UGANDA

Permanent Mission of Uganda
To the United Nations
New York

Tel : (212) 949 – 0110

Fax : (212) 687 - 4517

NATIONAL SITUATIONAL REPORT ABOUT THE PROGRESS MADE BY UGANDA TOWARDS THE IMPLENTATION OF THE ALMATY PROGRAMME OF ACTION

A REPORT PRESENTED TO THE UN OFFICE OF THE HIGH REPRESENATIVE FOR THE LEAST DEVELOPED COUNTRIES, LANDLOCKED DEVELOPING COUNTRIES AND SMALL ISLAND DEVELOPING STATES

New York
October 2014

1.0 Introduction

The International Ministerial Conference of Landlocked Developing Countries ,transit countries, donor countries and international financial and development institutions on transit transport cooperation, held in Almaty, Kazakhstan, in 2003,adopted the Almaty programme of Action (APoA) to address special development needs and challenges faced by the landlocked developing countries(LLDC's) in five priority areas: fundamental transit policy issues, infrastructure development and maintenance, international trade and trade facilitation, international support measures and implementation and review. In its resolution 66/214, the UN General Assembly decided on holding a ten year review conference of the Almaty Programme of Action. This Report therefore highlights progress made by Uganda and the challenges faced in the context of the aforesaid (APoA) priority areas.

Landlocked developing countries are countries that lack territorial access to the sea. They therefore face the double challenge of development and access to international markets.


SUDAN
DEMOCRATIC REPUBLIC OF CONGO
UGANDA
KENYA
TANZANIA
RWANDA
LAKE VICTORIA
Lake Albert
Lake Kyoga
Lake Kwania
L. Bisina
Lake George
Lake Edward
L. Bunyonyi
Albert Nile R.
Victoria Nile R.
Achwa R.
Agago R.
Moyo
Arua
Nebbi
Pakwach
Gulu
Kitgum
Kotido
Moroto
Lira
Soroti
Butiaba
Masindi
Hoima
Kumi
Kapchorwa
Pallisa
Mbale
Namasagali
Kamuli
Kiboga
Luwero
Busembatia
Tororo
Fort Portal
Kyenjojo
Mubende
Iganga
Jinja
Mityana
KAMPALA
Mukono
Mpigi
Entebbe
Kasese
Lyantonde
Masaka
Bushenyi
Mbarara
Kyotera
Ntungamo
Kabale
Kisoro
Sese Islands
Buvuma I.
Bugaia I.
Sigulu I.
Lolui I.
Damba I.
Koome I.
Bubeke I.
Bukasa I.
Bugala I.
YUMBE
MOYO
ARUA
ADJUMANI
KITGUM
KOTIDO
PADER
GULU
NEBBI
APAC
LIRA
MOROTO
MASINDI
KATAKWI
KABERAMAIDO
SOROTI
NAKAPIRIPIRIT
HOIMA
NAKASONGOLA
KUMI
KAPCHORWA
SIRONKO
KAYUNGA
KAMULI
PALLISA
KIBOGA
MBALE
BUNDIBUGYO
KIBALE
LUWERO
TORORO
KABAROLE
IGANGA
KYENJOJO
JINJA
MUBENDE
BUGIRI
MAYUGE
BUSIA
KASESE
KAMWENGE
MUKONO
MPIGI
SEMBABULE
WAKISO
MBARARA
MASAKA
BUSHENYI
RUKUNGIRI
KALANGALA
RAKAI
KANUNGU
NTUNGAMO
KISORO
KABALE
Main railway
Main road
International boundary
District boundary
Main airport
Capital
Major town
Other town
0 km 50 100 150
0 miles 50 100
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2.0 Location, Area and Population of Uganda

Uganda is a landlocked country located in Eastern Africa, bordered on the North by the Republic of South Sudan, on the East by the Republic of Kenya, on the south by the United Republic of Tanzania and the Republic Rwanda, and on the West by the Democratic Republic of the Congo. Uganda has an area of 241,038 sq. km (93,065 sq. mi) of which approximately 18% is covered by water (lakes, Rivers and swamps).

