

STATEMENT BY CIVIL SOCIETY

PRESENTED AT

THE 8TH JOINT TRANSPORT SECTOR REVIEW 2012

PRESENTED BY

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**Hon Ministers,
Members of Parliament,
Development Partners,
Distinguished Participants,
Ladies and Gentlemen**

Introduction

Civil Society is pleased to be part of the 8th Annual Joint Sector Review 2012 with the theme: “At 50 years; Towards Improved and Integrated Transport Service Delivery - Challenges and Opportunities” We thank the sector for accepting to work with civil society and we believe that we shall form long term working relationship that is mutually beneficial but also reinforcing the development agenda for the entire country in accordance with the National Development Plan.

In the last four years there have been a number of significant reforms in the works and transport sector which has seen the sector improve its performance. Although the public is yet to fully appreciate the good work the sector is doing, civil society recognizes that there has been tremendous improvement especially on the state of our national roads. The sector made significant reforms which have led improved efficiency. The sector has had separation of roles and responsibilities with respect to policy formulation, road development and maintenance, regulation and financing and formation and actualization of the Sector Working Group (SWG). The creation of the national roads agency (UNRA) was specifically rewarding. This is exemplified by the fact that national Roads today are in a much better state than they were before UNRA was created. The transport sector has witnessed significant improvement in recent years with government prioritizing the sector for the last four consecutive financial years with substantial budget allocations.

Roads are an integral part of the transport system. A country’s road network should be efficient in order to maximize economic and social benefits. They play a significant role in achieving national development and contributing to the overall performance and social functioning of the economy. It is acknowledged that roads enhance mobility, taking people out of isolation and therefore poverty. In China for instance, the government has popularized this belief by emphasizing that for any economy to develop, transport must be given first priority thus stimulating and jumpstarting other sectors.

Sector Budget Allocations

The Government has made substantial investments in road transport. During the period 2002/03 to 2004/05, total expenditure on national road improvement and development amounted to \$365.8 million. Nevertheless, the road network remains inadequate, given that the growth of traffic exceeds the growth of roads and that insufficient maintenance is leading to deterioration of the state of existing roads. With respect to national roads, for example, 20 per cent are rated as "good", 62 per cent as "fair", and 18 percent as

"poor/bad". The total budget for the works and Transport sector for FY 2012/13 is projected to amount to UGX 1,468.32bn which is UGX 240.62bn (20%) over and above last FY 2011/12 level of UGX 1,227.7bn. While the wage budget component will increase by 0.64bn from UGX 29.76bn approved for FY 2011/12 to UGX 30.39bn in FY2012-13, GoU and donor development budgets will increase by UGX 63.08bn and UGX 176.9bn respectively next FY 2012/13 from UGX 435.89bn and UGX 464.41bn respectively approved for FY 2011/12. Uganda National Roads Authority (UNRA) takes up to 65% of the Works and Transport budget.

Appreciating Role of Development Partners

Civil Society wishes to acknowledge the unwavering support of development Partners to Uganda's road sector. These include: European Union (EU), the African Development Bank (ADB), the International Development Association (IDA) of the World Bank, and the Danish International Development Agency (DANIDA) Kreditan fur Wiederaufbau (KWF), Nordic Development Fund (NDF), Japanese International Cooperation Agency (JICA), Norwegian Agency for Development (NORAD), IRC (Ireland), Department for International Development of UK (DFID) etc. Their continued interest in supporting Uganda in road development programmes signifies their desire to transform the country economically. It is our sincere belief and wish that the funds and technical assistance they provide should be used with utmost diligence by the sector.

Unit Cost of Road Construction

The Unit costs of road construction have recently escalated not only in Uganda but globally, with cost overruns on multilateral agency projects rising from 30 percent in 2005 to more than 60 percent in 2007, threatening to dilute further the adequacy of current budget allocations. Inflation has been substantial for the basket of road construction inputs linked to oil prices. The lack of effective competition for civil works due to lack of capacity by local contractors and stringent requirements by donors remains a great challenge to the sector. Substantial delays in project implementation also add to the costs. Most road projects take long to commence and when they finally do, they are usually behind schedule. We hope the sector will address this challenge by being a little bit stricter with contractors. Projects that take long to be completed do not only push the unit cost high, they inconvenience the road users and increase costs of transportation of goods and services through the road routes under construction.

