



Ministry of Lands, Housing & Urban Development

Century Building, Plot 13/15. Parliament Avenue: P.O. Box 7096 Kampala.

Website: www.mlhud.go.ug. E-mail: mlhud@mlhud.go.ug



H.E. YOWERI KAGUTA MUSEVENI
PRESIDENT OF REPUBLIC OF UGANDA



Minister
Hon Daudi Migereko



Minister of State, Housing
Hon Sam Engola



Minister of State Lands
Hon. Idah Erios Nantaba



State Minister for Urban Development
Hon. Rosemary Najjemba



Permanent Secretary
Mr. Gabindadde - Musoke

Status of Implementation of Municipal Infrastructure Development under the Uganda Support to Municipal Infrastructure Development Program (USMID)

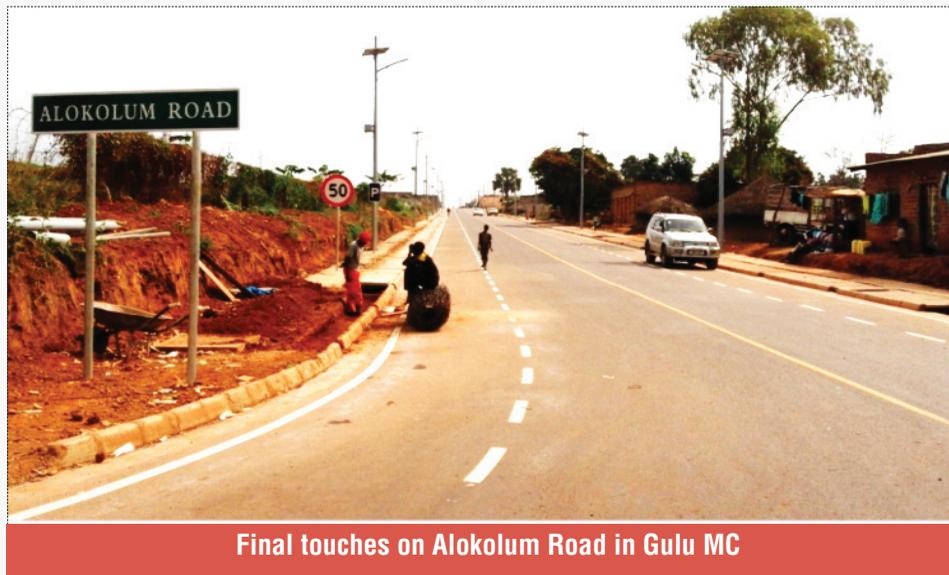
1. Background

The USMID Program is a 5 year program whose overall objective is to enhance the institutional performance of the 14 program Municipal Local Governments to improve urban service delivery. The program is implemented using an IDA/World Bank credit of US\$ 150 million and will run for a 5 year period (FY2013/14 to FY2017/18). The implementing agency on behalf of Government is the Ministry of Lands, Housing and Urban Development (MLHUD) through the Program Support Team (PST). MLHUD is responsible for ensuring the Program is implemented in accordance with the Financing Agreement and capacity building of the participating Municipal Local Governments.

The 14 Municipal Local governments (Arua, Gulu, Lira, Soroti, Moroto, Mbale, Tororo, Jinja, Entebbe, Masaka, Mbarara, Kabale, Fort Portal and Hoima) are responsible for implementation of selected infrastructure projects.

The lending instrument applying to USMID is the new Program for Results (P for R) of the World Bank which means that the total amount of funds available each year depends on the overall assessed performance of the previous year of all Municipalities compared to the annual performance target. It also means that the annual grant amount for each Municipality depends on the performance of the Municipality compared to the other Municipalities. The better the performance of a Municipality in a given year, the more funds it receives for the subsequent year.

The target performance for the first year was 50%, however and overall performance was 60.9% while target for second year was 60% and overall performance for the second year was 64.9%. For the third year the target was 70% and overall performance



Final touches on Alokolum Road in Gulu MC

was 72.5% indicating better and improved annual performance over the three year assessments.

85% of the USMID resources are disbursed to Municipal Local Governments in form of Municipal Capacity Building Grants (MCBG) and Municipal Development Grants (MDG). 15% is retained at the MLHUD for outreach capacity building to Municipalities and capacity building of the MLHUD and for program management.

2. Infrastructure Improvement

Urban Infrastructure improvement is done using the Municipal Development Grant (MDG) which the Ministry transfers to each Municipality that meets the minimum program conditions after an annual performance assessment by an Independent verification Agent. The amount of MDG to each Municipality depends on its spatial area, population, poverty count and the performance score from the performance assessment. It is after the MDG has been confirmed that the Municipality can ascertain the scope of works to be contracted out. Infrastructure sub-projects to be implemented under USMID are selected and prioritized by the respective Municipal Councils in consultation with the Municipal Development Forums (MDF).