Uganda has a population of 34.8 Million (July 2013 estimate). The country conducted the national population and housing census from the 28th August 2014 to 8th September 2014, to ascertain its true statistics. The country has an average population density of about 137 people per sq. km (354 per sq. mi). About 14.7 per cent of the population is urbanized. Average life expectancy is about 50.7 years for men and 52.5 years for women. The population aged less than 18 years is 56% while that aged 65 years and above is 4.6%. Infant mortality rate is 54 deaths per 1000 births (UDHS of 2011.

3.0 Transport infrastructure in Uganda

The transport sector plays a vital role in the transformation of the economy. It facilitates national and international trade, contributes to national integration and provides access to employment, health, education and other essential social and economic facilities. A good transport network creates economic opportunities in market access, competitive import and export trade, tourism and attracting foreign investment, all translating into socio economic transformation.

Uganda therefore does not have territorial access to the sea and therefore access to the international markets is through the ports of Mombasa in Kenya, as well as

Tanga and Dar es Salaam in Tanzania. Uganda's transport infrastructure comprises of a network of Road, Rail, Inland waterways and Airports.

It is fairly connected to its neighbours in the East African Community as well as the COMESA member states by rail, road, water and air. It is also a transit hub for some of the countries in the Great Lakes region like Rwanda, Burundi, Southern Sudan and Democratic Republic of the Congo (DRC).

Some of the Constraints in the Transport Sector include:

i) Inadequate supply and high cost of construction materials which increase the unit cost of construction.
ii) Large capital requirements limiting investment in rail, marine and air transport.
iii) Limited financing options such as infrastructure bonds.
iv) Weak local private sector players (contractors, transporters and consultants) with inadequate technical and financial capacity which affects service delivery.
v) Inadequate specialized skilled human resource including: material engineers, traffic engineers, geo-engineers and surveyors among others.
vi) Lengthy and expensive procurement system which increases the cost of doing business
vii) Over reliance on road transport system as opposed to rail, marine and air transport. This limits the transportation of bulk goods and subsequently increases cost of doing business.

3.1. Road Transport: The Uganda road network is categorized into four namely; National, District, Urban and Community access roads. National roads are roads connecting districts and are managed by the Uganda National Roads Authority (UNRA), while district roads are roads within districts and are managed by the local governments. Road transport has over the years registered tremendous growth of both paved and unpaved roads. National roads cover 21000km of which 4,000 (16.6%) are paved and 17,500 (83.4%) are gravel and earth surfaced, District Roads total 32,000Km, Urban roads currently total 13,000Km and Community access Roads cover 85,000km. Road transport is by far the most dominant mode of transport within the country, carrying well over 99% of passenger and 95% of freight traffic and serving as a true backbone supporting the country's economy.

The national road network includes ferries. There are currently 9 ferry crossings at locations where the national roads cross major waterways. Roads provide the only means of access to most of the rural communities making its effective management vital to the Government of Uganda's strategy for economic development and poverty eradication. The Government is currently implementing a programme of continuous upgrading of key gravel roads to bitumen standard.

3.2. Rail Transport:

- The main line which runs from Malaba to Kampala, a part of the Northern corridor between Kampala and Mombasa.
- Spun lines to Jinja and Portbell ferry terminals on Lake Victoria for routes to Kisumu (Kenya) and Mwanza (Tanzania).
- The Western line from Kampala to Kasese (part of the Northern corridor between Kampala and Kasese).
- The Northern line from Tororo to Pakwach and;

- The Busoga loop.

The Uganda rail track is meter gauge. Up until the early 1990's the rail network extended for an estimated 1,260Km. Currently, there is only 320Km of functioning track on links between Kampala-Malaba, Kampala-Portbell and Tororo-Mbale.

