakatoke (93%), Mugusu (90%), and Kanapa (60%) – remain incomplete due to weather delays, design changes, and contractor financial issues. A newly introduced system at Tisai (Kumi) is only 25% complete, hampered by procurement delays and poor mobilisation. While overall progress is evident, persistent implementation challenges continue to delay full project delivery.

Construction/rehabilitation of 200 km of community access roads (CARs): By May 2025, the project had rehabilitated 176 kilometres of CARs, up from 156 kilometres in December 2024, an improvement from 78% to 88% of the 200-kilometre target. This progress enhanced rural connectivity in districts such as Bunyangabu, Kyenjojo, Ntoroko, and Kumi, improving access to markets, schools, and health facilities. Upgraded routes like Kijenibarora–Bweyayo and Kisembo–Mureju supported the movement of agricultural produce and services, directly benefitting over 240,000 people across 104 parishes. Most completed roads now meet acceptable drainage and compaction standards, ensuring all-season access. However, the Gayaza–Kalungu–Mityomero road in Nakaseke remains largely incomplete and not commissioned, with only eight of the planned 27.5 kilometres constructed, and key drainage works still missing, limiting its intended impact and signalling persistent implementation challenges.



Left: Completed Kahondo Bridge in Bunyangabu District. Right: Part of the 17Km road not done along Gayaza Kalungu Mityomere Road in Nakaseke District

Building for local community and Water User Associations (WAUs) for sustainable use and management: By May 2025, the project had strengthened 36 local groups and trained 812 individuals (59% of them women) across eight districts in areas such as governance, financial management, water use, value addition, and marketing. These interventions improved irrigation management and promoted small-scale processing. However, ongoing issues such as low literacy, weak follow-up, leadership disputes, and youth dropouts continue to affect performance. Continued support is necessary to sustain the gains achieved.

Construction of two multipurpose bulking centres: As of May 2025, construction of the Ongongoja and Goli Goli bulking centres was completed, resolving previous delays from 2024. The centres are now fully operational, improving post-harvest handling and facilitating collective marketing. In Katakwi District, farmers can bulk up to 20 tons of maize per season, earning 15–20% more. In Kibuku District, rice growers now access better markets in Iganga and Jinja, with price gains of up to 25%. With improved cooperative management, the centres have become effective value addition hubs, significantly increasing farmers' incomes.

Establishing 90 community-led artificial insemination (AI) units or artificial insemination (AI) units: Seventy-eight out of 90 planned units were established by mid-2025, with all technicians trained and 16 motorcycles distributed to enhance outreach. This led to a rise in inseminated heifers from 1,000 in 2024 to 1,532 in 2025, achieving an 80% conception rate and potentially benefitting over 52,000 cattle-owning households. However, cultural resistance, access to liquid nitrogen, and delayed procurement remained key constraints.

Construction and operationalisation of 11 agro-processing facilities for select crops (maize, groundnuts, sesame, and coffee): By May 2025, five of the 11 planned agro-processing facilities were operational, improving incomes and cooperative strength in districts like Ntoroko and Bunyangabu. Six others remain incomplete due to utility delays and contractor failures, with two sites abandoned and re-tendered, i.e., Ocorimongin (Katakwi) and Gatyanga (Bunyangabu). Progress has been made since 2024, but full functionality is still limited.

Environmental restoration. Environmental restoration efforts improved in 2025, with major tree planting and wetland protection activities in the districts of Kibuku, Kumi, and Kyenjojo.

Over 30,000 trees were planted, and 180 wetland markers were installed. Despite progress, challenges like relocation resistance and low seedling survival persist.



L-R: A fully completed milk collection centre at Buseeta in Kibuka District and another completed centre at Katooke in Kyenjojo District but non-functional.

Construction of six milk collection centres: By May 2025, only one of the six planned milk collection centres (MCCs) – Tisai in Kumi – was fully operational, boosting milk quality and household incomes by 25%. The other five centres, though over 75% structurally complete, remained non-functional due to delays in equipment installation, utility connections, and unresolved quality issues. While infrastructure has improved since 2024, operational delays continue to limit the project’s impact on the dairy value chain.

Setting up six shared solar mini-grid system: By May 2025, three of six planned solar mini-grids in the districts of Kumi, Kyenjojo, and Katakwi were fully operational, providing reliable power and boosting health, education, and local businesses. This marks major progress from 2024. However, construction delays persist in the districts of Gomba, Nakaseke (due to land disputes), and Kabarole. Operational sites face maintenance challenges from limited local skills. In response, the project is training technicians, forming Energy Committees, and planning regional support. Continued focus is needed to address site readiness, capacity gaps, and land conflicts to ensure full and sustainable energy access.

Construction and operational status of 11 market sheds: By May 2025, 10 of the 11 planned market sheds were completed, up from nine in 2024. Operational markets in districts such as Katakwi, Alebtong, Bunyangabu, Nakaseke, Kibuku, Gomba, Ntoroko, Kabarole, and Kumi have improved local trade by enhancing access to buyers, reducing post-harvest losses, and increasing farmer and artisan incomes.

Despite these gains, several issues remain. Some markets, like Maddu and Alebtong, are undersized, forcing vendors to trade along roadsides. Magoma Market suffers from low usage due to poor road access, while Kihondo Market is idle over an unresolved USH 60 million supplier dispute. Kadama Market, though 80% complete, still lacks final installations and is not yet operational.



Left: The completed Magoma Market in Nakaseke District with very few occupants due to the location and accessibility of the market. Right: Incomplete Nyamiseke Market in Bunyangabu District

By mid-2025, the project delivered key results in clean energy, digital input distribution, and horticulture. Ten community biogas units and ten energy-saving stoves were established, reducing fuel costs and firewood use up to 40% in some schools while improving soil fertility. Despite rollout delays, the interventions enhanced energy efficiency and safety, with sustainability depending on training and local maintenance.

The Integrated Voucher System (IVS) improved agro-input delivery for 20 cooperatives by linking them directly to certified suppliers, increasing efficiency and transparency. However, challenges included limited input quantities and technical support gaps.

Over 6.7 million coffee, tea, and vanilla seedlings were distributed in targeted districts, supporting climate-smart farming and boosting household incomes. Fertilisers-Goli were provided through cooperative-managed revolving schemes, though training gaps especially in vanilla affected uptake in some areas.

Component B: Support to Household Livelihood and Value Chain Development

Introduction

Component B of the Local Economic Growth Support (LEGS) Project, implemented by the Microfinance Support Centre Ltd (MSC) in partnership with the Ministry of Local Government and Millennium Promise Alliance (MPA), aims to improve rural livelihoods in 17 districts through Islamic microfinance, agro-machinery support, and business development services. The intervention leverages Sharia-compliant financing mechanisms and is delivered through Savings and Credit Cooperative Organisations (SACCOs), Village Savings and Loan Associations (VSLAs), farmer groups, and cooperatives.

Implementation Progress

By May 2025, performance improved from 46% to 66%, reflecting better delivery of key outputs such as SACCO/VLSA support, farmer training, and agro-enterprise investment. The number of supported groups rose to 85, and over 61,000 beneficiaries were reached. Key drivers included stronger mobilisation, better coordination, and increased awareness, particularly in Islamic finance. However, challenges like procurement delays and poor

documentation in some districts still limited full achievement of target. Detailed performance is presented below:

Islamic financing and product support: By May 2025, US\$ 13.75 billion in Sharia-compliant financing was disbursed through 85 SACCOs and VSLAs, supporting viable, interest-free income-generating activities. For instance, Alebtong and Katakwi Districts registered notable success in cassava cultivation and goat fattening.

Repayment performance varied. SACCOs in Gomba and Kibuku districts achieved over 70% recovery, reflecting high financial discipline. Conversely, Nakaseke and Kumi Districts experienced setbacks due to poor documentation, limited beneficiary follow-up, and low awareness of Islamic financing, pointing to the need for enhanced training, technical support, and robust monitoring.



L-R: Ongongoja Fruit Growers' Cooperative Society Limited Oil Processing Project in Katakwi District receiving tractor supplied with the disc ploughs.

Under the Product Financing Scheme in by May 2025 delivered fewer assets than planned. Due to procurement delays and limited cooperative readiness, only 14 out of the planned 20 tractor sets, 10 of 15 agro-processing units, and eight of 10 transport assets were delivered. Despite these shortfalls, the distributed equipment had a notable local impact. In Katakwi District, the delivery of a tractor in January, 2025 enabled ploughing of over 300 acres, while solar dryers helped farmers quadruple the price of dried fruits. Similarly, in Ntoroko District, transport boats reduced delivery costs by 40%, significantly enhancing market access.

A total of US\$ 6.31 billion was committed for agro-machinery and equipment, with US\$ 5.46 billion disbursed to 29 projects. Additionally, 70 new projects, valued at US\$ 12.23 billion, were under appraisal. The mechanisation effort substantially improved productivity. Sao Ziobwe SACCO, in Luweero District, ploughed over 900 acres at half the prevailing market rate and reported average monthly earnings of US\$ 10 million.

Strengthening rural finance through working capital support and capacity building: By May 2025, US\$ 1.82 billion was disbursed to 85 SACCOs, cooperatives, and VSLAs, benefitting over 2,600 individuals and surpassing targets. The funds supported agro-processing and small businesses, notably in Katakwi and Kibuku, where investments enhanced value addition. Capacity building reached 252 institutions and 4,308 individuals, focusing on governance, financial literacy, and Islamic finance. The Islamic University in Uganda (IUIU) trained over 3,000 people and 80 institutions in Sharia-compliant practices. Sustaining these achievements requires continued technical support and institutional follow-up.



Value chain assessments: Value chain assessments were carried out in 17 districts, improving the targeting of priority crops such as maize, bananas, dairy, and coffee. For example, in Katakwi, maize farmers were linked to input suppliers, while in Bunyangabu, dairy value chain support was enhanced. However, the lack of a centralised digital database led to fragmented data and coordination challenges, underscoring the need for an integrated information management system.

Cooperative formation: The project facilitated the formation of 42 farmer cooperatives to improve access to inputs and markets. In Gomba and Kibuku Districts, cooperatives enabled bulk input purchases and better market access, while some in Alebtong district secured group marketing deals. However, cooperatives formed late in the project cycle, especially in Nakaseke and Ntoroko Districts, lacked proper training, limiting their effectiveness. Early formation and capacity building are key for sustainability.

Farmer Demonstration and Training Centres (FDTCs): By May 2025, only four out of six planned Farmer Demonstration and Training Centres (FDTCs) were fully established and operational, training over 3,700 farmers in improved agricultural practices. Functional centres in Kibuku and Kumi delivered hands-on training in soil fertility management, banana sucker multiplication, and post-harvest handling, leading to noticeable gains in farm productivity. However, the FDTC in Nakaseke District was not implemented due to financial constraints, while the one planned for Ntoroko District stalled because of land ownership disputes.

In addition, the livestock demonstration component across all FDTCs remained largely unimplemented due to delayed procurement of inputs and a shortage of livestock extension staff. These challenges underscore the need for stronger planning, early land resolution, and targeted resourcing to ensure the comprehensive delivery of both crop and livestock training components under the FDTC mode.

Key Implementation Challenges

- i) **Infrastructure delays and abandonment:** Critical works such as earth dams, agro-processing units, and training centres were delayed or abandoned due to poor contractor performance, slow environmental approvals, and weak oversight, undermining irrigation, value addition, and farmer training goals.
- ii) **Procurement and equipment bottlenecks:** Inefficient procurement, involvement of underqualified suppliers, and delayed delivery of essential materials disrupted the timely setup of agro-machinery and market infrastructure, escalating costs and delaying benefits.
- iii) **Underutilised Infrastructure:** Even where construction was completed, lack of utility connections, missing equipment, and absence of trained user groups meant that many facilities remained idle, limiting their impact on rural development.
- iv) **Uneven access across districts:** Some districts remained underserved due to limited mobilisation by MSC field teams and low awareness among potential beneficiaries. This led to unequal access to financing opportunities, particularly in remote or newly targeted areas.
- v) **Weak capacity among SACCOs and cooperatives:** Many of the SACCOs and VSLAs were newly formed and lacked the institutional readiness to qualify for loans. Common issues included poor governance structures, weak financial records, and limited understanding of Sharia-compliant financing.
- vi) **Delays in loan disbursement and follow-up:** Loan disbursement was delayed by procurement bottlenecks, internal approval processes, and inadequate staffing for



technical support and monitoring. These delays particularly affected larger investments like tractors and agro-processing units.

Conclusion

By May 2025, the project had achieved 78% of planned outputs, with notable progress in rural infrastructure, agro-processing, and financial access. Despite strong cost efficiency, delays in procurement and land acquisition hindered timely implementation. The Microfinance Support Centre (MSC) exceeded its outreach goals, reaching over 58,000 rural clients. However, challenges such as slow disbursements, weak institutional capacity, and uneven district coverage limited overall impact. A follow-up phase is recommended, focusing on digital loan systems, governance strengthening, and targeted outreach to enhance the sustainability and inclusiveness of rural finance delivery.

Strategic Recommendations

- i) **Accelerate infrastructure completion:** The MoLG, DLGs, and MoWT should fast-track the completion of key facilities like Gatyanga and Ocorimongin by adopting milestone-based contracts with enforceable deadlines and quality standards.
- ii) **Reform procurement for efficiency:** The PPDA, MoLG, and MoFPED should streamline procurement processes through framework contracts, faster bid evaluations, and stricter contractor vetting to reduce delays and ensure value for money.
- iii) **Enhance coordination and digital monitoring:** MoLG should lead quarterly coordination with stakeholders and collaborate with NITA-U to establish a digital dashboard for real-time project tracking and issue resolution.
- iv) **Improve geographical equity in financing:** Develop a district-level financing inclusion plan to ensure fair outreach and support. Establish MSC satellite offices at district headquarters to improve visibility and service delivery.
- v) **Strengthen institutional readiness of beneficiary groups:** Provide structured pre-financing training on business planning, record-keeping, governance, and Islamic finance to prepare SACCOs and VSLAs for responsible fund management.

Lessons Learnt

- i) **Community ownership:** Projects were more sustainable where communities, especially through SACCOs and cooperatives, had strong involvement and leadership. Future projects should prioritise building this ownership from the outset.
- ii) **Continuous training:** One-off training sessions were insufficient. Ongoing, practical training in governance, finance, and business management is essential for sustaining project outcomes.
- iii) **Joint monitoring:** Regular joint monitoring by Government and partners improved accountability, construction quality, and problem-solving. Institutionalising this practice can enhance performance across projects.
- iv) **Tailored disbursement and support by MSC:** Loan disbursements were more effective when MSC paired financing with structured pre- and post-disbursement support. SACCOs and VSLAs that received both capital and tailored guidance showed better repayment performance and business outcome.



Sustainability Strategy

- i) **Cooperative-led asset management:** Project assets like farm machinery, milk centres, and processing units will be managed by cooperatives using maintenance schedules funded through user fees and member contributions. Transparent audits will ensure accountability and long-term functionality.
- ii) **Revolving community loan funds:** SACCOs and VSLAs will manage revolving funds, including Islamic finance options, to support smallholder farmers, women, and youth beyond the project period. Peer-guaranteed lending and local oversight will promote sustainability and responsible credit use.
- iii) **Digital monitoring tools:** Mobile and SMS-based systems will track cooperative performance, infrastructure usage, and agricultural output. This enables real-time monitoring, early issue detection, and evidence-based decision-making by local and central stakeholders.
- iv) **Ongoing technical support:** Extension workers and a helpdesk will provide continued support on equipment use, financial management, and market access, helping cooperatives maintain gains and scale agribusiness activities after project closure.
- v) **Climate solutions and partnerships:** Innovations like solar mini-grids and biogas systems will be expanded through partnerships with private sector and NGOs. These align with Uganda's climate policy, ensuring environmental sustainability and attracting new funding.
- vi) **Community revolving loan schemes:** SACCOs and VSLAs, including those supported by MSC, will continue managing revolving funds both conventional and Sharia-compliant to extend credit access to smallholder farmers, youth, and women.