All Municipal Councils prioritized rehabilitation of roads except Fort Portal and Moroto who prioritized a lorry park and bus terminal respectively. Implementation of infrastructure which investments was planned to be in two batches. Batch 1 Works being implemented in the first two and a half years of

program implementation commenced in June 2014 and are in final stages of completion while Batch 2 will be implemented in the last two years of the Program. A design Consultant has been identified to design and cost Batch 2 projects in the 14 Municipal Local governments. Construction works for Batch 2 are planned to commence in October 2016.

Under Batch 1, a total of 43 km of roads are to be rehabilitated in the 13 Municipalities of Arua, Gulu,

Lira, Soroti, Mbale, Tororo, Jinja, Entebbe, Masaka, Mbarara, Kabale, Fort Portal and Hoima were planned of which about 24.426 km were all contracted out and are in the final stages of construction. USMID road works include rehabilitation of the road carriageway and provision of all ancillary works such as pedestrian walkways, cyclist lanes, street parking, street lighting, necessary road furniture and greening/beautification wherever space permits. The average width of the roads is 12.82 meters with Mbale Municipal Councils having the widest roads with an average of 28 meters and Arua Municipal Councils having the narrowest with an average of 6.5 meters.



Iddi Amin Road under construction in Arua MC



Ring Road Dual Carriageway in Gulu MC in final stages



Yellow Knife road under construction in Masaka MC

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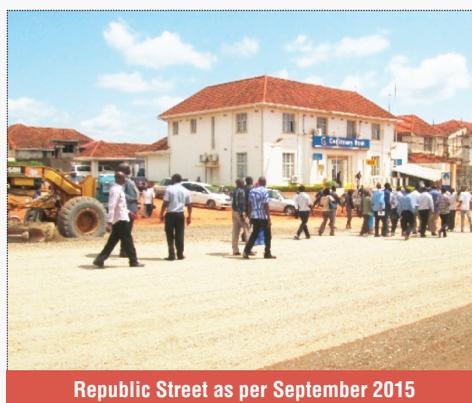


Ring Road Dual Carriageway in Gulu MC in final stages

Table 1 Status of Funds Received and Civil works Implementation

| S. No. | Municipality | Total Funds Received from USMID for Infrastructure Development (UGX) | Roads under rehabilitation | Total Cost of works (Civil works and supervision) (UGX) |
|--------|--------------|--|--|---|
| 1 | Arua | 9,461,053,954 | Enyau Road and Idi Amin Road: Total 1.68 km | 6,331,014,884 |
| 2 | Entebbe | 8,496,265,116 | Church Rd, Nyondo Rd, Basude Rise, Fulu Rd: Total 2.193 km | 6,817,677,600 |
| 3 | Fort Portal | 3,691,524,545 | Nyakana Rd, Kagote Rd: Total 0.613 km | 4,749,236,012 |
| 4 | Gulu | 32,336,282,631 | Ring Rd, Labour Line Rd, Acholi Lane Rd, Alokolum Rd, and Cemetery Rd: Total 3.637 km | 16,594,693,434 |
| 5 | Hoima | 12,372,882,019 | Rukurato Rd, Main Street, Old Toro Rd, Coronation Rd, Persy Rd, Government Road, Kabalega Rd: Total 2.732 km | 10,756,172,458 |
| 6 | Jinja | 9,237,149,877 | Nalufenya-Clive Road West: Total 2.22 km | 8,924,040,512 |
| 7 | Kabale | 5,471,837,044 | Contracting in progress | |
| 8 | Lira | 14,530,935,434 | Aduku Rd, Oyite Ojok Rd, Imat Maria Rd, Maruzi Rd, Awange Mola Rd, Ambobhai Rd: Total 2.285 km | 11,110,003,758 |
| 9 | Masaka | 12,034,768,013 | Yellow knife Rd Kabula Street Drainage: Total 1.559 km | 6,989,486,964 |
| 10 | Mbale | 10,363,291,807 | Republic Street, Pallisa Rd, Mugisu Hill, Nabuyonga Rise: Total 3.142 km | 10,478,902,703 |
| 11 | Mbarara | 13,810,553,408 | Contracting in progress | |
| 12 | Moroto | 1,783,680,403 | Construction of Moroto Municipal Council bus terminal and parking yard | 3,823,955,174 |
| 13 | Soroti | 6,785,937,262 | Cemetery Rd, Central Avenue, Alanyu Rd, Liverpool Rd, Serere Rd: Total 2.862 km | 6,362,912,439 |
| 14 | Tororo | 6,275,178,513 | Kashmir Rd, Tagore West, Bazaar Street, Obuya Lane, Park Lane and Tagore East: Total 1.503 km | 5,330,998,642 |
| | Total | 146,651,340,026 | 24.426 km | 96,136,489,671 |

All Municipalities with funds still available are in the process of procuring contractors for additional works under Batch 1. Contracted works in Entebbe are fully completed while for Jinja, Masaka, Arua, Lira, Gulu, Mbale and Tororo are in final completion stages. Contracting in Fort Portal and Hoima was delayed while in Mbarara and Kabale contracting has just been concluded.