The Government plans to construct a Standard Gauge Railway between Malaba-Kampala-Kasese Mirrama Hills (border with Rwanda); and Tororo-Pakwach/Gulu-Nimule (border with South Sudan).

Freight carried had increased to a total of 154 million tonne in 2011/12 but in 2012/13, registered a reduction of close to 20%.

On the main railway corridor through Malaba, rail transport accounts for around 10% of all freight, well below the potential of competitive rail transport, especially for bulk haulage.

Locomotive utilization on the railway has fallen from 168Kms per day in 2011/12 to 142 in 2012/13, a drop of about 15%.

Wagon transit time stands at eight days from Mombasa to Kampala which is a great improvement of about 30% over the FY2011/12. Total turn-round stands at 27.6 days. Improvement measures to aid the capacity of the railway to capture a greater share of freight transport are clearly required.

Rift Valley Railways (RVR), the company that runs the railway operations, is in the process of acquiring more locomotives and wagons in order to increase its capacity.

3.3 Water Transport:

About 18% of Uganda's surface area is covered by water and provides quite substantial navigable waterways. Before the concession of the railway operations, Uganda Railways Corporation (URC) owned and operated 3 wagon ferries on Lake Victoria from Port Bell and Jinja in Uganda to Kisumu in Kenya and Mwanza in Tanzania. The maximum capacity of each wagon ferry is 880 tonnes. However in May 2005 one of the Marine vessels (MV Kabalega) sunk after it collided with another (MV Pamba). One of the two remaining vessels was rehabilitated and conceded to RVR. There are also approximately 20,000 non-conventional motorized and non-motorized water vessels operated on the inland waters for both transport and fishing.

3.4. Air Transport:

Air Transport in Uganda is dominated by operations at Entebbe International Airport. The Government has designated another five airports as entry and exit airports for international traffic. These are Arua, Soroti, Pakuba, Kidepo and Kasese. There are other 13 airfields which can receive charter flights.

Air Transport in Uganda promotes tourism and trade in non-traditional exports such as flowers, vegetables, fish, fruits, etc.

4.0: Fundamental transit policy issues

Landlocked developing countries (LLDC's) depend on cooperation with their transit neighbours to access the sea ports as a link to the global markets. Transit policy issues influence trade of the LLDC's by hindering speed, reliability, security and logistics networks hence rendering them uncompetitive in trade.

The bottlenecks contributing to lack of flow of trade include: burdensome and inefficient transit regulations, cross border restriction on vehicle movement, trans-loading, physical inspection and offloading of freight at borders, unwarranted inspection of goods enroute, differing axle load vehicle standards between countries and inadequate security for drivers and freight and corruption *(UN-OHRLLS,P6).*

4.1 Efforts of government to address the fundamental transit policy issues

(i) Continuous Review and Improvement of Transport Regulatory Framework

Continuous review and improvement of transport regulatory framework has been a common feature in Uganda and the neighbouring countries. Countries in the region established the Northern Corridor Transit Transport Coordination Authority (NCTTCA), and the Central Corridor Transit Transport Facilitation Agency (CCTTFA).

The Northern Corridor is the corridor starting from the port of Mombasa. NCTTCA members include Kenya, Uganda, Rwanda, Burundi and Democratic Republic of Congo. Although the Republic of South Sudan is not yet a member, it attends some of the corridor meetings as an observer. Most of the cargo to and from South Sudan goes through the Northern Corridor.

The Central Corridor is the corridor based on the port of Dar-es-Salaam. Membership of the Central Corridor Transport Facilitation Agency (CCTFA) included Tanzania, Uganda, Rwanda, Burundi and Democratic Republic of Congo (DRC).

EAC and COMESA region countries have made efforts to simplify, standardize and harmonize transit procedures, processes and documents.eg CD-Com for documentation in the COMESA region.

The maritime legal and regulatory frame work is being reviewed and promotion of Inland water ways as a cheaper multimodal link in the region is in progress. Considerations are underway to adopt the African Maritime charter and accede to assorted IMO convections.

