



# **Presentation on Investment Opportunities in the Works and Transport Sector – Roads Subsector**

**By  
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# Background

- ❑ Africa still has a great need for basic infrastructure as connectivity between regions is lacking;**
- ❑ With the current efforts for East African region integration, there is a great need for regional infrastructure projects;**
- ❑ Access to Transport, Energy, and Water in East Africa is still inadequate;**
- ❑ Transport infrastructure is the least developed yet it is Vital for Economic Growth.**



# Background

## Road Transport in Uganda

- Total road network length of about 78,000 km;

Road Category	Length (Km)	Proportion of Total	Agency Responsible
National Roads	20,500	26%	Uganda National Roads Authority (UNRA)
District Roads	17,500	22%	District Councils
Urban Roads	5,000	7%	Urban Councils
Community Access Roads	35,000	45%	Local Councils (LCIII)
Total	78,000	100%	



# **National Roads, What are they?**

- ☐ **Roads linking provincial capitals, main centers of population and nationally important centers;**
- ☐ **Gazetted by the Roads Act of 1964**
- ☐ **Major function is to provide mobility**







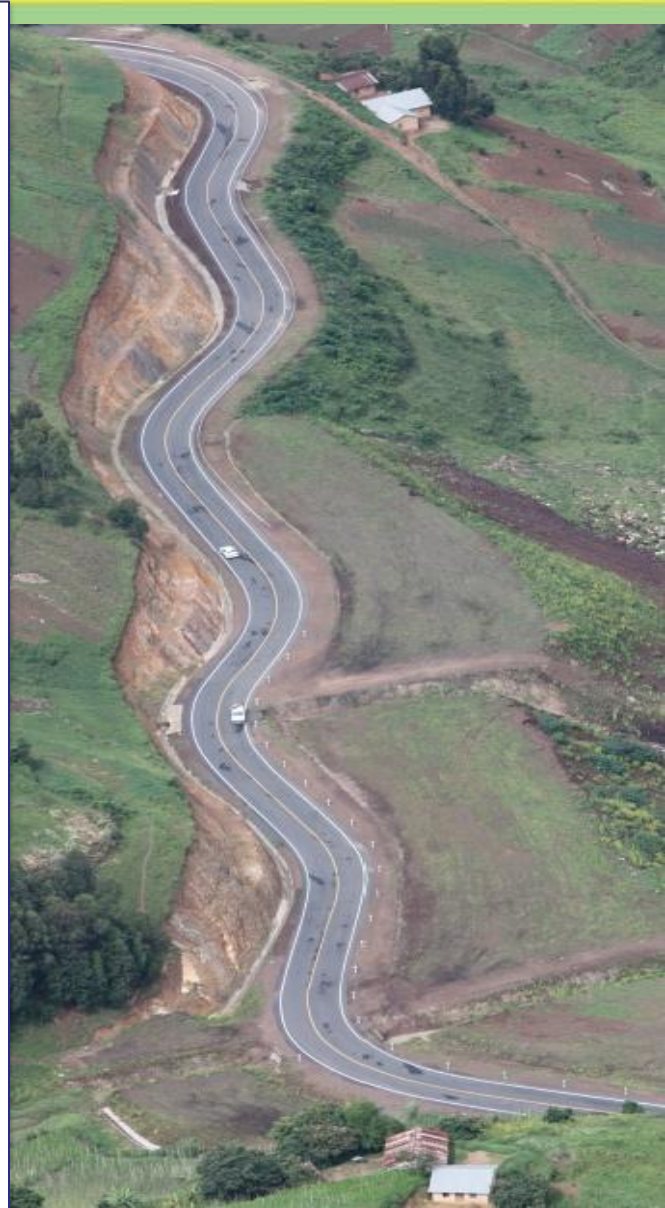
# Management of National Roads

- ☐ **National Roads under the jurisdiction of the UNRA);**
- ☐ **UNRA established by an Act of Parliament in 2006 and started operations in 2008;**
- ☐ **Product of Road Sector Reforms (1996 and reviewed 2002);**
- ☐ **Autonomous Agency mandated to manage and maintain the national road network;**
- ☐ **Responsible for management of ferry services & vehicle load control.**



# State of National Roads

- ☐ **4,000km National roads tarmacked/paved,**
- ☐ **1300km of road upgrading projects in last 5yrs;**
- ☐ **1,700km of roads under construction.**
- ☐ **1,400km new road upgrading projects due to commence in 2017.**
- ☐ **400km capacity improvement projects around Kampala ongoing.**