Republic Street as per September 2015

In addition to ongoing works, the Ministry is developing solid waste management strategies and drainage masterplans for all the 14 Municipalities. These will be prioritized for implementation in the subsequent financial years. These will see improvements in the management of both solid and liquid waste which were not prioritized by the municipalities yet they pose a serious hazard in all Municipalities.

3. Capacity Building at the Municipalities

At the time of program identification and preparation, capacity assessment of Municipalities identified gaps in staff skills, equipment and systems that needed to



Road marking and final touches on Imat Maria Road in Lira

be addressed to enable efficient implementation of the program and to ensure sustainability of urban development.

The Program therefore has a component of capacity building for both the Municipalities and the Ministry of Lands, Housing and Urban Development. Implementation of capacity building activities is done using the Municipal Capacity Building Grant (MCBG) which is transferred to Municipalities after every annual assessment and upon Municipality submitting an acceptable capacity building plan, and utilizing resources in the previous year within the eligible areas. The capacity building component emphasizes institutional capacity strengthening but also allows individual career development that specifically targets training related to the current jobs of the trainees.

Table 2 Status of MCBGs transferred to Municipal Councils

| Municipal Council | Transfers to Municipal Councils | | |
|-------------------|---------------------------------|----------------------|-------------------------|
| | 2015 (UGX) | 2014 (UGX) | Cumulative amount (UGX) |
| Arua | 472,563,420 | 438,553,614 | 911,117,034 |
| Entebbe | 472,563,420 | 438,553,614 | 911,117,034 |
| Fort Portal | 472,563,420 | 438,553,614 | 911,117,034 |
| Gulu | 472,563,420 | 438,553,614 | 911,117,034 |
| Hoima | 472,563,420 | 438,553,614 | 911,117,034 |
| Jinja | 472,563,420 | 438,553,614 | 911,117,034 |
| Kabale | 472,563,420 | 438,553,614 | 911,117,034 |
| Lira | 472,563,420 | 438,553,614 | 911,117,034 |
| Masaka | 472,563,420 | 438,553,614 | 911,117,034 |
| Mbale | 472,563,420 | 438,553,614 | 911,117,034 |
| Mbarara | 472,563,420 | 438,553,614 | 911,117,034 |
| Moroto | 472,563,420 | 438,553,614 | 911,117,034 |
| Soroti | 472,563,420 | 438,553,614 | 911,117,034 |
| Tororo | 472,563,420 | 438,553,614 | 911,117,034 |
| Total | 6,615,887,880 | 6,139,750,596 | 12,755,638,476 |

The capacity building grant is used by the Municipal Councils for retooling, discretionary capacity building activities and career development. Of the funds sent to Municipalities as MCBG, 66% was used for discretionary capacity building activities, 21% for retooling while 13% was used for career development courses.

Under the capacity building component for Municipalities, the offices of the Town Clerk, Head of Finance, Municipal Engineer, Physical Planner, Environment Officer, Procurement Office and Community Development Office have been fully equipped with ICT equipment such as computers, scanners, printers etc. Other activities include provision of systems to enhance, own source revenue generation, improved efficiency in administration, physical planning, procurement management and environment and social management.

Each Municipality has also been supported to establish a functional grievance and complaints handling desk to receive, record and handle all complaints in the Municipality. As support to career development,



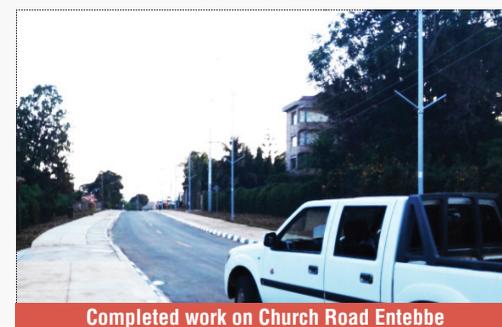
Tagore East as at November 2015

a total of 50 staff in the program Municipalities have benefitted from various trainings in the fields of financial management, public administration, procurement management, urban governance and management, continuous professional development and international exposure.

This is all meant to enhance the institutional capacity to manage urban development program even after USMID.

4. Roll-out of IFMS in all 12 Municipalities

In order to enhance financial management efficiency and in line with the government's objective to streamline financial management in government operations, USMID has rolled-out the Integrated Financial Management System (IFMS) in all the 12 Municipalities that did not have it at the start of the program. These municipal councils are Entebbe, Masaka, Mbarara, Kabale, Fort Portal, Gulu, Arua, Lira, Moroto, Soroti, Mbale, Tororo. This has enabled automation of financial operations to increase efficiency and to minimize possibilities of fraud. All 14 USMID Municipalities now operate on IFMS and do not transact financial business using paper cheques. This is an effort jointly done by the Ministry of Lands, Housing and Urban Development, Ministry of Local Government and the Ministry of Finance, Planning and Economic Development.



Completed work on Church Road Entebbe



Republic Street, Mbale MC under construction



Nalufenya-Clive Road West at Sub base level in June