3.9.2 Rural Development and Food Security in Northern Uganda Project -1760

Background

The Rural Development and Food Security in Northern Uganda (RUDSEC) Project is being implemented by the Government of Uganda through the Ministry of Local Government, with funding from the German Government under German Financial Cooperation and technical support from KfW Development Bank. The project's objective is to enhance agricultural productivity and improve rural livelihoods in Northern Uganda by upgrading district and community access roads and strengthening rural agricultural markets. The project period is five years (2023 to 2028).



The project is structured around four key planned outputs. Table 3.9.2 shows details on planned outputs.

Table 3.9.2: Planned outputs for the RUDSEC Project

Outputs	Remarks
Rehabilitation and Upgrading of Rural Roads	Focuses on the rehabilitation and upgrading of approximately 510 kilometres of district roads and 208 kilometres of community access roads into all-weather surfaces to improve year-round connectivity.
Improvement of Agricultural Market Infrastructure	Aims to improve agricultural market infrastructure by building and upgrading rural trading facilities to strengthen market connections, decrease post-harvest losses, and enhance the competitiveness of smallholder farmers.
Environmental and Social Safeguards	Includes the preparation and implementation of Environmental and Social Impact Assessments (ESIAs) and Environmental and Social Management Plans (ESMPs), to ensure regulatory compliance and sustainability.
Monitoring and Evaluation (M&E) Systems	Supported by a baseline study, it will be established to enable evidence-based decision-making and effective tracking of project performance.

Source: RUDSEC Project documents

Financial Performance

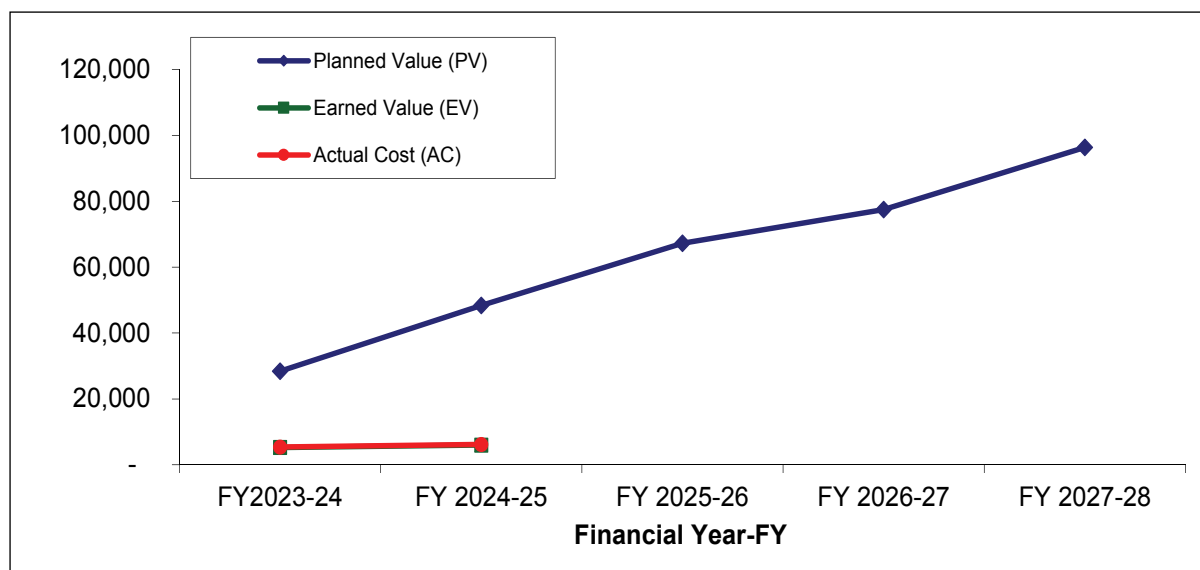
By 31st March 2025, the RUDSEC Project had disbursed US\$ 51.5 billion (49%) of its total allocations of US\$ 105 billion. Expenditures totaled US\$ 6.175 billion, with most spent on paying consultants, salaries and project monitoring. Low financial absorption was attributed to delays in contract approvals and procurement, which stalled infrastructure works.

Physical Performance

As of May 2025, physical progress was 18%, up from less than 5% in November 2024. However, overall implementation remains poor and behind schedule¹³². Figure 3.3.2 illustrates the performance trajectory of the project.

¹³² The SPI value was 0.06, indicating the project is behind schedule.

Figure 3.9.1: Performance of the Rural Development and Food Security Project in Northern Uganda as of May 2025



Source: Compiled from RUBSEP Project reports, MoFPED IFMS

The detailed physical performance on planned outputs of the RUDSEC Project is presented below.

Road Infrastructure: This output progressed from the planning phase to pre-construction. Initially, Batch 2 roads, totaling 153 km, were designed in-house. However, due to technical challenges, particularly in flood-prone areas like Kaberamaido, an Implementation Support Consultant was engaged to revise the designs and finalise the tender documents.

For Batch 1 roads, which encompass 324.4 km across Agago, Lira, and Soroti, contracts for design and supervision were approved and are awaiting signatures. The prequalification process for contractors for both batches has been completed, with 18 road lots and 133 firms shortlisted. Construction is expected to begin in late 2025, following the bidding and contract award process.

Environmental and Social Safeguards: Notable progress was achieved. For Batch 2 roads, Environmental and Social Impact Assessments (ESIAs) and project briefs were submitted to the National Environment Management Authority (NEMA), representing an improvement compared to 2024, when submissions had not yet begun. A key milestone was the environmental review conducted by the Implementation Support Consultant, which confirmed that Batch 2 roads avoid sensitive ecosystems. This resulted in a moderate and manageable risk classification, facilitating faster clearance.

For Batch 1 roads, procurement of the ESIA Consultant for the Acholi, Lango, and Teso sub-regions has been completed, with contract signing expected in the fourth quarter of FY 2024/25. These advancements signify a shift towards implementation readiness; however, timely contract finalisation and permit approvals remain crucial to avoid delays.

Market Infrastructure: Progress was made in rural market infrastructure planning. A finalised Practical Guide now guides site selection and implementation. All 16 proposals from nine districts passed eligibility and technical appraisal, and field verifications were completed.



Seven markets¹³³ secured valid land titles, up from three in 2024, though nine still lacked documentation. The EUR 2.6 million budget guarantees each compliant market EUR 100,000, with additional funding based on proposal quality and district performance. Arapai Market in Soroti is expected to qualify for top-up funding due to its high economic potential.

Monitoring and Evaluation (M&E): A comprehensive baseline survey was completed in early 2025 to enhance the Monitoring and Evaluation (M&E) framework of the RUDSEC Project. Unlike the preliminary assessments in 2024, this survey was broader and more rigorous, covering all 16 proposed road corridors in the Acholi, Lango, and Teso sub-regions. A total of 883 household interviews were conducted, surpassing the initial sampling goals from 2024 and improving the reliability of the findings.

The survey employed a combination of qualitative and quantitative methods, including transect drives, key informant interviews, and gender-balanced focus groups, thus enriching the analysis. The updated dataset now features detailed district-level socio-economic profiles, infrastructure inventories, and household livelihood baselines.

Over 60% of households in Agago District still travel over six kilometres to access essential services, a figure unchanged since 2024. However, the updated data offers deeper insights by gender, age, and economic activity, providing a stronger baseline for community engagement, targeting vulnerable groups, and enhancing social inclusion during implementation and post-construction monitoring.

Key Implementation Challenges

- i) **Procurement approval delays:** Lengthy approval processes by the Contracts Committee and Solicitor General have delayed contracting, disrupted schedules, increased costs, and led to underutilised funds, especially affecting large infrastructure and consultancy contracts.
- ii) **Inadequate counterpart funding:** Delayed release of Government of Uganda counterpart funds has restricted district-level supervision and operations, causing irregular monitoring, delayed payments, and limited responsiveness to field issues.
- iii) **Incomplete land titling:** Lack of registered land titles for rural markets blocks construction, delays procurement, and risks funding loss; urgent legal and technical support is needed for resolution.

Strategic Recommendations

- i) The **MFPEd, PPDA, Solicitor General, and implementing MDAs or Local Governments** should work towards reducing procurement delays by enforcing standard approval timelines and adopting phased digital processing through the e-GP system. Training Contracts Committees to handle routine procurements more efficiently will also help ensure timely contracting and reduce idle funds.
- ii) The **Ministry of Finance, Project Coordination Unit, and Local Governments** should improve counterpart funding by committing funds at the start of the financial year and disbursing them in sync with donor inflows. Embedding counterpart contributions into the budget execution cycle and introducing basic tracking tools will enhance predictability and improve responsiveness to project needs in the field.

¹³³ Arapai,



- iii) The **Ministry of Lands, Uganda Land Commission, District Land Boards, Ministry of Local Government, and concerned Local Governments** should prioritise issuing land titles for rural markets by earmarking funds for land registration within project budgets. Coordination mechanisms should be strengthened between land offices and implementing agencies, and mobile land teams deployed where needed to speed up titling before construction begins.

Conclusion

The RUDSEC Project remains significantly behind schedule, with only 18% physical progress due to major delays in procurement, contract approvals, and funding. While key preparatory activities were completed, including baseline surveys and environmental assessments, no major infrastructure works had started. Urgent action is needed to address these delays and begin implementation to realise the project's development goals.



3.10 Sustainable Energy Development

3.10.1 Mirama-Kabale Transmission Project (1409)

Introduction

The Mirama-Kabale Transmission Project plan is to construct an 88.5 km long transmission line operating at a voltage of 132 kV to connect Kabale to the transmission grid from the Mirama substation. The project will improve the reliability of the electricity supply to Kabale and its environs. The area was supplied by two long 33 kV medium-voltage lines from Nkenda and Mbarara, which were unreliable. The project implementing agency is UETCL, with funding from the GoU (US\$ 40 billion) and an Islamic Development Bank (IsDB) loan of USD 83.75 million (USD 37.82 million for the transmission project and USD 45.93 million for the rural grid extensions).

The project loan was signed on 22nd June 2015 with an initial planned end date of 25th October 2019. The final revised loan end date is 31st December 2024. The scope of the project is as follows:

1. Construction of the 88.5 km long Kabale–Mirama 132 kV steel lattice transmission line.
2. Construction of 132 kV Kabale substation and extension of the 132 kV busbar at the Mirama substation.
3. Preparation of tender documents, project supervision and management of works.
4. RAP implementation funded by the GOU.

Financial Performance

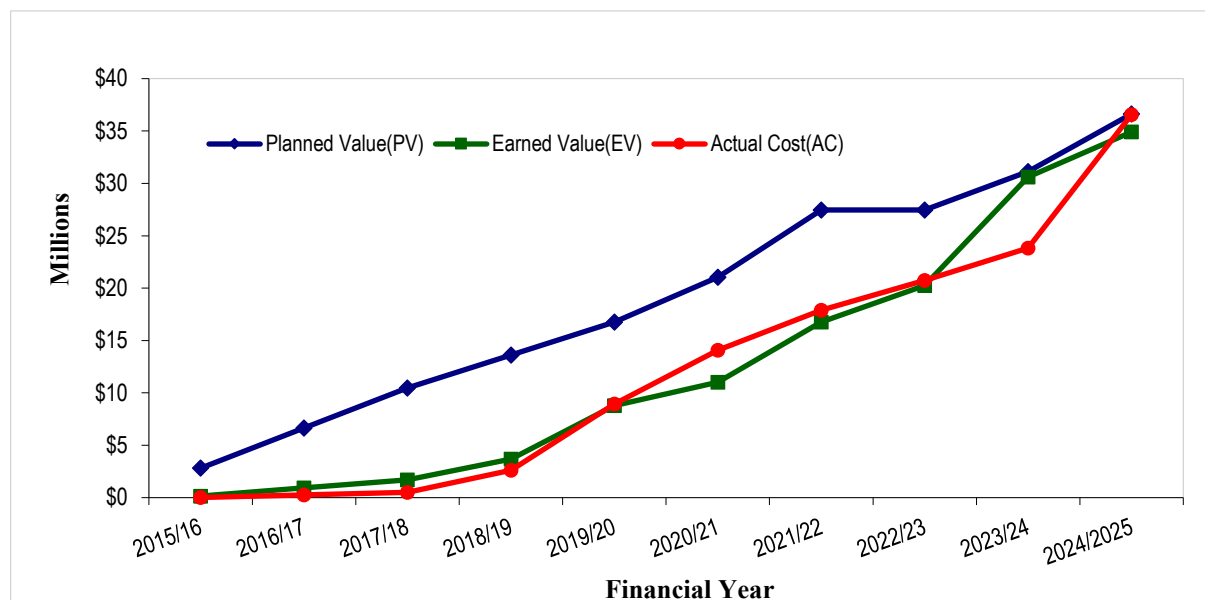
The project's overall financial performance was good¹³⁴. Due to the contract variations for the works and supervision, there was a USD 1.55 million cost variance between the planned and actual costs (Figure 3.10.1). The total disbursement on the loan (transmission and substation works) by Q3 FY 2024/25 was USD 27.217 million (72%) because the loan had savings of USD 9 million. The cumulative amount released for the GoU RAP escrow account was US\$ 45.153 billion, with US\$ 35.12 billion spent on the project by 31st March 2025.

¹³⁴ CPI of 0.96

Physical Performance

There was a very good improvement in the physical work of the project during the last 6 months of the project¹³⁵. Most of the transmission line and substation works had been completed by February 2025.

Figure 3.10.1: Performance of the Kabale-Mirama Transmission Project



Source: Authors' compilation and UETCL progress reports FY 2015/16–2024/25



Part of the completed Kabale-Mirama transmission line in Rubanda District

i. Lot 1-Transmission line construction

The overall weighted progress of construction of the Mirama–Kabale transmission line was 99.2%, against the planned progress of 100%. The remaining scope of 0.8% represents spares not delivered before the loan closure. The completed works were still under the mandatory one-year Defects Liability Period (DLP). The scope of the contract has been downscaled due to budget constraints after the funder's loan closure in December 2024.

ii. Lot 2 -Mirama substation extension and new Kabale substation

Construction of the Mirama substation extension and the new Kabale substation was completed in December 2024, and commissioning was undertaken in February 2025. The project is currently

¹³⁵ SPI of 0.96



under the mandatory one-year DLP, during which the contractor is executing rectification of identified snags and pending residual works.



Completed and commissioned Kabale substation and switchyard

Overall weighted progress of construction of the Mirama and Kabale substations stood at 99.7%. The remaining 0.3% scope represents the residual works on the access road for the Kabale substation, the fire hydrant system, and the training, tools, and spares that stalled due to a funding shortfall.

The shortfall resulted from the IsDB cancelling funding for residual works that had not been completed by the loan closure of 31 December 2024, amounting to USD 1,256,003.51.

iii. Status of RAP implementation

RAP implementation was at 98% (2470/2530) for the transmission line route, and the contractor had accessed all tower locations (294 out of 294). The cash payment for the remaining PAPs was in advanced stages. A summary is given in Table 3.10.3.

Table 3.10.3: Status of implementation of the RAP

ITEM	December 2024		March 2025	
	Coverage	Percentage	Coverage	Percentage
Total transactions	2,540	100%	2,530	100%
Disclosures	2,517	99%	2,510	99%
Agreements	2,478	98%	2,501	99%
Disputes	39	2%	9	0.36%
Payments	2,446	98%	2,470	98%

Source: UETCL Q2 and Q3 FY 2024/25 reports

iv. Construction of resettlement houses

Construction of 10 resettlement houses was planned for the vulnerable PAPs who opted for in-kind resettlement. However, one PAP later opted for cash compensation. The first lot of five houses was completed in October 2023 and handed over to the beneficiaries. The contractor completed the final batch of the four remaining sites at the end of March 2025, and they were handed over to the beneficiaries.



Implementation Constraints

The project experienced a funding shortfall due to the failure to renew the loan when it expired. This funding shortfall amounts to USD1.256 million and is meant to cater for residual works such as the construction of the access road to the Kabale substation, spare parts, tools, personnel training, fire detection, the fire hydrant system, access control, and palisade fencing.