According to the Auditor General's report on UNRA 2010, over the last few years, the cost of road construction in Uganda has gone up from \$180,000 per km to about \$ 900,000; a cost most Ugandans think is grossly exaggerated. Although the sector has come out to explain that high costs are attributed to several factors such as the cost of construction materials, it is imperative that the sector devises means that can reduce the cost further. We wish to commend Cross Roads Programme which has introduced a Challenge Fund whose objective is to encourage new innovations in the road sector. We encourage the sector to look out for

alternatives and encourage use of cheap road construction techniques and practices which would help in reducing the unit cost further.

The following are the key issues affecting road development and maintenance in Uganda

- Delay in award of contract, delayed execution of works. Delays in commencement of works leading to change in road design and costs
- Drainage failure, Inadequate provisions for drainage along the hilly areas. Poor design of the drainage system. Long stretches in low lying areas not having adequate provisions for drainage
- Contract variations sometimes of over 100% of the contract amount
- Slow progress of works on many projects. Most projects are always behind schedule
- Initial works being carried out without a supervising consultant.
- Road failures even before completion of work
- Safety of road users and workers neglected by the contractors, Accidents are common in particular spots and areas (possible poor road design).
- Contract duration increased excessively leading to increase in costs.
- Unprotected road edges fast eroding especially in trading centres.
- Slow progress of works due to frequent breakdown of contractor's plants
- Supervision Consultancy being procured when works are almost complete

District & Urban Councils' Road Equipment

In June 2012 Government commissioned road equipments worth US\$130.9 million to be distributed in districts to help in road maintenance. In the short-term, this plant and equipment will contribute significantly to the national aggregated composition of plant and equipment in Uganda; it will no doubt help with the substantial back-log of periodic road maintenance demands. The participation of the private sector in road maintenance is still limited and the industry is still a young industry yet private sector participation in road construction and maintenance had previously been prioritized by the GOU in its policy document for the national construction industry. This equipment will, however, have short and medium term consequences to the private sector's confidence and therefore level of future investment. It is likely to erode the already frail sector environment conducive to attracting private investment into the road maintenance sector.

Uganda Road Fund (URF)

Uganda Road Fund has been in existence for over two years now. It has been disbursing funds to designated agencies (DAs) which mainly comprise districts and urban councils. We are concerned that the condition of roads in most DAs is still appalling. The problem could be due to lack of clear monitoring and supervision to ensure that the money is used appropriately or it is sheer negligence on the part of the districts. Whatever reason it is, the sector needs to ensure that money released by the road fund is put to good use. URF has at the same time been clamoring and sending various petitions to different actors including

government and development partners to allow it to collect its own revenue and disburse it as a second generation road fund that it is meant to be. Whereas we are aware that URF is indeed supposed to operate as such in accordance with the Act that establishes it, we think that it is dwelling so much on the technicality rather than addressing the critical issues bedeviling the roads subsector which is supposed to be its primary objective. We think that URF should stop wastage of resources and time in pressing to collect the money because it neither has the capacity nor does it have necessary guidelines on how much levies it is supposed to collect. URF should in the meantime concentrate on how to efficiently and effectively disburse the resources it receives from the consolidated fund and make sure that those resources are put to good use.

Uganda Railways Corporation (URC)

In the last financial year, civil society proposed to the Physical and Infrastructure Committee of Parliament that Uganda Railways corporation (URC) in its current form is not helpful to Ugandans and should be merged with the Ministry of Works and Transport for efficiency purposes. To date, URC is still in limbo, unable to perform its basic functions and yet it continues to receive substantial funding from the consolidated fund. URC has a skeleton staff that is overwhelmed by the workload. We recommend that government should either strengthen the corporation by elevating it to an Authority or reduce it to become a department within the ministry to be able to supervise railway matters in the country. Water transport has continued to perform dismally over the years. This is without doubt attributed to lack of capacity by URC which is supposed to supervise it. Water transport services between Uganda and her neighbors that share Lake Victoria are in an appalling condition. Port Bell pier is in dire disrepair, the docking station has been neglected, amenities including office, and other structures need urgent attention.