Axle load control policy:

Governments in the region are endeavouring to improve on control of overloading on the road networks by harmonizing their axle load policies.

An East African Community Axle Overload Control Act, recently passed by the East African Legislative Assembly is currently undergoing assent by the Heads of State of the EAC Partner States.

EAC countries are in the course of implementing the 2009 East African master plan that seeks to ensure the region is fully interlinked within a decade. This initiative is expected to lower transportation costs within the region enabling business costs to reduce as well and attract investment in view of the anticipated competitive environment.

(iii) Co-operation with Development Partners

The Government of Uganda is working with development partners to increase Rail capacity, efficiency and improve infrastructure. Government has embarked on the standard gauge railway network to run from Mombasa – Nairobi – Malaba – Kampala – Bihanga – Mirama Hills – Kigali Corridor (Northern corridor). Equally Malaba-Tororo-Gulu to Nimule-Juba Standard Gauge Railway is also in the offing.

(iv) Public Private Partnership (PPPs)

Government is implementing the promotion of public private sector dialogue and cooperation to support trade and trade facilitation. A case in point has been Trademark East Africa (TMEA) and, the ongoing construction of the Entebbe express way co-financed by Exim Bank of China and the Government of Uganda.

The other example is the World Bank funded construction of a Rail Inland Container Depot (ICD) at Mukono Railways Station to improve operational efficiency. So far 45% of construction works are complete.

The government of Uganda signed a Memorandum of Understanding (MoU) with Trade Mark East Africa (TMEA) for the construction of One Stop Border Posts (OSBPs) to ease movement and enhance trade in the region. The MoU provides the frame work under which four OSBPs will be constructed at the borders of Busia (Uganda/Kenya), Mutukula (Uganda/Tanzania), Mirama Hills (Uganda/Rwanda) and Elegu (Uganda/ South Sudan) under the East Africa Trade and Transport Facilitation Project (EATTFP). Under the MoU, TMEA will provide parallel and direct financing for the project and will conduct bi-annual reviews while the Government of Uganda will provide land and undertake matters to do with procurement and contracting.

The Uganda Revenue Authority a body charged with revenue collection in Uganda has automated its operations. Documentation can now be lodged on line and taxes paid and transactions concluded on line all geared towards trade facilitation.

Construction of Dry Ports (ICDs) and other Inland clearance centres is on going for example the Mukono Dry Port, proposed Tororo/Malaba dry port, to facilitate clearance of goods.

Several bilateral, sub regional and regional agreements governing transit transport have been coordinated annually under the following arrangements i.e., NCTTCA, CCTTFA, ISCOS, IGAD, EAC, and COMESA.

Performance of the Northern and Central corridors is monitored annually by the member countries to establish any impediments and develop mitigating measures.

4.2 Infrastructure development and maintenance

LLDC's depend on the trade corridors to access the sea for the International Markets. This therefore necessitates that the trade corridor infrastructure, rehabilitation needs and sustainable resources for maintenance are always available.

The small nature of the economies of most LLDC's renders them vulnerable to financing challenges of infrastructure development projects and investments in improving the transit corridors. Road freight remains dominant over other modes of transport due to their poor state. The rail infrastructure is characterized with low interconnectivity. Therefore, there is need for collaboration through regional institutions and building of political consensus to make it possible for infrastructure developments to be undertaken.

4.3 Government intervention in infrastructure development and maintenance

1. National Development Plan II (NDP II)

In its national development Plan two (NDPII), government set one of its objectives to increase the stock and quality of strategic infrastructure to accelerate the country's competiveness. In its policy and strategic direction, government set to increase infrastructure investment through fiscal expansion. One of the development priorities in infrastructure is transport with emphasis on the standard gauge railway, strategic roads and water transport.