# The Need to Invest in Transport

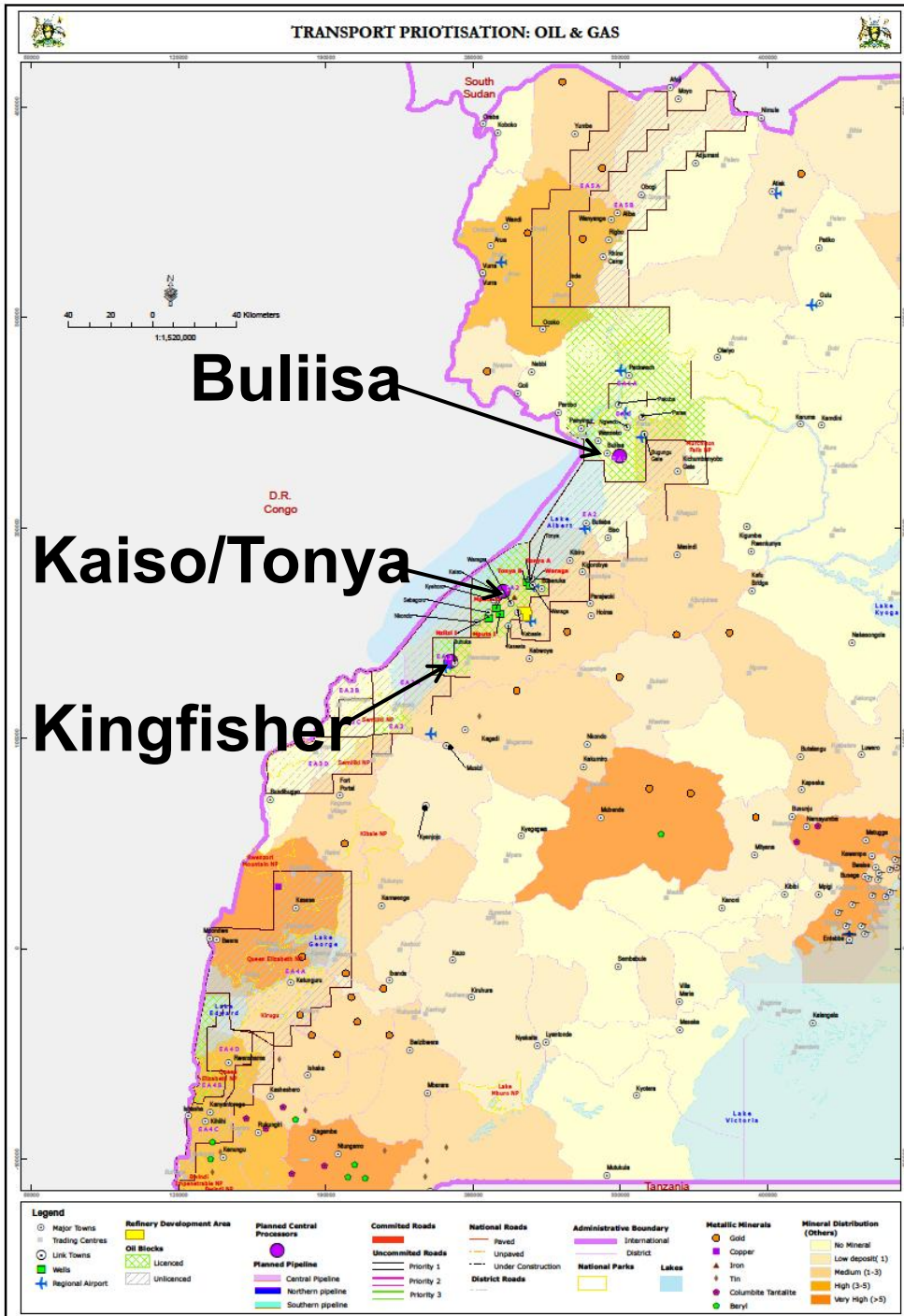
- ☐ **Transport demand forecast to increase by 50% in the next five years;**
- ☐ **Condition of road network has significantly improved but still requires improvement to support primary growth sectors of agriculture, tourism, Oil and Gas;**
- ☐ **Greater mobility facilitates development as evidenced by developed countries; eg facilitation of Primary Growth sectors of Oil & Gas, Agriculture, and Tourism.**
- ☐ **The need to improve the country's competitiveness.**



# Current Strategies

- ❖ **Sound planning key to effective implementation;**
- ❖ **Government policy is for private sector to lead;**
- ❖ **New technologies to deliver cost savings;**
- ❖ **Focus on major regional/ trading corridors;**
- ❖ **Provide specially focussed support to the Primary Growth Sectors of Tourism, Agriculture, Oil and Gas sectors.**





# Oil Sector

## 3 Main

## production areas

A reliable Transport system is required to support:-

- Import of Oil Production Plant and Equipment – from seaport(s);
- Movement of materials for construction – from Uganda and Region;
- Movement of workers;
- Movement of consumables for workforce.