Conclusion

By the end of December 2024, the project had recorded significant improvement in performance, with most of the remaining works on the transmission line and substations completed. The full commissioning was conducted on 12th February 2025, with the transmission line and substations having achieved physical progress of 99.2% and 99.7%, respectively. Loan disbursement stood at USD 27.217 million (72%), and the project realised savings of USD 9 million during procurement. However, the loan expired on 31st December 2024 without renewal by the funder, resulting in a funding gap of USD 1.256 million needed to complete the minor outstanding works.

3.10.2 Masaka-Mbarara 400 kV Transmission Line Project (1497)

Introduction

The Masaka-Mbarara Transmission Line 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 (US\$ 128 billion) and loans from KfW¹³⁶(EUR 37.1 million) and AFD¹³⁷(EUR 35.0 million). The project will upgrade the existing single circuit 132 kV, 135 km single circuit transmission line between Masaka West and Mbarara North substations to 400 kV 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 132 km 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 the Masaka West and the new Mbarara North substations.
3. Preparation of tendering documents and supervision of works.
4. Implementation of the Resettlement Action Plan (RAP).

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 Q3 FY 2024/25, the disbursement registered was EUR 120,687 (0.33%) on the AFD loan and EUR 119,907 (0.32%) on the KfW loan.

¹³⁶ German Development Bank.

¹³⁷ French Development Agency.



Under the GOU-funded RAP implementation component (budgeted at US\$ 128 billion), the cumulative released funds under the project stagnated at US\$ 82.458 billion. No funds have been released to UETCL for the RAP component during the FY 2024/25. The project had made payments cumulating to US\$ 85.269 billion, beyond what it had received, having borrowed from other projects.

Due to the long delays in the project, MoFPED was still awaiting a response from KfW regarding an extension of the loan until 30 June 2026. An extension was also sought on the AFD loan for the period up to 31st December 2026.

Physical Performance

Works on the project were yet to commence due to a delay in the procurement of the EPC contractors. The delays in the procurement arose due to whistle-blower complaints to the IGG 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. The final “No Objection” to conclude the procurement process was requested from AFD in December 2024, and the response was still being awaited.

The status of the RAP implementation is shown in Table 10.3.2, and payments of PAPs had increased from 76% in December 2024 to 78% in March 2025. However, there was slow movement in completing outstanding disclosures, as some of these cases are absentee landlords (not readily available/residents within the communities). The RAP team, along with the RAP Consultant, continued to make efforts to close this gap.

Table 3.10.2: Status of implementation of the RAP

ITEM	December 2024		March 2025	
	Coverage	Percentage	Coverage	Percentage
Total transactions	2,673	100%	2,685	100%
Disclosures	2,342	88%	2,376	88%
Agreements	2,212	83%	2,249	84%
Disputes	130	5%	127	5%
Payments	2,039	76%	2,083	78%
Outstanding disclosures	331	12%	309	12%

Source: Field findings

The procurement of the contractor to construct the resettlement houses is ongoing. The number of beneficiaries expected to benefit from this kind of compensation was 25. The PAPs who opted for only the resettlement house were 16, while nine opted for both the resettlement house and land.

Implementation Constraints

- i) The project has been plagued by delayed procurement of the contractors for both the transmission line and substation works due to the administrative review after complaints were raised.
- ii) Risk of loss of funding due to project delays, with the KfW loan having expired on 30th June 2023, while the AFD loan expired on 31st December 2024 before the commencement of works.
- iii) There is the slow pace of the RAP implementation, with only 78% of payments, and this was complicated by persistent transactions on land in areas that are not fully compensated/ registered due to failure to gazette the entire corridor legally

Conclusion

The project performance was rated poor, with all the major project components still at the procurement stage. The project needs close supervision, and there is a high risk of losing the financial support from the lenders due to the persistent delays.

Recommendation

The MEMD and UETCL need to re-scope the project and alternative funding be found if the current funding is not renewed.

3.10.3 Kampala Metropolitan Transmission System Improvement Project (1492)

Introduction

The Kampala Metropolitan Transmission System Improvement Project aims to construct a 220 kV transmission grid around the Greater Kampala Metropolitan Area (GKMA) to ensure a reliable future supply of electricity for the growing population. The project is being implemented by Uganda Electricity Transmission Company Limited (UETCL), and funding is a loan of Japanese yen (JPY) 13.659 billion from the Japan International Cooperation Agency (JICA), while the GoU counterpart funding (US\$ 32.267 billion) is to cater for the implementation of the RAP.

The project commenced in 2017 with an initial completion date of May 2021, revised to August 2023. The scope of the project includes the following components:

1. Lot 1: Construction of the Buloba substation and associated transmission lines and upgrading of Mutundwe and Bujagali substations (USD 34.4 million).
2. Lot 2: Construction of the new Mukono substation and associated transmission lines, upgrading of the Kawaala substation, and reconductoring of Mukono-Kampala North, Kampala North-Lugogo, and Kampala North-Mutundwe transmission lines to High-Tensile Low-Sag (HTLS) conductor (USD 53.1 million).
3. Lot 3: Procurement of a mobile substation (USD 3.627 million).
4. Supervision of works (USD 22.5 million).
5. Resettlement Action Plan (GOU funding US\$ 32.267 billion).



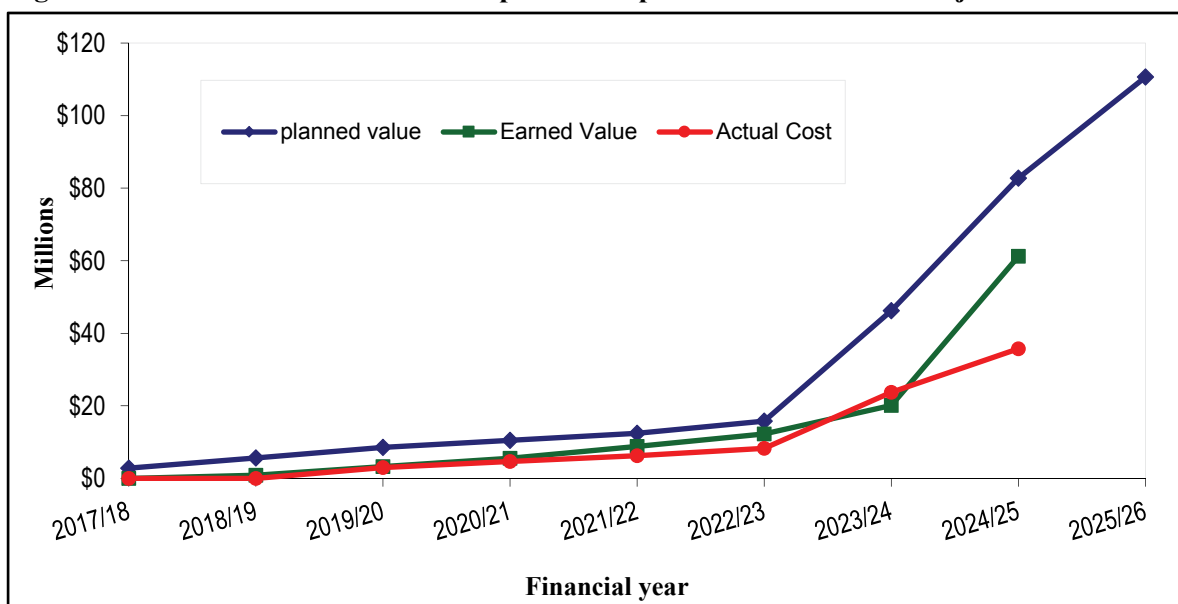
Financial Performance

The total disbursement of the loan by Q3 FY 2024/25 was JPY 4,503,380,678 (33%). The total GoU funds released for the RAP were USh 27.180 billion, compared to the project RAP budget of USh 32.267 billion. The expenditure of the RAP funds by Q3 FY 2024/25 was Shs 12.485 billion. From the EVM analysis undertaken, the project was making efficient use of the funds¹³⁸, with the actual cost of the works less than the value of the completed works (Figure 3.10.3).

Physical Performance

Although the project was behind schedule¹³⁹, significant improvement in the progress of works was attained with an average overall progress of 49.3%. There was a significant increase in the value of completed works from USD 20.1 million in FY 2023/24 to USD 61 million in Q3 FY 2024/25 (Figure 3.10.3) due to the good progress of works. The project was yet to fully recover from delays of over 2 years related to the late completion of designs and the slow procurement process, which delayed the commencement of works. Figure 3.10.3 shows the analysis of the project performance using the EVM tool over the project period.

Figure 3.10.2: Performance of the Kampala Metropolitan Transmission Project



Source: Authors' compilation and UETCL progress reports FY 2017/18–2024/25

Physical works on Lot 1 and Lot 2 commenced in March 2024, and the following progress had been recorded by 31st March 2025:

i. Lot 1 works

Overall weighted progress of construction of Lot 1 was 52.28%, against the planned progress of 72.85%. The topographic and geotechnical survey for the Buloba, Mutundwe, Bujagali, Kawaala substations, and the Buloba-associated transmission lines had been completed and approved. All civil drawings for the Buloba substation have been approved, and 80% of the equipment drawings for the Buloba substation had been approved.

¹³⁸ CPI of 1.71

¹³⁹ SPI of 0.74

Buloba substation

The delivery of most major equipment had progressed well. The shipment of auxiliary transformers, lightning arrestors, circuit breakers, busbars, and accessories for the Buloba substation was received at the site in January 2025. The other shipment of two units of 40 MVA, 132 /33 kV transformers and accessories for the Buloba substation was received at the site in mid-March 2025.



Completed busbar gantries and ongoing foundation works at Mukono substation

The shipment of cable termination, circuit breakers, and lightning arrestors for the Buloba substation was delivered to the site in February 2025, while the shipment of high-voltage AC disconnectors for Buloba was delivered to the site in March 2025. Foundations for two units of 125 MVA, 220/132 kV and two 2 units of 40 MVA, 132 / 33 kV transformers were completed in February 2025, and preparations for the shipping of the transformers were ongoing.

Sixteen 220 kV gantry foundations and four 132 kV gantry foundations had been completed. The erection of 347 equipment support foundations had been completed, and the 18 surge arrestors and 18 disconnectors for the 220 kV were installed. A total of nine sets of disconnectors for 132 kV and two sets of circuit breakers for 132 kV had been installed at the Buloba substation



Installed power transformers, erected equipment structures and busbar gantries in the Buloba substation switchyard

Bujagali substation

One unit of 250 MVA, 220/132/33 kV transformer is under preparation for shipment and is expected to reach the site by 20th May 2025. The main transformer foundation had been cast in March 2025. The 220 kV gantry structure foundations were at 50% completion.



All the 220 kV equipment support foundations had been excavated in March 2025.

ii. Lot 2 works

The overall weighted progress of the construction of Lot 2 was 46.39%, against the planned progress of 56.11%. The topographic and geotechnical survey for the New Mukono substation, Kawaala substation, mobile substation site, and the new Mukono-associated transmission lines has been completed and approved. All civil drawings for the Mukono substation have been approved.

Mukono substation

The shipment of auxiliary transformers and accessories for the Mukono substation was received at the site in January 2025. Three sets of 200 MVA, 220/132/33 kV transformer foundations were completed in March 2025. The transformers were under preparation for shipment and are expected to reach the site by 20th May 2025. The Factory Acceptance Test (FAT) for 10 units of 220 kV and 132 kV gas insulated switchgear was concluded on 18th February 2025, and the equipment was under preparation for shipment.

The foundation of the control building at the Mukono substation was 100% complete, while the superstructure was 95% complete. In March 2025, all of the gantry foundations for both the 220 kV and 132 kV areas were completed, and 72 equipment support foundations for 220 kV and 132 kV were completed.

New Mukono-associated transmission line

The first batch of 50 km of High-Tensile Low-Sag (HTLS) conductor to be used for re-conductoring was delivered to the Mukono substation site in November 2024. The works were yet to commence.

Kawaala substation upgrade

The FAT for three 40 MVA 132/33 kV transformers was completed in December 2024. Shipment of the transformers has been paused until the mobile substation is energised to allow for the commencement of demolition of the existing Kawaala substation site.

iii. Mobile substation for Kawaala



MV trailer and HV trailer for the 132/33 kV mobile Kawaala substation

The paving of the site ground as well as the road crossing for the cable trench, and pipe laying had been completed. The earthing of the site and testing of the earthing were completed.

The medium-voltage trailer was delivered to the site on 31st January 2025, and the high-voltage trailer containing the power transformer was delivered to the site on 8th February 2025. The site acceptance

tests were completed on 25th February 2025. The commissioning of the mobile substation was awaiting completion of the cabling for the incoming supply and outgoing feeders.

Resettlement Action Plan (RAP)

The corridors of the transmission line and substations along the Mukono, Kawaala, and Buloba project area have been demarcated, and the substation land had been procured. The RAP pending issue involving the extra land required for the Mukono substation was resolved. The batching and payment were ongoing. RAP implementation was at 134 (97%) of the 138 PAPs paid. Detailed status of the RAP progress is shown in Table 3.10.3.

Table 3.10.3: Status of implementation of the RAP

No		December 2024		March 2025	
		Coverage	Coverage	Coverage	Percentage
1.	Total transactions	138	138	138	100%
2.	Disclosures	136	136	136	99%
3.	Agreements	134	134	134	97%
4.	Payments	134	134	134	97%

Source: Field findings

Implementation Constraints

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 from poor to fair, and good progress had been registered in the works increasing from 10% in December 2024 to 49.3% in April 2025. There was also a significant increase in the loan disbursement from 21.3% by the end of December 2024 to 33% by the end of March 2025. The initial challenges faced by the project had been resolved, and most of the major project materials had been procured and delivered.

Recommendation

- i) UETCL and the MEMD should continue to closely monitor the project to avoid further slippage of the project schedule as a result of previous delays.
- ii) MoFPED should follow up with JICA so that a solution to the funding shortfall is agreed upon before it affects the works.

3.10.4 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 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 30th June 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 Results-Based Financing (RBF) Programme and Credit Support Facility (CSF) and also the installation of stand-alone solar technologies in 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 the interventions of Components 1 and 2 within the selected 12 RHDs¹⁴⁰.

¹⁴⁰ Adjumani, Isingiro, Kamwenge, Kikuube, Kiryandongo, Koboko, Kyegegwa, Lamwo, Obongi, Madi-Okollo, Terego and Yumbe

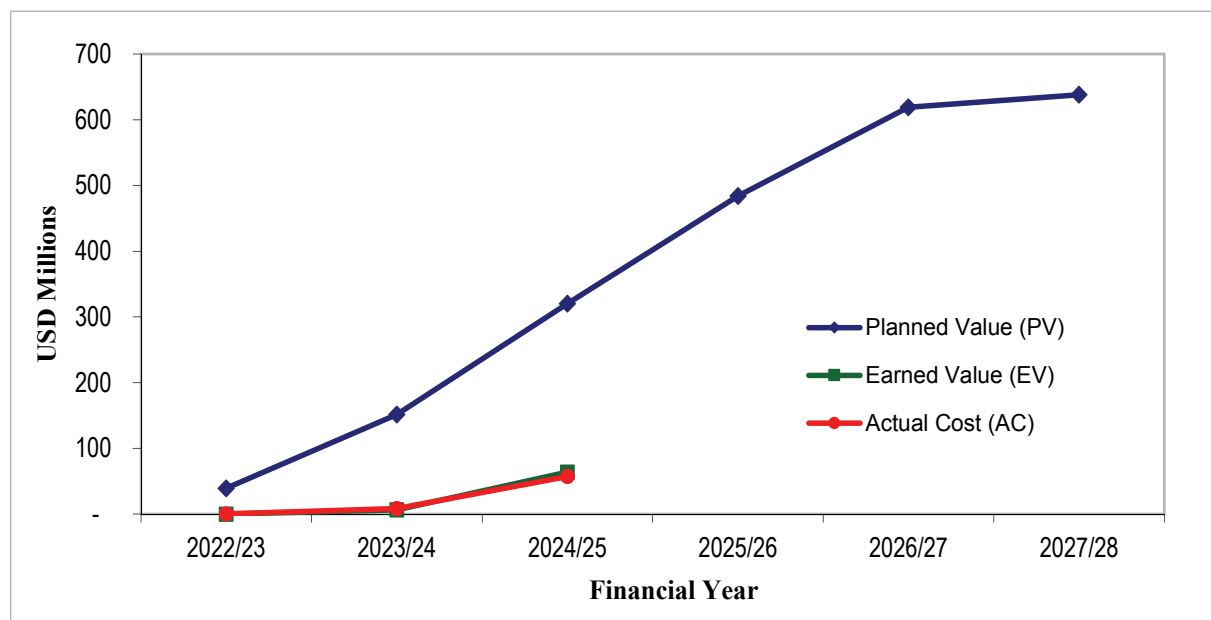
Component 4: This will create an enabling environment to cater for the project administration costs of the respective Project Implementation Units (PIUs) at the MEMD and Uganda Energy Credit Capitalisation Company (UECCC) and the Project Coordination Units (PCUs) at the MEMD.