Government therefore gives priority in the allocation of resources to infrastructure development, in addition to international financial assistance. It is estimated that government spending on public infrastructure will have reached a cumulative total of US$38.8 billion by 2040 reflecting an average annual expenditure of US$1.37 billion as per laid down plans. *(Background to Budget 2014/15, P 64)*.

(ii) Uganda National Roads Authority (UNRA)

In 2006, government created the Uganda National Roads Authority(UNRA),that became operational in 2008 to specifically develop and maintain national roads, manage ferries(road bridges) linking national roads and axle load control.

Government interventions in the transport sector aim to reduce transit times and motor vehicle wear and tear; improve road safety, traffic flow within the Greater city Metropolitan Area; and increase the share of passenger and cargo traffic accounted for by rail, air and marine transport.

Government has also given priority to transit corridors and efforts to complete missing links in the sub region and the regional infrastructure development plans.

Some other major undertakings by the government of Uganda in the road sector include the Kampala - Entebbe Express way, which is still under construction. This project is expected to serve as a gateway to Entebbe International Airport and the capital city. This project, under a PPP arrangement, is anticipated to significantly improve on the quality of infrastructure to provide quick connectivity between the airport and the city. This will immensely contribute to socio economic transformation, promote tourism and facilitate forward and backward linkages in the economy.

As part of government effort to develop and maintain infrastructure, a new bridge on the River Nile is being constructed as part of the Northern corridor transport system.

(iii) Tanga –Arusha-Musoma (Central Transport corridor)

This is a proposed link on Lake Victoria between Uganda and the port of Tanga through Mwanza and Musoma in Tanzania. It is an alternative route for Uganda to the sea to promote International trade. A Feasibilitystudy and preliminary design to develop Tanga – Arusha – Musoma – New Kampala port (Bukasa) is in progress.

(iv).Intervention in the Railway sub sector

Intervention in this subsector is twofold. Firstly to rehabilitate the existing rail track to improve on safety, reliability and service delivery as a short term measure.

Secondly and of utmost importance is to develop a modern high capacity railway system, the standard gauge Railway (SGR).

To accelerate development of the rail subsector, Uganda entered into a Memorandum of Understanding (MOU) with the Republic of Kenya, the Republic of Rwanda and African Development Bank to develop, restructure and finance an estimated 2,000kms of the regional Standard Gauge Rail (SGR) network, which is to be completed by 2018. The focus of these Governments, (including South Sudan) is to construct Mombasa- Kampala-Kigali rail network on one side, and Tororo-Gulu-Pakwach-Nimule –Juba in the North. This is a project expected to serve as an International link to the Port of Mombasa through Uganda and Kenyan Railway networks to South Sudan, Rwanda, Burundi and Eastern DRC. It is anticipated to lower cost of transportation making respective economies competitive and therefore contribute to socio economic transformation.

This will significantly expand rail transport capacity along the northern corridor, reducing transit times and strike a balance between rail and road modes of transport by reducing over reliance on road transport.

Government's focus on the various interventions to boost and revitalize the railway sector Government has focused on a variety of interventions which include:-

i. Preliminary engineering designs for Kampala-Kigali Standard-Gauge Railway already completed;

ii Preliminary design of Port Bell and Jinja piers already completed;

iii. Consultancy services for upgrading of Tororo-Pakwach/Gulu-Nimule to standard-gauge already monitored and evaluated;

iv. Environmental and social impact assessment for the development of the new Kampala inland port at Bukasa already completed;

v. Designing a slipway on Lake Victoria to facilitate the assembling and repairing of mono-hull ferries and marine vessels;

vi. Rehabilitation of MV Pamba.

Inland Water Transport

To maintain minimum Business at its lake Ports of Port Bell and Jinja, so as to cope with trade developments, government is considering rehabilitation of the said ports, which is anticipated to handle over 800,000 tons of traffic annually. Government has also prioritized the improvement of Road bridges (Ferry services) across Uganda’s major water bodies. Key government interventions in this sub sector include the procurement of ferries to link various parts of the country that were hard to reach. The legal and regulatory frame work is under review and technical evaluation of consultants to review and update inland water transport (IWT) policy and strategy is in progress. Government also ensured that nine ferries continue to operate, maintaining 95 percent service availability.