Civil Aviation Authority (CAA)

Civil Aviation Authority (CAA) remains one of the best performing agencies in the works and transport sector. This is commendable. The services at Entebbe International Airport have improved over time. Civil society organizations however think that CAA can further improve services at Entebbe and other aerodromes throughout the country. Plans to upgrade aerodromes in Arua, Mbarara, Gulu, Soroti and Kasese have been shelved for a long time. The sector needs to support CAA to modernize the major aerodromes to a minimum standard. The sector, three years ago had announced plans to expand Entebbe Airport to become a commercial hub. The proposal suggested that travelers transiting through the airport need not first go to Kampala to do the shopping or hold meetings if these facilities exist at the airport.

This proposal needs to be concretized and nurtured to fruition. In addition the decision by government to give away part of Entebbe Airport land to the Ministry of Agriculture Animal Industry and Fisheries (MAAIF) is a gross miscalculation on the part of government. We think the airport needs the land for future expansion. Airports world over need huge chunks of land and Entebbe should not be an exception.

Three Key Projects to Transform Uganda

Civil society and Ugandans in general are looking forward to three key projects which in many ways are of paramount importance not because of the huge resources the projects will require but because of their strategic significance to Uganda and the East African region as a whole. The projects include: Kampala Express Highway, New Jinja Bridge, and the second phase of Kampala Northern Bypass.

The three projects if well executed are likely to be life changing for Ugandans and the entire economy because they will have a direct impact by facilitating trade and mass movement of goods and people. Civil Society therefore wishes to notify the sector that the three projects will attract “undue” scrutiny through keen monitoring to ensure they are financially thorough, technically superior, and commercially time-bound

Kampala Capital City Authority (KCCA)

We commend the new management of KCCA headed by Madam Jennifer Musisi. The team has done good work although the city still faces several challenges. Civil society is aware of the Kampala Physical Development Plan (KPDP) which is yet to be implemented. The plan envisages to boost development of existing urban areas and establish new satellite towns. The plan acknowledges the creation of the Greater Kampala Metropolitan Area (GKMA) that will emphasize Transit Oriented Development instead of Automobile Oriented Development. It also seeks to create Mass Rapid Transport (MRT) and Bust Rapid Transport with new road systems being developed. We welcome this development plan because it is in agreement with many Ugandans’ aspirations. We also commend KCCA in its recent actions of demolishing illegal structures constructed in road reserves. This is an action in the right direction and should be supported by the entire sector.

The traffic circulation in Kampala has been hampered by narrow roads with several bends and corners for short road distances. For the plan to be successfully implemented KCCA and the sector must emphasize development of straight roads and lanes that ran parallel to each other and as much as possible create junctions at reasonable distances from each other to allow smooth traffic flow and increased speeds. The sector should also ensure it implements key proposals in an expedited manner to avoid challenges that normally arise out of lack of action. For example the issue of prohibiting Boda Boadas from operating in the city centre is long overdue.

This matter has been on KCCA plans for many years and it is high time it is implemented. Kampala cannot have order, let alone develop into a well planned city when Boada bodas are allowed to operate in the city. KCCA also needs to strictly put in place and enforce building control systems together with zoning the city to determine which part of the city should have which type of buildings and structures. The authority should also encourage building upwards rather than encouraging the current fragmentation of plots by real estate companies which is unsustainable in the long run. Lastly KCCA should work with central government to relocate ministries, schools, departments and other institutions to decongest the city.

Conclusion

The sector has registered successes in some areas but challenges still abound. We as civil society appreciate the efforts of the sector and appreciate the sector's readiness to work with us for the common good of Ugandans. We once again wish to register our sincere thanks to development partners for standing with the Ugandan government in developing our transport systems over the years and hope that they will continue providing the support. We advise the sector to address the existing challenges affecting road development and seek for possible means of reducing the unit cost of road construction by devising and adopting alternative but cheap road construction innovations.

The three projects of Kampala-Entebbe Express Highway, New Jinja Bridge and Kampala Northern Bypass are big projects which the sector should be aware that we as civil society and Ugandans will be interested in and will thus be under our close scrutiny. KCCA is on the right track. Kampala Physical Development Plan should be supported by the sector. KCCA cannot implement it singly. It needs the support of the entire sector. The first thing to do under KPDP in our view is to decongest the city. The first thing to do to decongest the city is not to allow any more government Ministries Departments and Agencies shafting into or constructing offices in the city and most critically banning Boada bodas from the city centre.