Financial Performance

The total loan and grant cumulative disbursement for the project was 8.1% (USD 49.17 million), with 61% of the funds spent on facilitating connections to the grid. The project expenditure was far below the projected spending (Figure 3.10.4) because the construction works, which account for about 70% of the project cost, had not started.

A total of US\$ 29.347 billion (USD 7.95 million) was expended between FY 2022/23 and Q3 of FY 2024/25 as part of the GoU contribution. Part of this GoU contribution, amounting to US\$ 1.204 billion, had been transferred to the escrow account for undertaking RAP activities. The funds expended were mainly for household grid and solar connections, and project operational costs.

Figure 3.10.3: Performance of the Electricity Scale-Up Project as at 31st March 2025



Source: EASP reports, IFMS, author's analysis

Physical Performance

The performance was poor, with overall project physical progress at 10%. The project was behind schedule by 80%¹⁴¹, with a value of work far below the planned value (Figure 13.10.4). Two of the planned five years of the project had elapsed. The major achievements in the first two years of the project were a total of 250,960 grid and off-grid connections out of the overall target of 1,223,500.

The grid line extensions, on the other hand, had not yet begun pending the conclusion of the procurement of the contractors. The progress of the component for the institutional solar PV system installations was also in the early stages. The recruitment of staff for the Project

¹⁴¹SPI of 0.2

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: Cumulative progress was at 8.4%. A total of 153,292 grid connections had cumulatively been made by 31st March 2025. The procurement of more connection materials for the different batches was at various levels and behind schedule. For example, the evaluation and justification with the Bank for the procurement materials for 508,035 connections and 15,000 ready boards for vulnerable households was yet to be concluded.



Household connection at Mawagala Trading Centre, Iganga

The construction of the medium- and low-voltage networks had not commenced. The procurement of a Planning Design and Supervision Consultant (PDSC) to undertake planning, engineering designs, and supervision of works was concluded.

The MEMD, in partnership with the consultant, was undertaking final surveys, detailed designs, Bill of Quantities (BoQ), and procurement of contractors to undertake RAP, material supply, line construction, and material logistics.

None of the procurements had been concluded, with some awaiting approval from the Bank for the way the lots for the materials had been made.

Component 2 - Financial Intermediation for Energy Access Scale-up: Overall progress of the component was at 11.8%. To boost off-grid connections under the Credit Support Facility (CSF), total Lines of Credit (LoC) worth UD 8.7 million had been disbursed to nine Participating Financial Institutions (PFIs) by 31st March 2025. To that effect, a total of 97,668 off-grid solar connections were made by 31st March 2025, and an additional 56,423 were made by 20th May 2025.

The Results-Based Financing (RBF), on the other hand, became effective in December 2024 and aims to provide subsidy rates (30% - 67%) to promote the usage of the various off-grid technologies. A total of 410¹⁴² Productive Uses of Energy (PUEs) had been sold and 26,656¹⁴³ clean cooking solutions financed by 31st March 2025.

¹⁴² 166 solar-powered water pumps, 28 solar-powered refrigerators, 12 solar water heaters, 7 on-grid refrigerators and 196 household internal wiring costs and 3-phase connections.

¹⁴³ Biogas – 38, LPG packages – 25,623, ethanol stoves – 227, electric pressure cookers – 768.

To electrify public institutions, the civil works for solar installations at 40 water stations were underway countrywide and anticipated to be completed by August 2025. The Ministry of Health (MoH) and the Ministry of Education and Sports (MoES) were in the process of procuring contractors to undertake works. A total of 136 beneficiary health centres and 45 schools were considered. The MEMD had also initiated the procurement process for EPC and Liquefied Petroleum Gas (LPG) for the first phase of Institutional cooking

Component 3 - Energy Access in Refugee Host Communities: A total of 7,516 off-grid solar (OGS) connections were made in the RHDs by 31st March 2025. Of these, only 1,982 connections were made to refugees, representing 28% of the overall project target. Verification of more than 7,367 connections made in April and May 2025 was ongoing. The poor progress was mainly due to the delayed procurement of materials for off-grid connections. The construction of medium-voltage networks in the respective refugee settlements has not started, awaiting the conclusion of engineering designs and the MEMD's procurement of contractors. A total of 823 Clean Cooking Solutions (CCS) were also provided in the RHDs, of which 26 units were for refugee customers.

Challenge

The project progress was hampered by slow procurement processes and contractors to undertake grid expansion and solar installations, and some of the project staff, two years into the project, had not been hired.

Conclusion

The project's physical progress was poor, with a low disbursement level. The time progress of the project was 47%, against a physical progress of less than 10%¹⁴⁴. Only grid and off-grid connections, and solar PV installation for water pumping were ongoing. The construction of grid extensions and the institutional solar installation works in education and health facilities were pending the conclusion of the procurement of contractors. Also, the recruitment of some key staff under the project implementation and coordination units had not yet been completed. If this trend performance continues, the project will not be completed by 30th June 2027, and there are anticipated cost overruns.

Recommendation

The World Bank and the MEMD should fast-track the procurement processes to enable the commencement of the grid and off-grid construction works.

3.10.5 ORIO Mini Hydro Power and Rural Electrification Project (1429)

Introduction

The objective of the ORIO Mini Hydro Power and Rural Electrification Project is to provide a captive and reliable electricity access to contribute to the economic development of the project

¹⁴⁴ Schedule Performance Index of 0.2.



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 (EUR 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 mini-hydropower plants with a combined capacity of 6.7 MW and is to be undertaken in two phases. The project sites are located in the seven districts of Western Uganda, namely: Hoima, Kabarole, Bundibugyo, Bunyangabu, Kasese, Mitooma, and Bushenyi (Table 3.10.5).

The project will also focus on the construction of local distribution networks totalling 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 3.10.5: Orio Mini Hydro Project details

No.	Mini Hydro	Capacity (KW)	Project code	Location	River	Schedule for Construction
1	Nsongya	684	HEPP-2	Bunyangabo	Nsongya	Phase One
2	Igassa	276	HEPP-10	Bunyangabo	Igassa	
3	Nchwera	463	HEPP-3	Mitooma	Nchwera	
4	Hoimo	3,312	HEPP-4	Hoima	Hoima	
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 progress report Q3 FY 2024/25

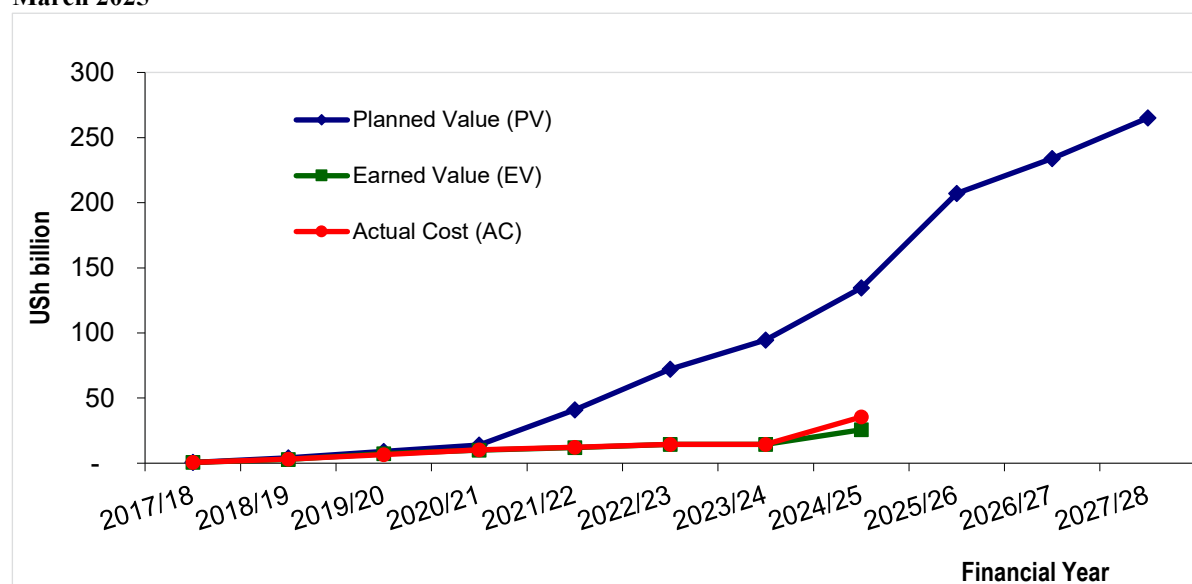
Financial Performance

The grant funding disbursement was at 30% (EUR 3.66 million) and it catered for RAP consultancy costs between FY 2017/18 and FY 2022/23, and part of the advance payment for electro-mechanical works made in the third quarter of FY 2024/25. The construction works

had just begun; thus, the project expenditure was higher than the value of work done¹⁴⁵ (Figure 3.10.5).

The total release of counterpart funding availed between FY 2017/18 and quarter three of FY 2024/25 was US\$ 49.703 billion, of which US\$ 13.504 billion was spent on undertaking feasibility studies and resettlement activities. Part of the balance was aimed at unlocking the grant funding, and the advance payment for hydro-mechanical and civil works under the GoU had also been paid in quarter three of FY 2024/25.

Figure 3.10.4: Performance of the ORIO Mini Hydro Power and Rural Electrification Project as at 31st March 2025



Source: UECCC progress report Q3 FY 2024/25, author's analysis

Physical Performance

The overall project construction progress was at 5% and behind schedule by 81%¹⁴⁶, with a time progress of 90%. The works under phase I at four of the nine mini-hydro plants in Bunyangabu (Nsongya, Igassa), Mitooma (Nchwera), and Hoima (Hoimo) commenced in January 2024 and were in the early stages. By May 2025, construction of the camp sites was ongoing at 10%. 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) works were at 70%. The manufacture of the electro-mechanical equipment also commenced, and the feasibility study of the phase I distribution network was ongoing, at 53%.

The phase II works, on the other hand, are scheduled to start by October 2026, with a planned duration of 36 months. The delayed commencement of construction works was attributed to the slow release of counterpart funding and, thus, the grant could not be unlocked in time. This was worsened by the slow pace of procurement of civil and electro-mechanical contractors after the funds had been made available by the end of FY 2023/24.

¹⁴⁵ CPI=0.72.

¹⁴⁶ SPI of 0.19

The RAP activities at all nine mini-hydro sites were completed by FY 2022/23, and the scope included cash compensation for a total of 401 PAPs and construction of six resettlement houses.



Completed resettlement house for a PAP in Kaisenda Village, Bunyangabu District

Challenges

- i) The delay in disbursement of the GoU funding contribution, which was a condition for unlocking the grant funding, hindered project progress.
- ii) The slow pace of procurement of contractors affected the timely start of project works.

Conclusion

The project registered poor performance, with a low grant disbursement of 30% and significant delays, achieving just 5% physical progress despite 90% time elapsed. While RAP activities were completed, construction of the first phase for four out of nine mini-hydro power plants was still at an early stage. The grant for construction works was only unlocked after more than four years from the project's effective date due to delayed counterpart funding, causing the late start of implementation. Although the project received a two-year extension up to June 2027, this is unlikely to be sufficient to complete both phases, with projected cost overruns of approximately US\$ 10 billion arising from exchange rate losses and project administration costs.

Recommendation

The project should be re-scoped, and prioritisation of funding for phase one works should be made, while phase two should be cancelled.

3.11 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 (MLHUD), 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) was reviewed. The findings are presented hereafter.

3.11.1 Greater Kampala Metropolitan Area Urban Development Programme (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 the 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 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 major programme pillars, namely:

- i. Mobility, accessibility, and connectivity-infrastructure development in GKMA targeting over 443 km of road for an upgrade in five 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 stormwater 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 was 4.5% by the end of March 2025. Only the World Bank funding had been utilised on the project. The disbursement performance was at 8.3% for the loan and 27% for the grant. Total disbursements from the World Bank amounted to USD 53,626,841 (9.8% of the approved contribution). This comprised a loan of USD 41.202 million (76.8%) and a grant of USD 12.474 million (23.2%). MoFPED had released an estimated 99% of the disbursed funds to the sub-national entities, both Institutional Strengthening Grants (ISG) and Metropolitan Development Grants (MDG), for institutional capacity growth and capital investments, respectively. This resulted in an overall financial progress of 9.4% for the World Bank financing. The Government of Uganda had not yet made any financial contributions to the project. The AFD loan was signed in March 2025 and no disbursements had been made.

Physical Performance

By the end of April 2025, the overall performance of GKMA-UDP was estimated at 11%, against a time progress of 31.5%. Several activities under the four pillars had been initiated. Programme implementation was at different levels for different entities, especially for roads (designs were done and flagship projects in Mukono and Kira Municipalities had started), drainage (a few drainage channels had been designed) and market infrastructure (two markets had been designed while others had been advertised for design). Below is the progress made under the programme (Pillars 1, 2, 3 and 4).

Pillar 1: Mobility, accessibility, and connectivity-infrastructure development in GKMA

The MoKCC&MA contracted three consulting firms to review and update selected feasibility studies and engineering designs; carry out Environmental and Social Impact Assessments (ESIA) and Resettlement Action Plans (RAPs); prepare tender documents and terms of reference (ToR) for the construction supervision of the first batch of infrastructure sub-projects (roads, drainage and markets) across nine entities, grouped into three¹⁴⁷ clusters. All the design contracts ended with all the deliverables received for Cluster 2, and partly for Clusters 1 and 3. This was attributed to the need to avoid duplication as KCCA had commenced on its market designs; inadequate data from entities to facilitate completion of the drainage design; and RoW issues with the markets.

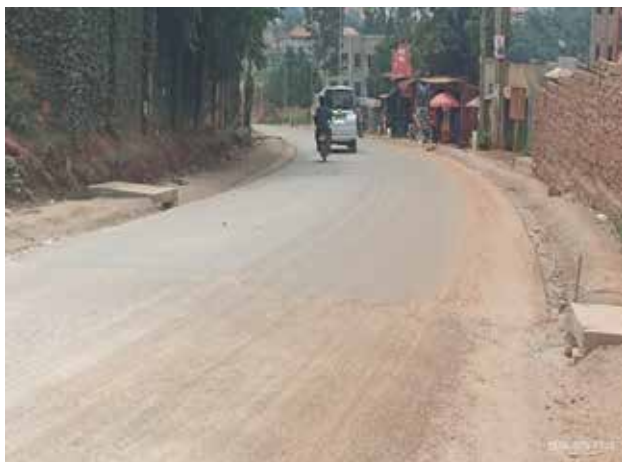
The flagship projects in Kira and Mukono Municipalities, with a total length of 29.74 km, commenced under 3¹⁴⁸ lots. All the three contractors had mobilized, and physical progress of works at the end of April 2025 was as follows: Lot 1, 2 3 – 17.4%, 11.2% and 13.5% attained, against a planned of 17.5%, 22.4% and 13.5%, respectively. Only Lot 2 was behind schedule. Ongoing activities on the sites included: mobilisation; setting up of site camps and offices;

¹⁴⁷ Cluster 1: KCCA, Nansana MC and Makindye Ssabagabo MC; Cluster 2: Entebbe MC, Mpigi DLG, and Wakiso DLG; Cluster 3: Kira MC, Mukono MC, Mukono DLG.