Government has also proposed to design a new multipurpose ship and re-model Port bell and Jinja pier. Design study is still ongoing.
However, major challenges still inhibit increased usage of water transport including; weak private sector involvement, risky water bodies due to lack of hydrographical surveys to determine the navigation routes as well as obsolete laws, regulations and standards for marine transport.

Air Transport

Uganda’s air transport is still dominated by operations at Entebbe International Airport. In order to expand and diversify air transport bases, Government has maintained and rehabilitated 13 upcountry Aerodromes. In 2006 government under took to Construct a modern cargo centre, expand the existing passenger terminal and separate the domestic operational terminal from the international operational terminal, and establish an aircraft maintenance centre at Entebbe International

Airport. The air traffic management radar was also replaced in 2007 to enhance safety.

The Design works for the proposed upgrading of Kasese and Gulu Air fields to international standards have been completed and government is sourcing for financing of these projects.

Government has signed an MOU with China Communications Construction Corporation (CCCC) to undertake the upgrading and expansion of Entebbe International Airport.

Enhancing Public Private Partnerships (PPPs)

Government through the Ministry of Finance is currently undertaking measures to strengthen the process for PPPs and feasibility studies. Specifically, the Ministry of Finance is spearheading the establishment of a legal and institutional framework for the efficient implementation of PPP projects.

The PPP Act was passed in June 2014. In line with the NDP's strategy, Government's medium to long-term plans, among other things, entail the following: Public investment in road, water and air transport will be consolidated under the Integrated Transport Investment Plan (ITIP). This would include rail investments that are expected to increase and extend rail connections to Rwanda, South Sudan and DRC. In addition, the preparatory activities for the construction of the Standard-Gauge Railway (SGR) are currently underway.

World Bank funded construction of a Railway Inland Container Depot (ICD) at Mukono Railway station to improve operational efficiency; about 45% of the works have been completed.

Development of the refinery and pipeline

Plans to construct and maintain a pipeline with Government of Kenya are ongoing. A contract for carrying out a feasibility study for the Kampala-Kigali pipeline segment was signed between the contractor and the Governments on 8 January 2014. Government also intends to develop a refinery through a Public-Private Partnership (PPP) arrangement, with the selected lead investor holding a 60 percent share, and Government and participating EAC partners holding up to 40 percent of the oil refinery shares. Procurement of a lead investor for the oil refinery is on-going. (*Background to Budget 2013/14)*

International support measures

The government has set priority in infrastructure development. Currently it allocates about 20% of its national budget to transport infrastructure development. In addition the establishment of the road fund was aimed at boosting routine and periodic maintenance of the national and local road network supplemented with support from regional and international agencies.

International support includes loans from the World Bank, African Development Bank, Japan International Cooperation Agency, the European Union and Trade Mark East Africa, Exim Bank of China, and China Development Bank.

Implementation and review Conclusion

This Report clearly shows the steps being undertaken by the Government of the Republic of Uganda in the implementation of the Almaty Programme of Action.

The steps include transit policy issues such as continuous review and improvement of the regulatory framework. The regulatory framework encompasses regional institutions such as EAC, NCTTCA, CCTTFA, COMESA, etc. The Report also looked at other measures being taken by the Government such as the EAC Axle Overload Control Policy and Act, cooperation with Development Partners, PPPs, and creation of new institutions to enhance the development of transport infrastructure and services.

In conclusion therefore, the Government of the Republic of Uganda appreciates the efforts being made by the United Nations to bring together the LLDCs so as to share their concerns and challenges to forge a way forward. It is therefore recommended all LLDCs come up with common recommendations for the improvement of their economies by devising measures including through enhancement of investment in infrastructure development, trade facilitation, and removing all tariff and non-tariff barriers to trade.