



ROADS INDUSTRY COUNCIL

Representing Uganda's Road Sector

RIC Issues sheet 3: April 2014

Rejuvenating Uganda's road sector: Focusing roads policies

Summary

Uganda's Government has recognised the importance of improving the country's road sector and is working to develop new policy to achieve this. However, the policy debate has now become distracted by the question of whether the use of Government labour and machinery (known as 'force account') is a better way forwards than efforts to strengthen private road maintenance companies – a debate which is in danger of holding up the development of the road sector rather than pushing it forwards. Immediate efforts should instead concentrate on what is needed to make efficient and effective use of Government funding now, which will involve the use of both force account and the private sector.

Uganda's Government needs to take a new two-stage approach that recognises that its short term aim should be the development of the roads in different areas by whatever means works and provides most value for money. This would then be followed up by medium term work to strengthen the road sector to make this sustainable.

Financial commitment to the road construction sector

Recognising that it will invigorate the economy, Uganda's Government has made clear financial commitments to improving the country's roads. As a result, the total 2013/14 budget for roads (UGX 1.77 trillion) accounts for approximately 15% of the entire national budget. The key issue therefore is to ensure that this money is spent as efficiently as possible to produce well maintained roads.

The need to use both force account and private sector resources

The private sector is not yet in a state that will allow it to maintain Uganda's roads. Some larger contractors exist that can maintain and build key roads. And, these contractors are beginning to be supported through mechanisms like multi-year contracts that provide them with stability. However, there simply aren't enough skilled



contractors to maintain all roads and the quality of work is often patchy and difficult to predict. Corruption is also rife in the sector.

Force account also suffers similar issues to the private sector. And it has been accused of stifling the growth of a stable private road construction sector in the country. However, it seems clear that without the use of force account Uganda will be unable to swiftly address the backlog of road maintenance work it faces.



Management processes: The short term focus

If both force account and the private sector are going to be used to bring Uganda's roads to an acceptable level of maintenance as quickly as possible, the key focus in both sectors in the short term must be on improving management processes to achieve the effective and efficient use of public resources and to cut corruption in all its forms.

This means that both force account work and private sector contracts need to be subject to **(1)** more independent supervision and inspection by trained teams of inspectors (to measure work done against set goals and standards) and **(2)** more precise record keeping followed by regular review of such records – both of which will cut corruption and highlight when the quality of work is falling.

This kind of clear record keeping will also allow better comparison of the cost efficiency of force account and private contracting for different types of work, allowing the government to further refine its policies.

Such measures in their turn need to be backed by training schemes for both operators and mechanics to ensure that any plant available is used and maintained as efficiently as possible.

Building the private sector: The longer term focus

Once Uganda has greatly improved its road sector using both force account and the private sector, the country can begin phasing out force account and further building the private sector to create a competitive marketplace. This will drive levels of quality up and prices down – because established and skilled firms will compete with each other to win contracts.

Policy recommendations

Phase 1 (immediate action): Improve managerial processes in both force account and the private sector
The Ministry of Works and Transport should take urgent steps to improve management processes in both force account and the private sector. Such policy should focus on:

- Increased supervision and inspection by well trained, independent inspection teams
- Improved efficiency in the use and management of plant
- Creation of procedures and measures to stop the misuse of resources
- Improved record keeping and measurement of outputs.

Phase 2 (longer term action): Building the private sector

Once management issues have been addressed and progress on road rehabilitation is being properly monitored and measured, steps should be taken to begin building the private sector by:

- Defining a vision for the role of the National Private Sector in road construction and maintenance
- Drawing on the vision for the role of the National Private Sector to create a medium to long term Industry Development Strategy
- Defining targets and planning a timeline for shifting the balance of contracts in a direction which supports the aims of the Industry Development Strategy.

To do this the Government will need to develop a clear vision of what the private road sector should look like in Uganda. This is likely to mean shifting the sector away from many small players, and concentrating instead on building a foundation of well managed mid-sized companies backed by a few very large organisations able to take on the largest projects.

Once such a vision has been agreed, policy makers will need to develop a workable Industry Development Strategy to realise this vision and define targets to achieve it. More information on this can be found in “RIC Issues sheet 4”.

Contact us

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