¹⁴⁸ Lot 1 (Mbogo and Cyprian Kizito Road – 9.0 km; Kungu-Bivanju – 2.34 km) in Kira MC; Lot 2 (Anthony-Kame, Kame Annex, Albert Cook- Cathedral Rise, Kame-Nabuti-Katosi Road, Admin Link, Access Road, Link Road - 8.68 km); and Lot 3 (Nassuti- Nakabago-Ntawo, Ntawo-Bajjo-Seeta, Serado Link, Kigunga Link - 9.72 km) in Mukono MC.

clearing and grubbing along the road corridors; cutting to spoil; roadbed preparation; drainage works of excavations; culvert installation and construction of manholes; and swamp treatment – excavation and rock fill.

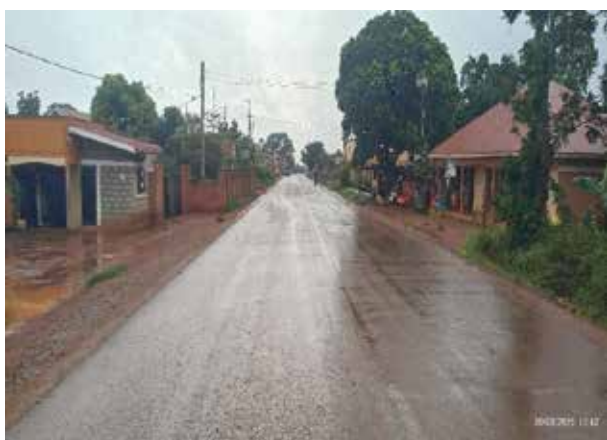
The procurement processes for 13 road project lots covering 81.25 km across six implementing entities (Wakiso DLG, Mpigi DLG, KCCA, Makindye-Ssabagabo Municipality, Nansana Municipality, and Entebbe Municipality) was concluded. The contracts for the civil works contractors and supervision consultants were signed and commencement orders were yet to be given.



A section with an asphalt at km 0+492 on Kungu-Bivanjju Road in Kira Municipality



Ongoing 900 mm diameter concrete pipe culvert installation works at km 6+900 along Cyprian Kizito Road in Kira Municipality



A section with asphalt between km 1+340 and 1+540 along Nasuti-Nakabago-Ntawo Road in Mukono Municipality



Ongoing subgrade works and construction of a boundary wall for a PAP at km 0+030 along the Albert Cook-Cathedral Rise Road in Mukono in Mukono Municipality

The MoKCC&MA/PST supported the GKMA-UDP implementing entities in acquiring the RoW by directly engaging with landowners to obtain their consent. Focus was on the 42 flagship/priority projects under construction and procurement. Field activities, including RoW demarcation, socio-economic baseline surveys and initial community engagements, had been completed. The overall progress of the RoW acquisition was at 78.8%. This was attributed to absentee landlords, landlords demanding reinstatement 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. All the RAP reports for the road projects had been completed, and those for the drainage and markets were yet to be completed.

Pillar 2: Resilience and environment (environment, safety, health and social safeguards management)

This pillar focuses on the design and establishment of environment-resilient infrastructure. Eighteen drainage channels were earmarked for improvement/construction in the nine implementing entities. However, only KCCA had planned to start on the construction of the Lubigi Primary Drainage Channel (0.9 km). The commencement of this activity had delayed due to some PAPs still demanding compensation.

Supervision and monitoring of the contractors' conformance with the environment and social safeguards standards was undertaken under the pillar. The status of compliance on the three flagship projects/contracts under Lots 1, 2, and 3 were as follows: Lot 1 (Kira Municipality) – the contractor's equipment had been grounded for assessment by the Inspector of Vehicles (IOV). However, the contractor was partially compliant with environmental and social (E&S) safeguards; Lot 2: (Mukono MC) – Good performance was exhibited by the contractor who was compliant with E&S safeguards requirements; and Lot 3: The contractor had just emerged from suspension of civil works and had established systems to manage the E&S safeguards.

Pillar 3: Job creation (local economic development (LED))

The pillar involves the establishment of workspaces, skilling centres and artisan parks for entrepreneurship and business establishments. 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. Only KCCA had committed to start on the construction of job creation infrastructure (markets) with the Ggaba and USAFI Phase 2 markets.

3.11.2 Other activities carried out involved:

Stakeholder engagement to and identify and prioritise LED projects whose designs could be prepared in Mukono DLG, Mpigi DLG and Makindye Sebbagabo MC. These entities had initially not identified projects due to lack of land; conduct of a venter census in nine¹⁴⁹ GKMA markets and 6,035 vendors registered. The MoKCC&MA analysed the data was developing a dashboard for data management and visualisation; designs and studies for markets – seven¹⁵⁰ markets were advertised for designs/studies and bids were received, and three¹⁵¹ markets were at the level of finalising the procurement of the contractors and supervision consultants.

Pillar 4: Institutional strengthening

Under Pillar 4, key achievements were made in communication, social safeguards, grievance management, urban planning, and institutional systems. Communication efforts included production of bilingual FAQs, newsletters, flyers, documentaries, and publicity of project activities, alongside radio and TV engagements. MoKCC&MA supported implementing entities in developing Stakeholder Engagement Plans, training Grievance Redress Committees

¹⁴⁹ Bulaga Market, Entebbe Bus Park and Fish Market, Kame Valley Market, Katabi Central Market, Kawuku Market, Kireka Main Market; Kyengera Market, Nansana Daily Market, Wakiso TC Market.

¹⁵⁰ 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.

¹⁵¹ Mpigi Central Market, Kawuku Market and Wakiso Central Market.



(GRCs), and strengthening grievance management systems. Grievance resolution rates varied, with Makindye Ssabagabo at 94.4%, Mukono at 64.7%, and others reporting lower rates. A Training of Trainers (ToT) on grievance management was also conducted.

In urban planning, 148.92 km of roads and markets had been mapped across four GKMA entities to guide project implementation and track progress. Other notable efforts included operationalisation of the Monitoring, Evaluation, Accountability, and Learning (MEAL) framework and strengthening financial management for effective budgeting and funds transfer, contributing to improved programme accountability and efficiency.

Implementation Constraints

- i) RoW acquisition is very slow in some places due to absentee landlords, landlords demanding reinstatement of the affected property prior to giving consent, scepticism among some PAPs about the project due to past experiences, hence reluctance to give their consent, and lack of funds to compensate the heavily affected PAPs.
- ii) The value for money audit performance of some entities results in lower scores, hence lower amounts accessible under the Performance for Rating (PForR) financing modality for programme activities.

Conclusion

The overall performance of the GLMA-UDP was estimated at 11%, against a time progress of 31.5%, by the end of April 2025. The programme had attained an overall financial progress of 4.5%. However, only the World Bank financing had been utilised on the project at 9.4% of its allocation. Implementation had commenced and several activities under the four pillars had been initiated, with the project now operational and expected to progress smoothly. 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 Pillar 1 on mobility, accessibility, and connectivity, significant progress was made with road infrastructure development across nine GKMA entities, including partial and full completion of designs and ongoing construction works on flagship projects in Kira and Mukono, though some delays were noted, especially in Lot 2 and due to incomplete data and RoW acquisition issues. Pillar 2 focused on resilience and environmental safeguards, with progress on drainage project preparations and varying levels of environmental and social compliance among contractors, while efforts continued to address compensation-related delays.

Pillar 3 advanced job creation through initial market infrastructure in KCCA, stakeholder consultations, vendor registration, and procurement for market designs across other entities. Under Pillar 4, institutional strengthening efforts improved communication, grievance handling, and urban planning, although slow procurement processes, low multi-jurisdictional coordination, and RoW acquisition challenges continue to constrain effective implementation across the programme.

Recommendations

- i) 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 a value for money audit without compromising the quality of civil works.



3.12 Uganda Intergovernmental Fiscal Transfers Programme (UgIFT)

3.12.1 Introduction

The Government of Uganda, in partnership with World Bank, have been implementing the Intergovernmental Fiscal Transfers (UgIFT) for Results Programme since 2017/18 to support the implementation of the Intergovernmental Fiscal Transfer Reform Programme (IGFT-RP) and strengthen fiscal decentralisation.

Initially, the programme focused on Education and Health, with original financing of USD 200 million for the period FY 2017/18 to FY 2019/20. In August 2020, the IGFT-RP was restructured to expand its scope to include Water and Environment, Agriculture (micro-scale irrigation), and targeted support to refugee-hosting communities. To facilitate this scale-up, additional financing (AF) of USD 300 million, including a USD 50 million grant from the IDA Window for Host Communities and Refugees, was approved, bringing the total programme financing to USD 500 million.

The original credit was approved on 27th June 2017 and became effective on 29th May 2019. The AF became effective on 6th October 2021, and the programme's end date was subsequently extended from June 2022 to 30th December 2025 through two formal restructurings.

The Programme Development Objective is “to improve the adequacy, equity, and effectiveness of financing and the oversight, management, and delivery of Local Government (LG) services in Education, Health, Water and Environment, and Micro-irrigation in Agriculture, including refugees and their host communities.”

The UgIFT programme focuses on four Key Result Areas (KRAs), grouped into six Disbursement- Linked Indicators (DLIs)¹⁵² whose achievement triggers the disbursement of funds (Table 3.12.1).

Table 3.12.1: UgIFT Result Areas, Disbursement-Linked Indicators, and Actions

Result Area	DLI	Description
1. Enhancing Adequacy and Equity of Recurrent and Development Financing for Local Service Delivery	DLI 1: Adequacy and Equity of Recurrent Financing	Supports wage and non-wage allocations to finance recruitment of teachers, health workers, and water officers in least-staffed LGs; facilitates staffing in new facilities and transition of staff to LG payrolls, especially in refugee-hosting areas; provides incentives for critical LG positions.
	DLI 2: Adequacy and Targeting of Development Financing	Development conditional grants: Enhance performance-linked development conditional grants for infrastructure and equipment across Education, Health, Water & Environment, Micro-Irrigation, and DDEG sectors.
2. Improving Central Government Oversight and Management of Service Delivery	DLI 3: Local Service Delivery Improvement Matrix	Improves systems, processes, and capacity for improved service delivery across sectors, including Education, Health, Water & Environment, and Agriculture; supports cross-sector coordination.
	DLI 4: Oversight Functions of Central Government MDAs	Builds MDA capacity to provide technical guidance, monitor service delivery, assess performance, enforce construction standards, and implement safeguards.

¹⁵² **DLIs** are performance metrics used to track the disbursement of funds based on achieving specific milestones or targets. The DLIs are designed to ensure that funds are used effectively and efficiently by tying disbursements to the achievement of predetermined goals

Result Area	DLI	Description
3. Strengthening Local Government Management of Service Delivery	DLI 5: Local Government Management	Improves management capacity of Local Governments, especially the weakest performers in Education, Health, Water & Environment, and Irrigation.
4. Enhancing Effectiveness and Efficiency of Frontline Service Delivery	DLI 6: Frontline Service Delivery Improvement	Assesses performance of schools, health facilities, and LLGs; provides incentives and tailored support to improve efficiency and effectiveness; includes mechanisms for reporting and verification.

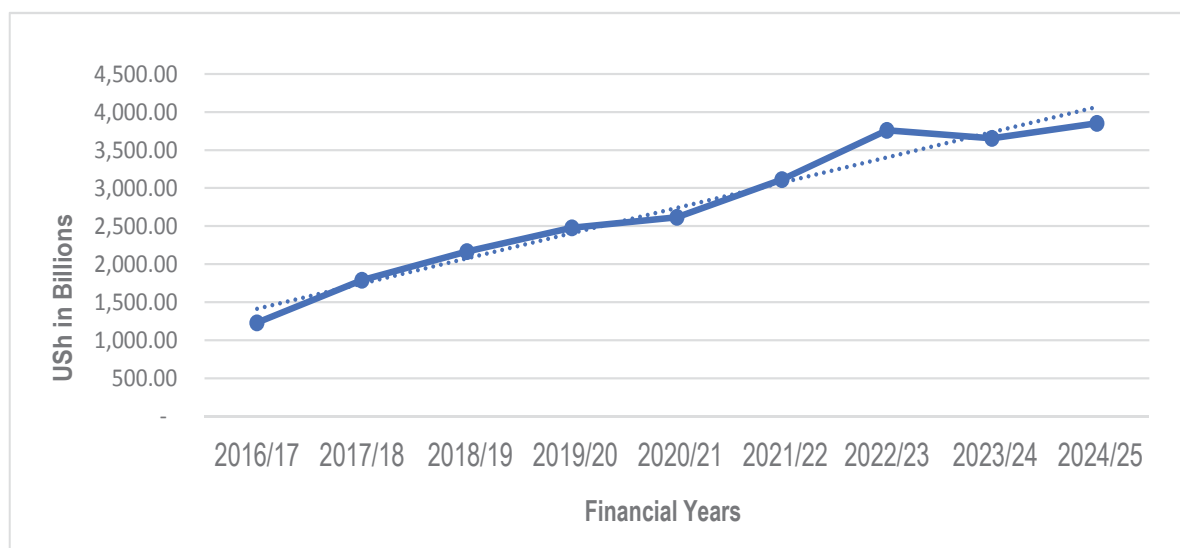
Source: UgIFT–Programme Operations Manual (POM), 2020

3.12.2 Overall Financial Performance of the UgIFT Programme

By May 2025, total disbursements remained at USD 390 million, the same level reported as of 31st October 2024. This indicates that no additional disbursements were made during the six-month period, despite earlier progress marked by a 20.34% increase between June and October 2024. The prolonged stagnation in fund releases adversely affected implementation, particularly construction activities. The continued under-disbursement highlights persistent absorption challenges, undermining the timely implementation of infrastructure and service delivery targets under the programme.

Despite these financial execution gaps, the overall nominal transfer volumes under UgIFT significantly increased over time. Between FY 2016/17 and FY 2024/25, UgIFT transfers to Local Governments grew from USh 1,230 billion to USh 3,852 billion, reflecting a 115% nominal growth (Figure 3.12.1).

Figure 3.12.1: Trend in overall UgIFT transfers to Local Governments (FY 2016/17–2024/25)

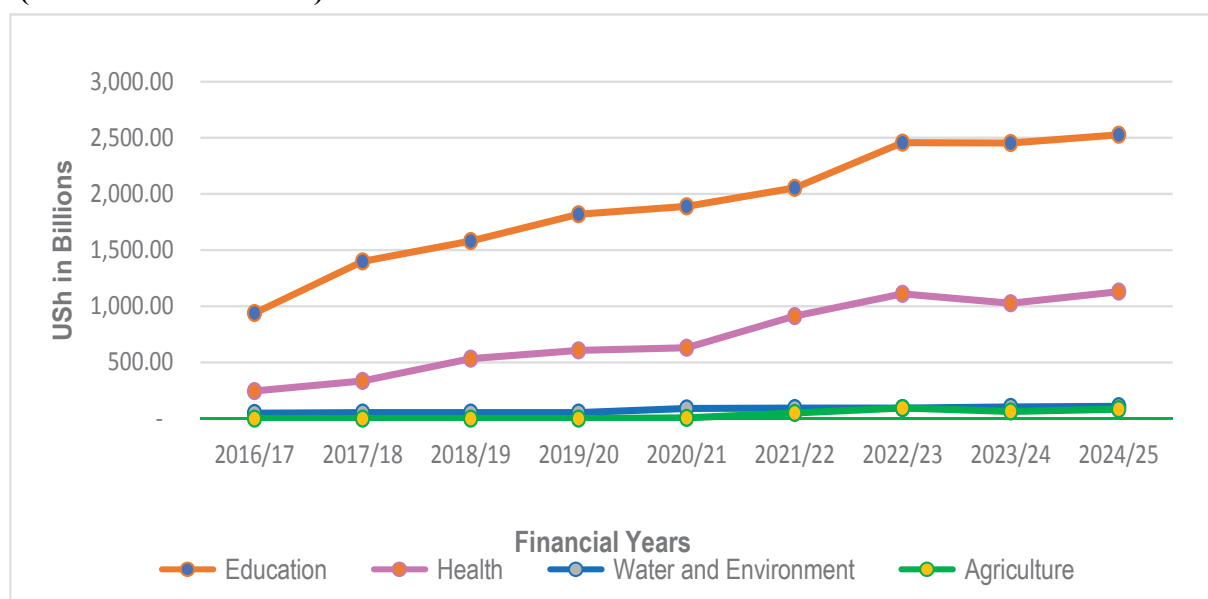


Source: Author's compilation from field finding and project monitoring reports

Education consistently received the highest allocations, increasing from USh 938.4 billion in FY 2016/17 to USh 2,527.2 billion in FY 2024/25, a 169% rise. Health followed, growing from USh 245.2 billion to USh 1,129.4 billion (361% increase), with sharp growth between FY 2020/21 and FY 2022/23 (Figure 3.12.2).



