

ROAD FUND KEY TO ECONOMIC DEVELOPMENT

It has been one year since Dr. Eng. Andrew Naimanye was appointed by the Minister of Finance as Ag. Executive Director / Board Secretary of Uganda Road Fund (URF). Dr. Naimanye is also the Accounting Officer of Road Fund which he joined at its commencement in January 2010.



Dr. Eng Andrew G. Naimanye

He was interviewed recently about the Road Fund and its achievements to date.

1. Provide us with a brief background of yourself.

I was educated at Kings College Budo for both my 'O' and 'A' Levels. After which, I joined the University of Leeds in England (UK) where I obtained a Bachelors' Degree in Civil Engineering, Masters in Transport Planning and Engineering, and a PhD in Transport Economics. I also completed an MBA majoring in Finance and Accounting.

I am a Chartered Engineer and worked in the UK for twelve years for the UK Highways Agency and Civil Engineering consultancy firms, and I returned to Uganda in 2010 as part of the pioneer management team that started the Uganda Road Fund (URF). I was the pioneer head of the pivotal Planning and Programming Department and superintended over road maintenance workplans analysis and financing amounting to over UGX 3.5 Trillion (USD 946million) for UNRA, KCCA, 7 Cities, 134 Districts, 34 Municipalities, 227 Town Councils & 1,155 sub-counties.



The MV Kyoga approaching the dock. The Uganda Road Fund supports ferries for connecting the region

2. What is a Road Fund?

A Road Fund is a fundamental pillar in road asset preservation. By definition a Road Fund is an institution set up on the fee-for-service principle to collect Road User Charges (RUCs) which are then used to provide an adequate, secure and sustainable source of funds for road network maintenance.

A Road Fund principally enshrines market principles in public road management through charging for road use on a fee (not taxes) for service basis and applying proceeds to finance maintenance of roads and ensure acceptable level of service and good road conditions.

3. What is the role of Uganda Road Fund in the transport sector?

The Road Fund is the main financier of all our road maintenance programs for all public roads in the country. We review, analyse and finance road maintenance schemes of UNRA, KCCA, Cities, Districts, Municipalities, Town Councils and sub-counties. We follow up with the aforementioned agencies to ensure that road maintenance funds are used judiciously by undertaking physical and financial accountability assessments. The impact of the Road Fund is felt by all road users!

As part of the overall transport sector reforms, URF was established by Act of Parliament of 2008 to finance routine and periodic maintenance of public roads from mainly RUCs. URF became operational in January 2010 and undertakes a spectrum of roles that are critical in the

delivery of the National Development Plan and contributes enormously to the economy of Uganda.

The Fund also provides oversight over road maintenance resources seeing to it that timely, adequate and reliable funding is deployed to protect the road asset. It is the central point for developing and coordinating the entire countries' road maintenance programs ensuring accountable use of these resources to the expectation of road users. The Road Fund provides signals to policy makers on the due needs of the network and flow of policy directives to implementing agencies. It is the sole avenue for building the reform principle of commercialisation of management of Uganda's road asset.

The Road Fund administratively

reports to the Minister of Finance; however, operationally the Road Fund reports to the Minister of Works. The Board that manages the Road Fund comprises of representatives from: Ministry of Finance, Ministry of Local Government, Ministry of Works, Freight transporters, passenger transporters, accountants profession and engineers' profession.

Implementation of road maintenance works is handled in accordance with performance agreements signed between URF and the 177 implementing agencies comprising of UNRA for national roads (20,854 km); KCCA for 2,103km of city roads; 134 district local governments for district roads (34,381 km), town council roads (9,530 km) and community access roads (68,933km); and urban roads in

KAMPALA CAPITAL CITY

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The New Nile Bridge. The Road Fund finances maintenance of all bridges.

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The current budget of the Road Fund in FY 2020/21 is UGX 512 Billion compared to UGX 112 Billion when we commenced operations in FY 2009/2010 which translates into a growth of 360% over the last ten years. However, the current budget only covers about 40% of requirements. The road financing requirements of our implementing agencies are in the order of UGX 1.2 Trillion annually, in order to protect and preserve our existing road network whose replacement cost value is about UGX 30 Trillion.