Figure 3.12.2: Trend in sectoral budget allocations under the UgIFT Programme (FY 2016/17 –2024/25)



Source: Author's compilation from field finding and project monitoring reports

Allocations for Water and Environment increased modestly from US\$ 47.2 billion in FY 2016/17 to US\$ 108.1 billion in FY 2024/25. Allocations for Agriculture, which had no allocation until FY 2020/21, increased from US\$ 5.887 billion to US\$ 82.4 billion by FY 2024/25, reflecting recent prioritisation of the Agro-Industrialisation Programme. Overall, Education led in volume, Health in growth rate, while Water and Agriculture had gradual increases.

3.12.3 Overall Physical Performance of the UgIFT Programme

The overall physical performance of the UgIFT Programme was 73% as of May 2025, compared to 92.15% of the total programme duration already elapsed.

Agriculture led with 87.4%, despite being introduced later in 2020. Its strong results are attributed to a lighter scope and beneficiary-driven outputs which enabled faster implementation. Health followed at 80.6%, reflecting better infrastructure progress despite persistent staffing gaps. Water and Environment achieved 64.1%, constrained by incomplete installations and recurring failures in solar systems. Education was the lowest-performing, at 44.4% of the contracted school facilities fully completed, largely due to delayed disbursements and unpaid certificates, which stalled construction and affected operational readiness (Table 3.12.2).

Table 3.12.2: Comparative performance of UgIFT Sub-Programmes by implementation status and functional readiness of projects (FY 2024/25)

Sub-Programme	Total Projects	Completed	Ongoing	Stalled/Not Started	Functional Readiness	Key Observations
Education (Seed Secondary Schools)	259	115 (44.4%)	121	23 (16 stalled, 7 not started)	129/259 schools received capitation grants; 162 had water; 194 had power	Delays due to weak contractor capacity; only 48 schools adequately staffed; 79,020 students enrolled
Health (HC II to HC III Upgrades)	373	344 (92%)	16	13 stalled	280/371 received cold chain; 293 maternity equipment; 271 upgraded drug kits	Many are functional but not yet officially commissioned; staffing gaps persist with 52 HCs having no staff
Water and Environment	167 (FY2023/24 projects)	107 functional (64.1%)	60	–	Functionality affected by incomplete systems (e.g., pending motorisation)	Infrastructure type includes piped water, boreholes, gravity flow; delays in solar component functionality noted
Agriculture (Micro-Irrigation)	568 demo sites + 5000 farmer beneficiaries	568 demo sites were established (100%); 4,763/5,000 farmer installations made	273	–	All beneficiary farmers were trained in O&M	Theft of solar pumps, high farmer co-funding and delayed installations were reported as key implementation challenges

Source: Author's compilation from field findings

Below is the detailed performance of the UgIFT Programme in the Education, Health, Water and Environment, and Micro-Irrigation (Agriculture) sectors by DLI.

DLI 1: Adequacy and Equity of Fiscal Transfers

Disbursement-Linked Indicator (DLI) 1 aims to improve service delivery by financing the additional wage costs associated with recruiting staff for new seed secondary schools, School Inspectors, health workers, water and environment officers, agricultural engineers in the least-staffed Local Governments. The wage allocations in the Education Sub-programme increased significantly from US\$ 906 billion in FY2016/17 to US\$ 1,833.6 billion in FY2024/25. This led to the recruitment of 7,370 education staff, comprising 6,284 teaching and 1,086 non-teaching personnel, as of 31st May 2025. However, 125 seed secondary schools remained unstaffed.

The non-wage financing for the Education Sub-programme increased from US\$ 231.3 billion in FY 2017/18 to US\$ 490.3 billion in FY 2024/25, representing a growth of 112%. The capitation grant to primary schools also increased significantly from US\$ 10,000 per pupil in FY 2018/19 to US\$ 24,000 (140%) in FY 2023/24, whereas in secondary schools the funding increased from US\$ 123,000 per student to US\$ 199,000. Despite these gains, funding remains inadequate to cover rising operational needs, infrastructure maintenance, and instructional materials.



Under the Health sub-programme, US\$ 30.9 billion was provided in FY 2024/25 to recruit staff for upgraded health facilities and US\$ 5.9 billion to recruit staff for 19 transitioned health facilities in refugee-hosting districts. Staffing for the upgraded health centres was in progress but had not yet reached the target of 19 staff members per facility, as required. Although staff recruitment for the upgraded facilities was not yet complete, redistribution of existing personnel was carried out to ensure functionality of upgraded facilities.

The budget allocation for the Water and Environment Sub-programme increased from US\$ 53.7 billion in FY 2019/20 to US\$ 108.1 billion in FY 2024/25. The wage allocations supported the recruitment of key technical staff at the district level. By May 2025, 59 out of 98 planned positions at various DLGs were filled (59% achievement of the target). This improved staffing contributed to better planning, supervision, and accountability in project implementation. However, several districts still faced staffing gaps, which limited their operational capacity.

DLI 2: The Adequacy and Targeting of Development Financing

DLI 2 focuses on enhancing equitable access to quality education through targeted development financing. Under the Education sub-programme, the indicator supports the phased construction of seed secondary schools in underserved sub-counties, rehabilitation of technical institutions, and provision of additional school laboratories. In the Health sub-programme, the indicator supports the upgrade of Health Centres II to III, and equipping of health centres. Under the Water and Environment sub-programme, the indicator supports the expansion of access to clean water through construction of water and extending the pipe network to underserved districts and villages; whereas the Agriculture Sub-programme supports the transition of subsistence farmers to commercial farmers through the construction of micro-scale irrigation sites and providing matching grants to farmers to install irrigation systems on their farms.

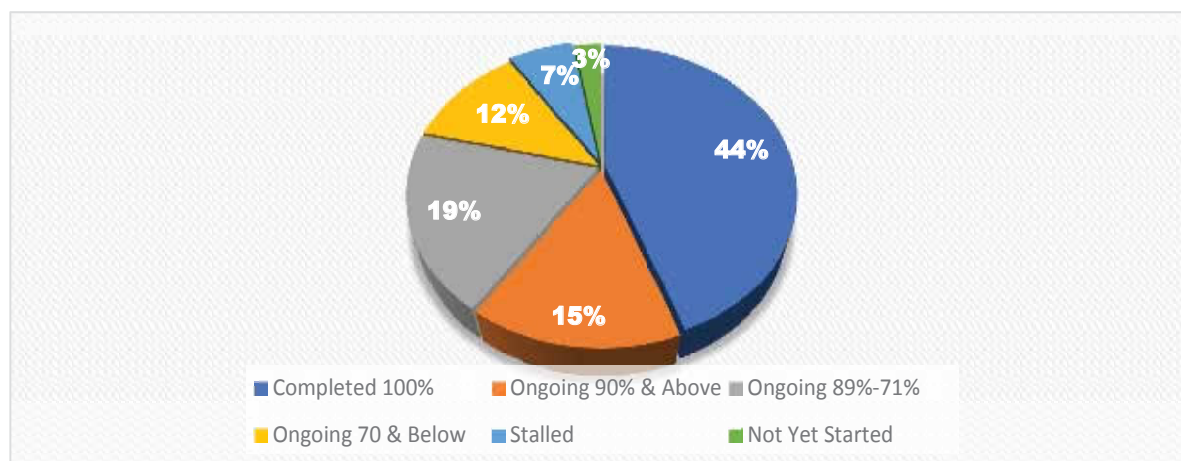
Physical progress by sub-programme is provided below:

Education

As of May 2025, overall construction progress varied across sites, with an average completion rate of 66%. Of the 259 schools planned, 115 schools were fully completed, of which 72 had been commissioned, while 43 were pending formal handover. Construction was ongoing at 121 schools, with 39 schools above 90% completion, 50 were between 71% and 89%, and 31 were below 70%.

A total of 17 schools had stalled, primarily due to contractor incapacity, weak contract management by Local Governments, and delayed payments, resulting in abandonment of works at various stages. An additional seven projects had not yet commenced due to delayed procurement processes, and land acquisition or access constraints. Figure 3.12.3 below illustrates the construction status of seed secondary schools across the country.

Figure 3.12.3: Status of construction progress of seed secondary school under UgIFT by mid-May 2025



Source: Field findings, MoFPED (UgIFT/ Reforms Coordination Unit (RCU))

The Western Region recorded the lowest average project completion rate, at 62.75%, compared to other regions. This was below the Northern Region, at 69.98%, the Eastern Region, at 73.90%, and the Central Region, which had the highest completion rate, at 78.65%.

The quality of works at ongoing sites was mixed, with poor workmanship observed at several locations. The use of substandard and untested materials, coupled with the absence of Clerks of Works in some districts, led to visible defects such as leaks, cracks, and plumbing failures. These issues reflect weak supervision and inadequate contract enforcement in Local Governments, posing risks to the safety, durability, and value for money of the investments.



Stalled staff houses at St. Peter's Seed SS, Aliba, Arua District (90% complete)

Technical institutions: Technical institutions received a total of US\$ 6.31 billion across five institutions under the UgIFT Programme. Rwentanga Farm Institute was fully completed, accounting for US\$ 2.41 billion of the total. Construction of the Administration Block at Jinja School of Nursing and Midwifery had reached practical completion at 98%, while construction at the Medical Laboratory Schools was still ongoing. Kumi Technical Institute had progressed to contract award, and Tororo Cooperative College remained at the advanced procurement stage.



Substantially completed Administration Block at Jinja School of Nursing and Midwifery, Jinja City



The varied implementation levels across institutions highlight the need for strengthened project management and timely execution to ensure effective utilisation of allocated resources.

Primary school infrastructure: There was significant progress in improving primary school infrastructure between FY 2020/21 and FY 2023/24, with 28,981 interventions completed. This includes the construction of 1,998 new classrooms and the renovation of 643 existing ones. Furthermore, 6,681 VIP latrines were built, improving sanitation, while 19,414 three-seater desks enhanced classroom seating capacity. However, the completion of only 245 teachers' houses underscores a persistent gap in addressing accommodation needs for teaching staff.

Operationalisation of seed secondary schools: This was at 66%, with most schools having basic functionality. Electricity and water access was at 80% and 75%, respectively, and 71% had received furniture. However, only 58% schools had functional ICT library blocks, 56% had functional science laboratories, 19% were actively using Teacher Effectiveness and Learner Achievement (TELA), and just 13% had micro-irrigation demonstrations. Gaps in laboratory equipment continue to hinder full functionality.

Additionally, ICT equipment theft poses a major challenge to the operationalisation of seed secondary schools. Ten schools reported losses totalling 162 stolen computers, with Eastern Uganda being the most affected region. The incidents were largely attributed to the absence of fencing, inadequate security personnel, and poor asset management.

Student enrolment in seed secondary schools rose from 27,967 in 2022 to 79,020 by February 2025, particularly in completed schools. Notably, 15 schools had an enrolment of over 1,000 students, nearly three times the intended capacity of 360 learners. For instance, schools in Pallisa, Buyende, and Mpigi Districts each accommodate over 1,400 students. This rapid increase reflects a rising demand for secondary education in rural and underserved areas. However, it has overwhelmed existing infrastructure and staff, resulting in overcrowded classrooms, high student-teacher ratios, and strained sanitation facilities.

Health

a. Upgrade of Health Centre IIs to IIIs

The scope of the upgrade entailed the construction of a new Maternity/General Ward; renovation of the old Outpatient Departments (OPDs); construction of two twin staff houses; construction of one four-stance VIP latrine with shower rooms for patients; a two-stance VIP-lined staff latrine; construction of a placenta pit and medical waste pit; and provisions for solar power, water supply, waste management systems, and medical equipment. Between FY 2018/19 and FY 2023/24, a total of 373¹⁵³ health centres were to be upgraded from HC II to HC III.

Of the 373, construction of 344 (92%) projects had been completed, 29 (8%) had either ongoing works or had stalled. The completed facilities that were in use yielded a couple of benefits,

¹⁵³ 124 Health Centre IIs, in FY 2018/19, 62 HCs in FY 2019/20, 64 HCs in FY 2020/21, 58 HCs in FY 2021/22 and 63 in FY 2022/23; including other two new HC IIIs.



including: reduced distance to health facilities; ability to deliver mothers and offer other primary healthcare services; increased access to adolescent-related services, including family planning; and improved the availability of health workers for the facilities that had staff accommodation. Conversely, the performance of facilities under construction varied significantly. While some projects were ongoing or nearly completed, others had stalled.

In Bunyangabo District, for example, the ward at Rubona HC III was completed and already in use. However, the twin staff house remained incomplete, with cracked floors and no plumbing installations. Poor-quality fittings were evident; for instance, window handles were already broken, and some taps in the maternity ward were leaking. Construction works at the staff house had come to a halt. At Kabahango HC III, the main structure was complete and operational, whereas the staff house was approximately 95% complete.

At Katebwa HC III, construction appeared to be almost complete. However, mosquito nets had not yet been installed, and the facility lacked both power and water. Additionally, it was observed that the pit latrines and staff house required a retaining wall to prevent soil erosion, which could compromise the integrity of the structures.

In Kabarole District, Kichwamba, Iruhuura, Kidubuli, and Kiko HC IIIs were all substantially complete, but none were yet operational.

Several facilities remained underutilised, primarily because equipment was still under procurement and due to a few pending works. In other cases, construction had stalled altogether. However, the completed facilities were already in use yet not commissioned, and many lacked adequate/recommended staffing and equipment.

b. Equipping of the Health Centres

As part of the operationalisation of the health centres, the project planned to equip all the newly constructed health centres with cold chain equipment, laboratory and maternity equipment, and upgrading the Health Centre III drug kit.

Of the 344 completed health centres, 280 reported having received the cold chain equipment, 293 had received maternity equipment, while 279 had received laboratory equipment, and the drug kit had been upgraded to that of a HC III in the majority of the facilities.

The provision of equipment has contributed to improvement in service delivery in the health sector. For example, there is overall growth in the number of mothers delivering at the upgraded health centres. This was noted in almost all the health centres monitored, e.g., Kabahango HC III, Rubona HC III, and Katebwa HC III.

Although the delivery performance was good, it was observed that in some instances equipment was delivered but not installed due to incomplete structures. Thus, the need to expedite the completion of supporting infrastructure for equipment for improved service delivery.

Water and Environment

The Water and Environment Sub-programme made significant progress in expanding water access, delivering 4,972 new water points and reaching about 866,125 people, including residents of 690 previously unserved villages. The piped network now covers over 52,000 kilometres, using taps, boreholes, production wells, and gravity flow schemes. Institutional

access improved, with 341 of 630 targeted institutions connected, though only 87 to piped systems. Of the 167 projects monitored, 107 (64%) were functional, while others remained non-functional due to incomplete components, ongoing works, or phased implementation.

By May 2025, construction was still ongoing in several districts¹⁵⁴. Most of the districts adopted a phased approach for piped systems due to limited funding, which constrained completion within a single financial year. Water quality was acceptable in 136 projects, out of the 145 that were tested. Community participation in operation and maintenance was low, with just 96 projects reporting water user contributions. Many Water and Sanitation Committees were inactive or improperly formed, and several sites lacked proper source protection, hygiene, and sanitation measures.

Out of 27 planned feasibility and design studies for solar-powered piped systems, 24 were completed. However, only nine of 22 design reports had been approved by the Ministry, risking delays in construction.

Progress at some of the monitored project sites during the month of May 2025 varied as provided below:

The Mahasa-Kawaruju Rural Water Supply Scheme in Kyenjojo District commenced in February 2025 and was expected to be completed by June 2025. The system was being implemented in Mahasa and Kawaruju Villages, Kihuura Sub-County, and was planned under two phases. Phase 1, underway at the time of the visit, had achieved 57.68% physical progress. Phase 2, yet to commence, was planned to focus on the installation of distribution mains, intensification of the network, monitoring and evaluation activities, and procurement of tools and equipment. Initial delays caused by land acquisition challenges were resolved through compensation of PAPs, enabling smoother progress of implementation.



L: Guardhouse; R: Pump house under construction at Mahasa-Kawaruju Rural Water Supply Scheme in Mahasa and Kawaruju Villages, Kihuura Sub-County, Kyenjojo District

¹⁵⁴ Abim, Agago, Alebtong, Amolatar, Amudat, Amuria, Amuru, Budaka, Bududa, Bugiri, Bugweri, Buhweju, Buikwe, Bukedea, Bukwo, Bulambuli, Bundibugyo, Bunyangabu, Bushenyi, Busia, Butaleja, Butebo, Buyende, Dokolo, Gulu, Ibanda, Iganga, Isingiro, Kaberamaido, Kagadi, Kakumiro, Kaliro, Kalungu, Kamuli, Kamwenge, Kanungu, Kapchorwa, Kasese, Katakwi, Kayunga, Kiboga, Kibaale, Kween, Kwanja, Kyenjojo, Kyotera, Lamwo, Luuka, Lwengo, Luweero, Lwengo, Manafwa, Maracha, Masaka, Masindi, Mayuge, Mbale, Mitooma, Mityana, Moroto, Mukono, Nakapiripirit, Nakaseke, Namayingo, Namutumba, Napak, Nebbi, Ntoroko, Ntungamo, Nwoya, Omoro, Oyam, Pallisa, Rakai, Rubanda, Rubirizi, Rukungiri, Serere, Sheema, Sironko, Soroti, Tororo, Yumbe, and Zombo.

The Kyabaranga Water Supply System in Kyenjojo District was completed in FY 2023/24, with full infrastructure installed. Despite successful construction, operational challenges emerged, including poor performance of the Water User Committee and a blown fuse that temporarily disrupted water supply. The collection of water user fees for system maintenance was absent, risking the systems' sustainability. District-level follow-up and water management review were recommended.

In Kayunga District, the Bbaale Water Supply Scheme, which aims to serve over 6,600 people, was being implemented in three phases. The first two phases were completed, but Phase 3 had not started due to design approval delays and a dispute over the water source.

In Mityana District, the Mpirigwa Piped Water Scheme Phase IV achieved 100% physical progress. Despite trenching delays due to dense vegetation, the project was technically successful.



L: PSP at Mpirigwa WSS; R: Reservoir tank at Mpirigwa WSS in Mityana District

Works at the Ssi Piped Water Scheme in Buikwe District were progressing well, with no challenges, while at Kitongo Water Supply Scheme in Butayunja Sub-county, Mityana District, a lack of transport for project monitoring hindered the frequency and effectiveness of site supervision.



L: Pump house at Kitongo WSS in Mityana District; R: PSP at Ssi WSS in Buikwe District

Agriculture (Micro-scale Irrigation Programme)

By 31st May 2025, a total of 568 irrigation demonstration sites ranging from 0.5 to 1.5 acres were established (100% achievement) in the 135 LGs, mainly at seed schools and for host farmers, to showcase drip, hosepipe and/or sprinkler irrigation technologies. A total of 4,763 irrigation equipment installations were made for beneficiary farmers against the targeted 5,000



installations for the project (95.3% achievement of target). The land under irrigation as a result of farmer installations and demonstration sites established was 34,500 ha. It was observed that most of the monitored DLGs were likely to spend the resources allocated under the development funding. However, some DLGs, such as Soroti and Zombo, had not awarded the contracts by 30th April 2025 due to delayed payment of farmer co-funding.

The monitored farmers and demonstration sites were growing horticultural crops like cabbages, tomatoes, sukuma wiki, eggplants, passion fruits and onions while others were growing perennial crops like coffee and bananas. Approximately 95% of the demonstration sites monitored were functional and the host farmers were able to plant ahead of season compared to their counterparts, who had not accessed irrigation technologies. It was observed that most of the farmer installations were for drag hose irrigation, mainly due to its lower cost and ease to operate and maintain. The non-functionality of some of the sites were mainly due to the breakdown of equipment (pumps), destruction of irrigation equipment by hailstorms, floods and semi-permanent water sources, and theft of solar panels and pumps. The status of implementation of the monitored DLGs is detailed in **Annex 4**.

DLI 03: Local Government Service Delivery Improvement Matrix

To enhance institutional capacity and improve service delivery in the Health, Water and Environment Sub-programmes, several key actions were undertaken and notable progress was made.

Health

The Ministry of Health (MoH) and the Office of the Prime Minister (OPM) provided support to all refugee-hosting districts (RHDs) to develop transition plans and transition critical workers and facilities to government status. All RHDs have developed transition plans.

A total of 35 Health Centre IIIs have been transitioned to Government as at 31st May 2025, thus achieving 100% of the target. In relation to the blood transfusion services, three regional blood banks were constructed and equipped in Arua, Hoima, and Soroti to support the referral system and improve blood availability in the three regions. To support effective operationalisation of the blood banks, MoFPED provided supplementary funding to the Uganda Blood Transfusion Service (UBTS) for staff recruitment in FY 2024/25. However, the recruitment process had not been completed despite the availability of funds. It is therefore critical that this process is expedited to enable full operationalisation.



L-R: Regional Blood Bank and staff quarters for the Blood Bank in Soroti City

Water and Environment

Development and dissemination of Operation and Maintenance (O&M) Framework: To improve the sustainability of rural water systems, the Ministry of Water and Environment began strengthening community participation in O&M. While some districts reported community contributions in 96 of 167 projects, these efforts were inconsistent and poorly documented. There was need for the MWE to provide clearer guidance on what communities should contribute and to improve mechanisms for reporting and responding to system breakdowns.

Development and rollout of Water Management Information System (MIS): A strengthened MIS for water and sanitation was developed, with the official launch expected in July/August 2025. Training for MWE staff, District Water Officers, and extension workers was completed. The system was rolled out to all District Local Governments, who received IT equipment (desktops and tablets) and technical support for data entry. The MIS was linked to the Water Atlas.

Refugee-hosting Local Governments: The Ministry endorsed the transition and integration of refugee water services into Local Government (LG) systems. All 12 refugee-hosting LGs developed costed integrated transition plans and reflected them in their annual budgets. The Comprehensive Refugee Response Framework was disseminated and adopted. Significant progress was made, with 75% of identified water and sanitation facilities transitioned to LG management.

Environmental and social safeguards: Environmental and social safeguards were implemented in several projects. Occupational health and safety measures were in place in most sites, environmental management plans were applied in 119 projects, and Grievance Redress Committees were functional in 112. However, enforcement remained a challenge due to limited local capacity.

Feasibility studies and technical planning: A total of 27 feasibility studies were conducted to support future investment in solar-powered piped water systems. These studies included technical designs, environmental assessments, and community input. Local officials were involved throughout the process, improving the relevance and sustainability of planned infrastructure.



Coordination and oversight structures: Coordination structures, such as project management and contract management teams, were established in most districts to support implementation and resolve community concerns. Thus, the need to strengthen these structures and ensure they are fully supported.

Alignment of Local Government work plans with Programme Budgeting System (PBS): The LG sector budget structure for programmes, outputs, staffing, infrastructure, and performance indicators was aligned with the results of the functional review and was updated in the PBS.

DLI 04 Central Government Core Functions in Oversight Functions for MDAs

The indicator supports DLGs and implementing entities to coordinate and monitor the programme implementation. Progress by the health and water and environment sub-programmes is provided below.

Health

The MoH was on course in relation to the DLI 4. Coordination meetings were held, and performance improvement plans in place and were under implementation (Table 3.3.16).

Table 3.3.16: Performance of DLI 4: Central Government core functions in oversight functions for MDAs for health sector

Indicator	Progress
Essential Guidance, Preparation and Dissemination	The Essential Guidelines to the Local Governments (Health Sub-programme Grants, Budget, and Implementation Guidelines) for FY 2025/26 were developed and stakeholder consultation is ongoing.
Performance Assessment & Improvement Support	The MoH supported the OPM assessment process for FY 2023/24 in the period under review. The Ministry continued to follow up implementation of PIPs jointly developed to support least performing Local Governments.
Monitoring and Technical Support	The MoH held regional performance reviews for Local Governments to strengthen planning and budgeting processes. The MoH reviewed monitored and reviewed performance for all the 4 quarters of FY 2023/2024. The Health Facility Quality of Care Assessment Programme was ongoing in Local Governments.
Data Quality Assurance and Mentorships	Targeting all Local Governments and sampled HFs was ongoing.

Source: MoH, field findings

Water and Environment

The MWE provided technical oversight and follow-up support to LGs through quarterly monitoring visits and structured engagement with district teams. These visits assessed LG compliance with planning, procurement, and service delivery procedures, identifying challenges needing central intervention. The MWE regional centres were directed to prioritise water provision to critical facilities like seed schools and health centres lacking clean, reliable water.

To enhance performance and accountability, MoFPED contracted four consultancy firms between May and June 2024 to support LGs in implementing environment and social safeguards. These firms offered technical mentorship and supervision to improve community engagement, grievance redress, and compliance with social and environmental standards. Concurrently, an Implementation Support Mission focused on inclusion and non-discrimination was conducted across LGs.

The MWE also continued monitoring and supporting Water User Committees (WUCs) and water management structures, emphasising the revitalisation of operation and maintenance systems in LGs. Regional technical teams guided LGs to ensure the sustainability of water investments, particularly where weak WUCs and poor hygiene were noted at water points.

Implementation Constraints

1. Contract management weaknesses: Inadequate procurement planning, weak contractor oversight, and poor site supervision by Local Governments have led to substandard constructions, stalled projects, and abandonment of works.
2. Delayed staff recruitment, especially for the Education and Health Sub-programmes to operationalise the established infrastructure.
3. Delayed disbursement of funds: Stagnation in disbursement, particularly since October 2024, has stalled construction activities, delayed payments to contractors, and disrupted the implementation schedules.
4. High co-funding costs (25%) for micro-scale irrigation equipment that eliminate willing and eligible farmers.

Conclusion

The UgIFT Programme recorded overall physical performance of 73%, against a 92% time lapse as of May 2025. The programme has made commendable progress in expanding access to secondary education, healthcare services, clean and reliable water, and water for irrigation. The Agriculture and Health Sub-programmes performed better than the other two sub-programmes. The programme supported the recruitment of key technical and support staff, thus improving service delivery. The programme performance was, however, affected by low readiness to implement, weak contract management and delayed recruitment of staff, and equipping of the facilities, impeding operational readiness.

Recommendations

1. MoFPED, with other implementing Ministries and DLGs, should fast-track the implementation of contracted projects and repackage the non-contracted projects into another project.
2. The MoES, MoH, MWE and the Ministry of Public Service should fast-track recruitment to match staffing standards in the respective sectors.
3. The MoES, MoH and MWE should ensure operational readiness of established infrastructure and disseminate the operational and maintenance guidelines for the infrastructure.



ANNEXES

Annex 1: Achievement of outputs for the Uganda Climate-Smart Agricultural Transformation Project by 31st May 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 (CSA TIMPs) developed 3) 20 MSc and 20 PhD scientists training facilitated 4) 100 project and extension staff trained 	<ol style="list-style-type: none"> 1) One CGS call was made 2) 35 CSA TIMPs were developed 3) Shortlisting was done for 40 MSc and 20 PhD candidates for sponsorship. Training was not yet conducted 4) Training was not done; training needs assessment was ongoing
1.2 Building competitive and sustainable seed systems	<ol style="list-style-type: none"> 1) Mapping of seed systems for 10 crops expedited 2) National bull stud and semen evaluation centre (NAGRC&DB) rehabilitated and equipped 3) Detailed architectural designs for brood stock centre at ARDC Kajjansi 4) Two foundation facilities refurbished at ZARDIs 5) 10,000 brood stock for fish produced 6) Fish feed production facility refurbished 7) 500,000 kg of fish feed produced 8) 100 acres of pasture established 9) 1 million cassava planting materials multiplied 10) 100,000 mango and citrus seedlings produced 11) 100,000 seedlings of cashew nuts and hass avocado seedlings multiplied 12) National Seed Testing Laboratory equipped and certified 13) Community based animal breeding and contract mating schemes rolled in 69 districts 14) Artificial Insemination (AI) sub-centres established and equipped 15) Light Weight Predication Model for cattle developed 16) Civil works designs for NAGRC&DB bull stud completed 	<ol style="list-style-type: none"> 1) Seed systems for two crops (maize and soya) out of 10 were mapped 2) Rehabilitation of bull stud had not commenced 3) Designs for the brood stock centre had not been done 4) Refurbishment not done 5) Brood stock not produced 6) Fish feed facility not refurbished 7) Fish feed not produced 8) 100 acres of pasture were established 9) 2,000 plantlets of cassava were multiplied 10) 2,000 mango and 3,000 lemon rootstocks were produced 11) 5 acres of mother gardens were established for cashew nut and Hass avocado 12) Procurements initiated for the Seed Testing Laboratory 13) Community breeding schemes rolled out in 49 districts 14) Procurements were initiated for AI centres 15) The draft predication model for cattle was developed 16) The civil works designs and tender documents for bull stud were completed



Component	Output Target	Output Achievement
1.3 Strengthening agro-climate monitoring and information systems	<ol style="list-style-type: none"> 1) Sites for 30 new weather stations identified and acquired in 30 districts; weather stations installed 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) Weather and climate information disseminated 	<ol style="list-style-type: none"> 1) Sites for 30 weather stations were identified and procurements initiated for the equipment 2) Software packages were not developed 3) Trainings were not conducted 4) No weather advisories were made
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 Wandegaya 2) Establishment of a functional livestock research and multiplication facility at Serere initiated 3) 10 tractors and 28 specialised ground transport fleet procured 	<ol style="list-style-type: none"> 1) Engineering and architectural designs completed; hydrological tests conducted in Wandegaya 2) Engineering assessments were done at Serere 3) Specifications were completed for the tractors and procurements initiated
1.5 Institutional capacity strengthening for PARIs under NARO	<ol style="list-style-type: none"> 1) Technical inspection, procurement of contractors and bid evaluations for renovation and equipping 9 ZARDI laboratories 2) Irrigation facilities at PARIs constructed, rehabilitated and expanded at 10 stations 3) Tender documents, contracting and site handover for seed storage, threshing and drying facilities established at 9 stations 4) First phase construction of cattle research and development centre block at Maruzi 	<ol style="list-style-type: none"> 1) Preliminary planning and infrastructure assessments done at the ZARDIs 2) Site evaluations completed for the irrigation systems but construction has not been done 3) Site inspections and infrastructure needs assessments done for seed storage facilities. Tender documents were not prepared yet 4) Engineering designs and environmental screening completed at Maruzi
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) Beneficiary farmer groups and agro-input dealers identified and registered in 69 districts 5) Agro-input dealers and nursery operators trained on MAAIF e-system 	<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 finalised 3) Process of selecting target beneficiaries was not yet initiated 4) Process of registering farmer groups was initiated 5) Training of agro-input dealers was not done 6) Training and enrolment of farmers was not achieved