The Road Fund also undertakes other roles including:

- Road Maintenance financing planning;
- Policy Advisory Roles;
- Monitoring & Evaluation of road maintenance programs;
- Technical / financial review (audits) of road maintenance programs ;
- Disbursements and accountability of road maintenance funds;
- Studies and Technical Assistance;
- Preparation of Annual Performance Reports;
- Road sector stakeholder engagement;
- Capacity building of implementing agency engineers;
- Advocacy roles for road maintenance financing
- Supervision of implementing agencies
- Research and development

4. What has Uganda Road Fund achieved over the last 11 years?

The Road Fund has unequivocally established a firm space in the transport sector as the leading financier of road maintenance and accountability centre. There is great clarity in the process for road maintenance programming, financing and accountability. Professional and accountable internal processes are in place and we have ably disbursed and accounted for UGX 3.5 Trillion road maintenance financing over the last 11 years. A scientifically-derived resource allocation formula is in place as well as long term 5-year plans. The Road Fund is also an active member of the Africa Road Maintenance Funds Association (ARMFA) that groups over 32 Road Funds in Africa.

Some of the key achievements to-date include amongst others:

- Disbursements and Accountability
Disbursement and accountability of UGX 3.5 trillion appropriated by Parliament to implementing agencies since January 2010 to date for maintenance of 138,716 Km of public roads, and operational expenses of UNRA.
- Established a framework for generation, collection, and management of RUCs;
- Conducted monitoring and evaluation, and technical and financial audits of funded road maintenance programmes in the designated agencies on a sampling basis. The Road Fund was the first entity to undertake real time technical and financial reviews in the implementing agencies.
- Embedded the culture of budgetary discipline in Road Fund implementing



Road Fund finances maintenance of Kampala City roads, Aerial View for Yusuf Lule Road Traffic Lights Junction.

- Construction of New Office headquarters
- Developed a new 12-storey office complex jointly with PPDA on Plot on 39 Nakasero Road which is costing UGX 54bn, and is due to open in May 2021.
- Established Governance documents
- Established the URF 5-year Strategic and Corporate Plan 2020/21 to 2024/25, which is aligned to NDP III.
- Developed the 5 Year Road Maintenance Financing Plans. The plan requires annually UGX 1.2 Trillion to maintain various categories of roads and specifically to improve the condition of public roads in fair to good

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RESOURCE ALLOCATION

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- condition from 60% to 85% over the next 5 years to 2024/25;
- Prepared URF Regulations including operationalisation of the District Road Committees.
- Prepared, published, and disseminated the URF Annual Reports and One Year Road Maintenance and Expenditure Plans. The reports have demonstrated progressive improvement in road condition.

Systems Development

- Developed a Road Maintenance Management and Monitoring System (RMMS): This is a web-based system for planning and reporting on road maintenance programs of the Road Fund implementing agencies;
- Developed and calibrated a new funds allocation formula that uses equitable and objective criteria including traffic volume, traffic loading, asset value, road length and climatic conditions.

Developed a unit cost framework that is used by Road Fund in developing realistic unit costs to guide implementing agencies.

Studies, Technical Assistance and Staff Skills Enhancement

- Undertook studies into use of alternative technologies in low cost seals and rigid pavements.
- Improved technical capacity of implementing agencies through tailored trainings and workshops
- Secured funding of 2.8million Euros for capacity building through the European Union.

5. Over the last one year, what has changed during your leadership?

I effectively took over leadership of the Road Fund in July 2019, about six months prior to the expiry of the final term of my predecessor.



URF new offices at Plot 39, Nakasero Road

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sor, Eng. Dr. Michael Odongo; who successfully served for ten years. Therefore, I have been in the role practically for the last 18 months.

During my tenure to date at the helm of Road Fund, I have mainly targeted quick-win high impact and tangible innovations such as:

- Rolling out regional Technical Support Units to improve capacity of implementing agencies;
- Funding of critical and essential road safety interventions;
- Training and support of District and Municipal Engineers to attain registration;
- Completion of all outstanding URF governance documents and manuals;
- Conceptualization and implementation of congestion bursting road schemes such as tarmacking the new Wampewo Avenue to Yusuf Lule Road through Centenary Park.
- Tarmacking of Lubowa Lower Estate Road to improve access to the NSSF housing project and the new International Hospital;
- Pioneering and supporting the use of low cost Do-Nou technology;
- Conceptualization and implementation of tarmacking of key roads in the Greater Kampala Metropolitan areas of Mukono, Makindye Ssabagabo, Nansana, Entebbe and Kira municipalities
- Tarmacking of Town Council roads in 26 Town Councils;
- Timely finalization of the construction of the 12-storey URF / PPDA headquarters at Plot 39, Nakasero road;
- Prioritisation of maintenance of access roads to security and military installations;
- Prioritisation of maintenance of security roads in Karamoja and South Western Regions;
- Improvement of access roads to industrial parks;
- Reduced the downstream turn-around time of releases to implementing agencies

6. Please share with us your future plans for URF and road maintenance financing.

I plan to handle the following key issues in the short to medium term:

- Deliver the URF 5-year strategic and corporate plans which I prepared and systematically aligned to NDP III;
- Provide funding to open up the Karamoja Region by strategically linking this region both internally and externally;
- Commercialize Force Account;
- Undertake critical new congestion bursting road schemes such as Bugolobi to Bukasa link road;
- Advocate for more road maintenance funding by rebalancing allocations towards road maintenance when compared with new road construction;
- Establish additional operational systems at the Fund targeted at improving efficiency and effectiveness;
- Improve service delivery by implementing agencies;
- Enhancing e-monitoring, e-auditing and e-governance;
- Improve efficiency in timely releases and agency accountability downstream;



Major Byaruhanga, Eng. Roma and Dr. Naimanye undertaking photogrammetric surveys of Karamoja Security Roads

- Improve stakeholder engagement;
- Prioritize maintenance financing in the new cities;
- Increase funding in the Designated agencies in the Greater Kampala Metropolitan Areas;
- Target funding towards improvement of tourism roads;
- Mitigate attrition in the road maintenance supply chain;
- Improve data collection in a real time manner;
- Enhance road safety measures on the core road network;
- Categorize regional designated agencies to ensure systematic time-sharing of equipment
- Prioritise maintenance financing of the countries' core and strategic road network; and ensure optimal value for money

7. What strategies have been deployed during the Covid-19 period to ensure that roads remain motorable all year round?

Funding of roads has continued unaffected even during the pandemic and we thank the Ministry of Finance for the continued prioritization of road maintenance financing. Most implementing agencies including UNRA and KCCA took advantage of the reduction in traffic during the lockdown to undertake major works uninterrupted.

8. Could you tell us your plan for financing road maintenance in the newly created cities, what are the underlying implications?

A special budget line in FY 2021/22 has been created for the new cities to increase their maintenance funding. The cities will be allowed to undertake work both by contracts and force account just like KCCA.

9. What has been your experience working with over 170 Designating Agencies including the biggest consumers of the URF budget that include UNRA, KCCA and others in the Covid-19 period? What has been the absorption rate of road maintenance funds?

In 2010, we had only 80 designated agencies and the number has now significantly increased to 177; however, we have adjusted

and are able to adequately handle all the demands of the agencies as practically as possible. Absorption of road maintenance funds is no longer a challenge as agencies plan early enough in the process; and we have improved oversight of our implementing agencies.

10. You recently advertised for an Executive Director (ED). How far are you with the process??

That is a matter for Road Fund Board and a known unknown. The Road Fund ED role is very critical in the preservation of our existing UGX 30 Trillion road network, and economic transformation of Uganda. I left employment in UK and returned to serve Uganda in 2010 as part of the management team that established the Road Fund following a meritorious recruitment process undertaken by development partners (European Union and DANIDA).

The Road Fund has been very successful and I hope to continue diligently serving Uganda and specifically the Road Fund as I have professionally done for the last 11 years whilst reporting to Board and the Appointing Authority. We need to build on the successes so far achieved. The condition of our road network for all road categories has tremendously improved over the last 11 years; and that is testament to the hard work of the Board, staff and management of the Road Fund.



UGANDA ROAD FUND

RELEASE OF US\$ 129bn TO ROAD FUND DESIGNATED AGENCIES FOR MAINTENANCE OF PUBLIC ROADS IN QUARTER 2 FY 2020/21 (October - December 2020)

TO:

(A) The Accounting Officers of Uganda Road Fund Designated Agencies:




- Uganda National Roads Authority (UNRA)
- Kampala Capital City Authority (KCCA)
- All Local Governments (Cities, Municipalities, Districts and Town Councils)

(B) District Road Committees (DRCs)

(C) All Public Road Users

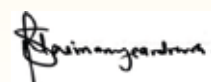
The Accounting Officers of Road Fund designated agencies, DRC members and all public road users are hereby notified that the Fund Management Board in line with Section 14 of the Uganda Road Fund Act 2008 has authorized the release of UGX 129bn for Routine and Periodic Maintenance of public roads in Quarter 2 of FY 2020/21 (October – December 2020). Details of the Quarter 2 release for FY2020/21 funds allocation for maintenance of public roads can be accessed by scanning the QR Codes below and following the link using 'Smart phones' or by visiting the Road Fund Website: www.roadfund.ug

DETAILS OF Q2 FY 2020/21 RELEASE TO URF DESIGNATED AGENCIES

UNRA	KCCA	Districts, Cities, Municipalities & Community Access Roads
		
UGX 83.77bn	UGX 5.07bn	UGX 19.7bn

Scan Codes Above for Pdf Files

Road Fund Toll Free Line: 0800-220-747



Dr. Eng. Andrew G. Naimanye (MBA)
Ag. EXECUTIVE DIRECTOR / SECRETARY TO BOARD
ACCOUNTING OFFICER