Component	Output Target	Output Achievement
	6) 124,000 farmers trained and enrolled on the e-voucher system 7) Four regional mechanisation centres constructed, equipped and operationalised at Nabuin, Soroti, Nwoya and Sanga 8) 2,000 axle tractors, 400 micro-irrigation systems, 308 water structures, 100 watering points and 69 laboratories established 9) 153,000 hectares (Ha) of land Sustainable Land Management (SLM) mapped 10) Vaccines procured; 30 disease control centres; cold chain improved; referral system piloted 11) 6 million fingerlings; 500 fish ponds; 2 water bodies restocked	7) Site assessments and mapping was conducted for the mechanisation centres 8) Procurement of tractors was initiated, mapping of sites and needs assessments of the facilities was undertaken 9) Site validation was conducted and the SLM areas were mapped 10) Procurements of vaccines were initiated 11) Not achieved
2.2 Productivity enhancement and resilience for food and nutrition security in refugee settlements	1) Crop value chains in refugee settlement validated 2) Farmer groups in refugee host districts verified and validated, and enterprises selected. 3) 171 Community-Based Facilitators recruited 4) 56 micro-scale irrigation equipment procured for refugee settlement	1) Value chains that were validated were maize, cassava, sorghum, beans, groundnuts, pigeon peas, and vegetables 2) The validation confirmed a total of 1,200 farmer groups (comprising 36,000 households, representing 60% of the target refugee households) eligible for support. Enterprise selection was ongoing 3) Needs assessments were done to establish the number of CBFs that would be required 4) Procurements of irrigation equipment were not done
2.3 Building Institutional Capacity for productivity enhancement and resilience and strengthening service delivery	1) 8,266 farmer groups mobilised and trained in crop value chain 2) 2,000 extension officers trained on E-extension 3) 3,450 livestock farmer groups formed and strengthened, including cooperatives	1) Technical manuals were produced to guide the training activities. All the outputs 2) Training was not conducted 3) Livestock groups not yet mobilised
Component 3: Market Development and Linkages for Selected Value Chains		
3.1 Investments in market development and linkages for selected value chains	1) Matching grants (MG) provided to beneficiary groups 2) 937 road chokes prioritised and rehabilitated in 69 districts 3) Profile and map central fish markets in 64 districts	1) The MG Manual for value addition equipment and infrastructure was finalised. MGs were not yet disbursed 2) Districts prioritised up to 20 kilometres of critical road choke points affecting market access. Verifications by were ongoing assessments 3) Profiling of fish markets was not achieved



Component	Output Target	Output Achievement
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) Sensitisation sessions on nutrition, production, and marketing grants conducted 4) Capacity-building programmes on nutrition-sensitive agriculture conducted 	All the outputs were not achieved
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	<ol style="list-style-type: none"> 1) Districts supervised and officers trained in technical areas of the project 2) 20 new staff recruited for national and regional offices 	<ol style="list-style-type: none"> 1) 141 key DLG, NARO and NAGRC&DB officers were trained in Financial Management 2) The recruitment process for key project staff was initiated
5.2 Project monitoring, evaluation and learning	<ol style="list-style-type: none"> 1) Monitoring and Evaluation (M&E) Working Group established and functional 2) Project M&E strategy and Management Information Systems (MIS) developed and operationalised 3) Baseline surveys undertaken for crop, fisheries and livestock 	<ol style="list-style-type: none"> 1) The draft M&E strategy was developed; the Working Group was not yet operationalised 2) The project opted not to proceed with developing a separate MIS but use existing GoU systems 3) Baseline survey tools were developed in collaboration with the Uganda Bureau of Statistics (UBOS)
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 annual work plan for the project 2024–25



Annex 2: The UDAP Physical and Financial Performance by Contract as at 30th April 2025

S/N	Component	Contract	Contract amount (USD)	Percentage of financial performance	Percentage of physical performance
1	Component 1	Consultancy services for the data centre market study for the establishment of the 3rd National Data Centre in Uganda	127,083	100	100
2		Study on Mobile Broadband Deployment in Rural Areas for 50 masts serving 900 MDAs and installation of 80 masts for voice and data in 12 refugee settlements	149,610	70	100
3		Supply, installation and commissioning of equipment and services for the upgrade of the IP core network.	3,863,588	74	100
4		E-waste management study	148,573	35	100
5		ICT equipment for Local Governments (2,000 desktops/laptops)- Lot1	1,139,952	0	60
6	Component 2	Purchase of 50,000 user licenses with product support for the Unified Messaging and Collaboration System (UMCS) Project.	3,628,069	95	95
7		Equipment for the Personal Data Protection Office (computers, video conferencing, LAN, projector)	204,803	100	100
8		Supply of furniture for the Personal Data Protection Office (PDPO)	54,352	0	100
9		Design, supply and installation, and support to the Digital Authentication and Electronic Signatures (UGPASS) Project	1,996,000	70	90
10		Provision of office space for the PDPO through leasing	265,302	80	100
11		Consultancy services for the development and implementation of the Nationwide Digital Cyber Security awareness campaign	303,570	10	50
12		Consultancy services for development of data protection and privacy audit and inspection manual, and conducting audit of 15 pilot key MDAs using the approved privacy audit manual	291,120	0	10
13		Consultancy services for development of guidelines and frameworks under the Data Protection and Privacy Act for UDAP	200,000	0	10
14		Development and deployment of Enterprise Integrated IT Services Management (ITSM) and IT Operations Management (ITOM) Solutions	1,148,000	24	50
15		Consultancy services for the development of National Cyber Security Institutional, Governance and Coordination Structure for Government of Uganda	193,952	0	0
16		Consultancy services for the development of CS audit and evaluation framework for Government of Uganda	299,860	0	10
17		ICT equipment for Local Governments (2,000 desktops/laptops) – Lot 2	1,143,252	0	60
18		Functional enhancement and upgrade of PDPO portal	257,186	0	10
19		Design, development and commissioning of e-services development framework	6,475,328	42	45
20	Component 3	Consultancy services for a study on digital access enablers in refugee-hosting communities	198,268	100	100



S/N	Component	Contract	Contract amount (USD)	Percentage of financial performance	Percentage of physical performance
21		Consultancy service for last-mile connectivity and Wi-Fi study for MDAs and refugee-hosting communities' feasibility study for UDAP-GovNet	249,280	70	100
22	Component 4	Project Coordinator	167,281	67	67
23		Legal Expert	95,494	59	59
24		Procurement Specialist	95,494	24	24
25		Project Accountant	115,829	55	55
26		Procurement Officer	86,748	47	47
27		Monitoring & Evaluation Specialist	87,360	51	51
28		Environmental Safeguard Specialist	115,829	47	47
29		Social Development Specialist	82,073	47	47
30		Procurement Officer	50,026	30	30
31		Communication Specialist	66,399	17	17
32		Lot 1: Supply of (36) laptops	45,261	100	100
33		Lot 2: Supply of two (2) multi-functional printers	20,238	0	100
34		Lot 3: Supply of one (1) tablet laptop	3,073	100	100
35		Lot 4: Supply of access control system and cameras	50,981	100	100
36		Lot 5: Supply of a 250 KVA generator	72,659	100	100
37		Lot 1: Supply of one (1) large station wagon	97,034	100	100
38		Lot 2: Supply of two (2) medium station wagons	111,000	100	100
39		Lot 3: Supply of three (3) double-cabin pick-ups	117,771	100	100
40		Lot 4: Supply of one (1) minivan	42,822	100	100
41		Upstream change management	269,000	10	30

Source: NITA-U, UDAP progress report



Annex 3: Number of Loan Disbursed by District & City as of 31st March 2025 (Total of 95 Districts and 6 Recorded Cities)

Sn	Region	District	Number of GROW Loan Borrowers						
			Centenary Bank	DFCU Bank	Equity Bank	Finance Trust	Post Bank	Total	%
1	Acholi	Amuru	2	1				3	
2		Gulu	23	19	1		22	65	
3		Kitgum	3	4			9	16	
4		Nwoya	1				8	9	
			29	24	1	0	39	93	3.65%
5	Ankole	Bushenyi	21		2	6	10	39	
6		Ibanda	15				5	20	
7		Isingiro	3	1			2	6	
8		Kazo	1				1	2	
9		Kiruhura	14				19	33	
10		Mbarara	32	5	2	5	21	65	
11		Mbarara City	5					5	
12		Mitooma	2					2	
13		Ntungamo	9	5	1	3	15	33	
14		Rubirizi	1					1	
15		Sheema	1				1	2	
			104	11	5	14	74	208	8.16%
16	Arua	Arua	3	2		8	2	15	
17		Koboko	14					14	
18		Nebbi	5					5	
29		Pakwach	0				3	3	
20		Zombo	4					4	
			26	2	0	8	5	41	1.61%
21	Bugisu	Bududa	1				1	2	
22		Manafwa	3				1	4	
23		Mbale	8	13	4	27	33	85	



Sn	Region	District	Number of GROW Loan Borrowers						Total	%
			Centenary Bank	DFCU Bank	Equity Bank	Finance Trust	Post Bank			
24		Mbale City	6						6	
25		Namisindwa	0				2		2	
26		Sironko	1						1	
			19	13	4	27	37	100	3.92%	
27	Bukedi	Budaka	3					3		
28		Busia	4			4		8		
29		Butaleja	1					1		
30		Pallisa	1	3		7		11		
31		Tororo	5	2		16		23		
			14	5	0	27	0	46	1.80%	
32	Bunyoro	Hoima	11	12	3		10	36		
33		Kagadi	2				8	10		
34		Kakumiro	2				3	5		
35		Kiryandongo	1		1		4	6		
36		Masindi	4		5		15	24		
			20	12	9	0	40	81	3.18%	
37	Busoga	Bugiri	2					2		
38		Bugweri	0	1			1	2		
39		Buyende	1					1		
40		Iganga	10	5	4	6	9	34		
41		Jinja	3	16	3	17	16	55		
42		Kamuli	8			28		36		
43		Luuka	2					2		
44		Mayuge	1					1		
			27	22	7	51	26	133	5.22%	
45	Karamoja	Abim	1					1		
46		Kaabong	2					2		
47		Karenga	1					1		
48		Kotido	11					11		
49		Moroto	4				10	14		



Sn	Region	District	Number of GROW Loan Borrowers						
			Centenary Bank	DFCU Bank	Equity Bank	Finance Trust	Post Bank	Total	%
			19	0	0	0	10	29	1.14%
50	Kigezi	Kabale	9		4		6	19	
51		Kanungu	52				1	53	
52		Kisoro	9	1				10	
53		Rubanda	0	1				1	
54		Rukiga	1					1	
55		Rukungiri	4					4	
			75	2	4	0	7	88	3.45%
56	Lango	Amolatar	6				3	9	
57		Apac	2					2	
58		Dokolo	3					3	
59		Lira	14	4			4	22	
60		Oyam	7				1	8	
			32	4		0	8	44	1.73%
61		Adjumani	2	0		0	1	3	0.12%
62	Greater Kampala Metropolitan/ Mengo	Kampala	133	71	70	218	110	602	23.62%
63		Buikwe	3	9		25		37	
64		Gomba	3			23		26	
65		Kayunga	13	1	2	12	18	46	
66		Mpigi	13				1	14	
67		Mukono	21	1		25	23	70	
68		Wakiso	155	20	22	41	67	305	
			208	31	24	126	109	498	19.54%
69	Greater Luweero	Luweero	12	5	1		6	24	
70		Nakaseke	5				3	8	
71		Nakasongola	0				6	6	
			17	5	1	0	15	38	1.49%
72	Greater Masaka	Bukomansimbi	3	1				4	
73		Kalangala	2			31		33	
74		Kalungu	7	1				8	



Sn	Region	District	Number of GROW Loan Borrowers						Total	%
			Centenary Bank	DFCU Bank	Equity Bank	Finance Trust	Post Bank			
75		Lwengo	11			9	1	21		
76		Lyantonde	4	3				7		
77		Masaka	65	4	6	16	21	112		
78		Rakai	14					14		
79		Sembabule	15				1	16		
			121	9	6	56	23	215	8.43%	
80	Greater Mubende	Kyankwazi	0	1				1		
81		Mityana	29		4			33		
82		Mubende	9		1		18	28		
			38	1	5	0	18	62	2.43%	
83	Rwenzori	Ntoroko	0				1	1		
84		Bundibugyo	12					12		
85		Kasese	35		1		11	47		
			47	0	1	0	12	60	2.35%	
86	Sebei	Bukwo	0				1	1		
87		Kapchorwa	4			3	7	14		
			4	0	0	3	8	15	0.59%	
88	Teso	Bukedea	2				5	7		
89		Kaberaido	5					5		
90		Kapelebyong	1					1		
91		Katakwi	3					3		
92		Kumi	7			23		30		
93		Ngora	2					2		
94		Serere	1					1		
95		Soroti	7		2	8	2	19		
			28	0	2	31	7	68	2.67%	
96	Tooro	Bunyagabu	0				2	2		
97		Kabarole & Fort Portal	11		4	14	32	61		



Sn	Region	District	Number of GROW Loan Borrowers						Total	%
			Centenary Bank	DFCU Bank	Equity Bank	Finance Trust	Post Bank			
98		Kamwenge	7			28	18	53		
99		Kitagwenda	1					1		
100		Kyegegwa			1			1		
101		Kyenjojo	4				3	7		
			23	0	5	42	55	125	4.90%	
		Totals	986	212	144	603	604	2,549	100%	

Annex 4: Status of Micro-Scale Irrigation Programme in Monitored Districts for FY 2024/25 as at 30th May 2025

District	Successful expression of interest received	Cumulative demonstration sites established	FY 24/25 Targeted farmer installations	FY 24/25 Farmer installations achieved	Remarks
Isingiro	346	7	46	47	The district received overwhelming demand for the irrigation equipment and the funds were not adequate
Mitooma	69	4	15	8	The installation for the seven farmers was awaiting completion of co-funding payment.
Sheema	57	1	11	11	The district had overwhelming demand for the irrigation equipment with 67 farmers had paid the USh 1 million co-funding commitment. However, the budget was able to support 11 farmers. The established demonstration site was partially functional with one technology working (drag hose)
Kiruhura	651	3	24	19	19 installations were completed and five were ongoing. Installation works for another demonstration site was ongoing. The project utilised all the availed funds and had a shortfall of USh 569 million and 32 farmers who had paid the USh 1 million commitment fee missing from the programme
Hoima	491	4	27	5	The district did not spend all the allocated funds for FY 2023/24, so 12 installations were made using revoted funds. Five farmer installations for FY 2024/25 were completed and 22 were ongoing. The district had prospects of utilising all the development funds for the FY 2024/25.
Kikuube	69	3	54	27	The procurement for equipment suppliers was batched and farmers in the second batch (25) had fully paid their co-funding by 27th May 2025. Two farmers withdrew due to failure to complete their co-funding commitment.
Mubende	68	8	56	47	32 installations were completed, whereas 24 were ongoing. 12 farmers paid USh 1 million commitment but failed to complete the full co-funding and thus dropped. A cumulative total of 192 farmer installations were made, against 183 project target for the district. Five out of the eight demonstration sites were not functional due to major repairs needed.



District	Successful expression of interest received	Cumulative demonstration sites established	FY 24/25 Targeted farmer installations	FY 24/25 Farmer installations achieved	Remarks
Mityana		7	30	5	The contracts for 31 farmer installations were awarded in Q3 FY 2024/25; five installations were complete at the time of monitoring, whereas 26 were ongoing. As at 19th May 2025 a cumulative total of 130 installations were made.
Kyotera		3	30	0	A total of 26 farmers had paid fully the co-funding and installation for 21 farmers was ongoing.
Nebbi	23	3	25	0	10 farmers had paid US\$ 1 million commitment, and were yet to complete the co-funding obligation.
Zombo	44	3	20	0	10 farmers from FY 2023/24 had completed co-funding and installations on five sites was ongoing. The performance of the grant was poor due to failure by farmers to pay the co-funding.
Oyam	67	5	67	14	Poor performance as a result of farmers failing to co-fund.
Omoro	59	3	59	22	29 deferred systems from last FY were worked first and the procurement of the rest was ongoing.
Nwoya	49	3	49	0	49 farmers had paid US\$ 1 million commitment, of which five had been fully co-funded.
Soroti	25	4	22	5	Farmers could not afford the co-funding
Lira	22	4	15	17	2 systems were from last FY.
Arua	25	1	25	8	Procurement for the remaining 17 installations was ongoing.

Source: Field findings



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