Administrative Boundary

International  
District

River  
Lake

National Road Network (Condition)

Paved  
Un Paved

Railway Network (Condition)

Operational  
Non Operational

Major crop Production (Total crops/Agro Area)

Low (<1)  
Medium (1-2)  
High (2-3)  
High (3-5)  
Very High (>5)

Data Sources

Uganda Bureau of Statistics (UBOS)  
Administrative Boundaries  
Town Location and Names  
Agricultural Data  
Uganda National Roads Authority (UNRA)  
National Roads Network  
Railway System

Disclaimer

DRAFT (Work In Progress)  
Property of Ministry of Works and Transport  
21 - May - 2012

# Agriculture Sector

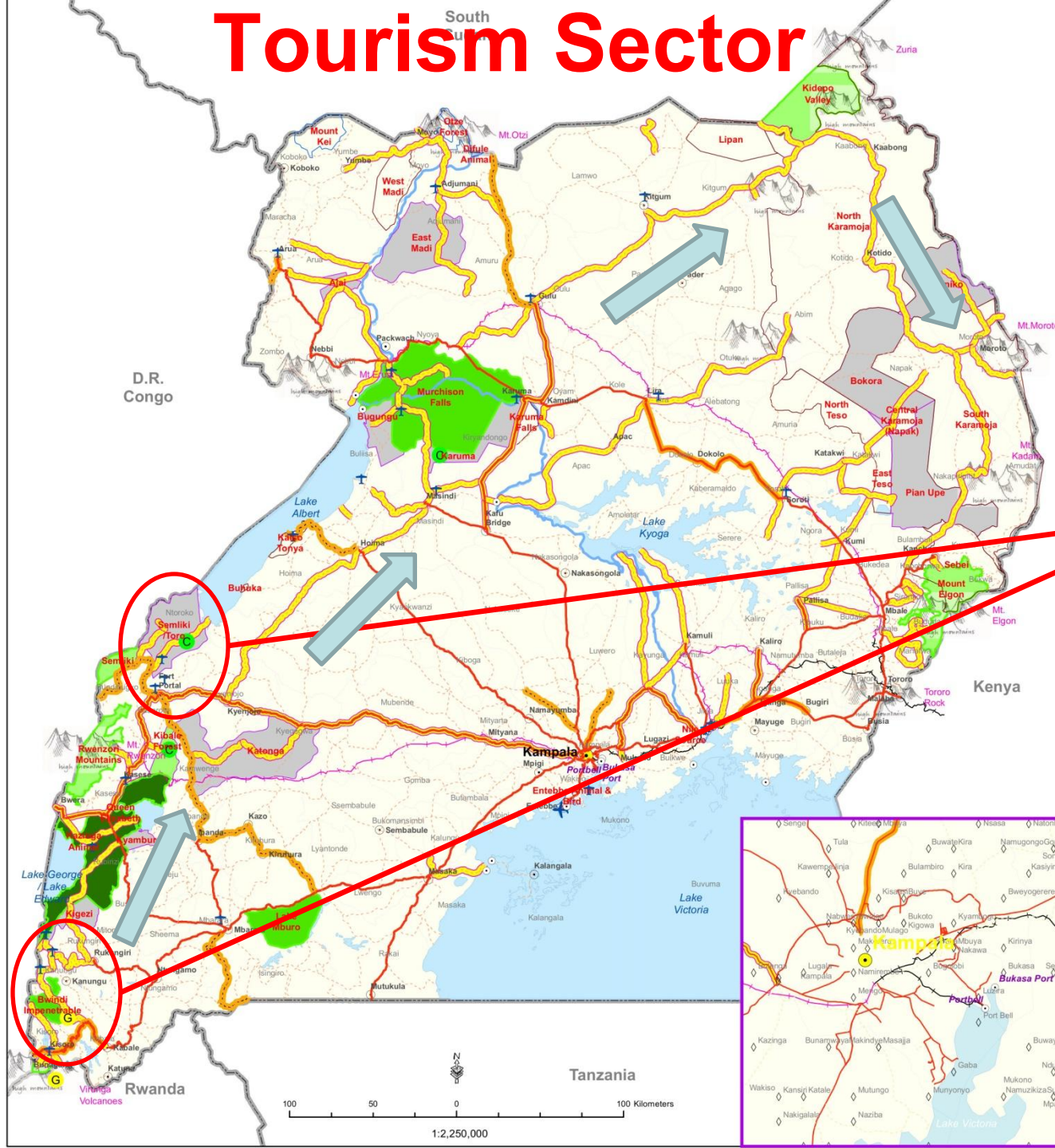
- ✓ Contributes 20% of GDP;
- ✓ Accounts for 48% of exports;
- ✓ Employs 73% of country's population.

## Investment in Transport will:

- ✓ Increase productivity in productive areas;
- ✓ Open up new areas for production;
- ✓ Improve export competitiveness.



# Tourism Sector



Investment in Roads to:

- Access Parks from Kampala/Entebbe
- Link Parks with each other
- Provide access within parks

Improved Local Access

Improved 'Circuit'

Tourist Road Projects



# International/Regional Links

## ❑ **The northern corridor roads:**

- ✓ Kampala to Nairobi and Mombasa
- ✓ Malaba and Kampala to Juba
- ✓ Kampala to Kigali
- ✓ Kampala to Eastern DRC

## ❑ **The Central Corridor Route Roads:**

- ✓ Masaka-Kyotera-Dar-es Salaam

## ❑ **North Eastern Corridor Route Roads:**

- ✓ Tororo-Mbale-Soroti-Kamudini-Juba/ DRC



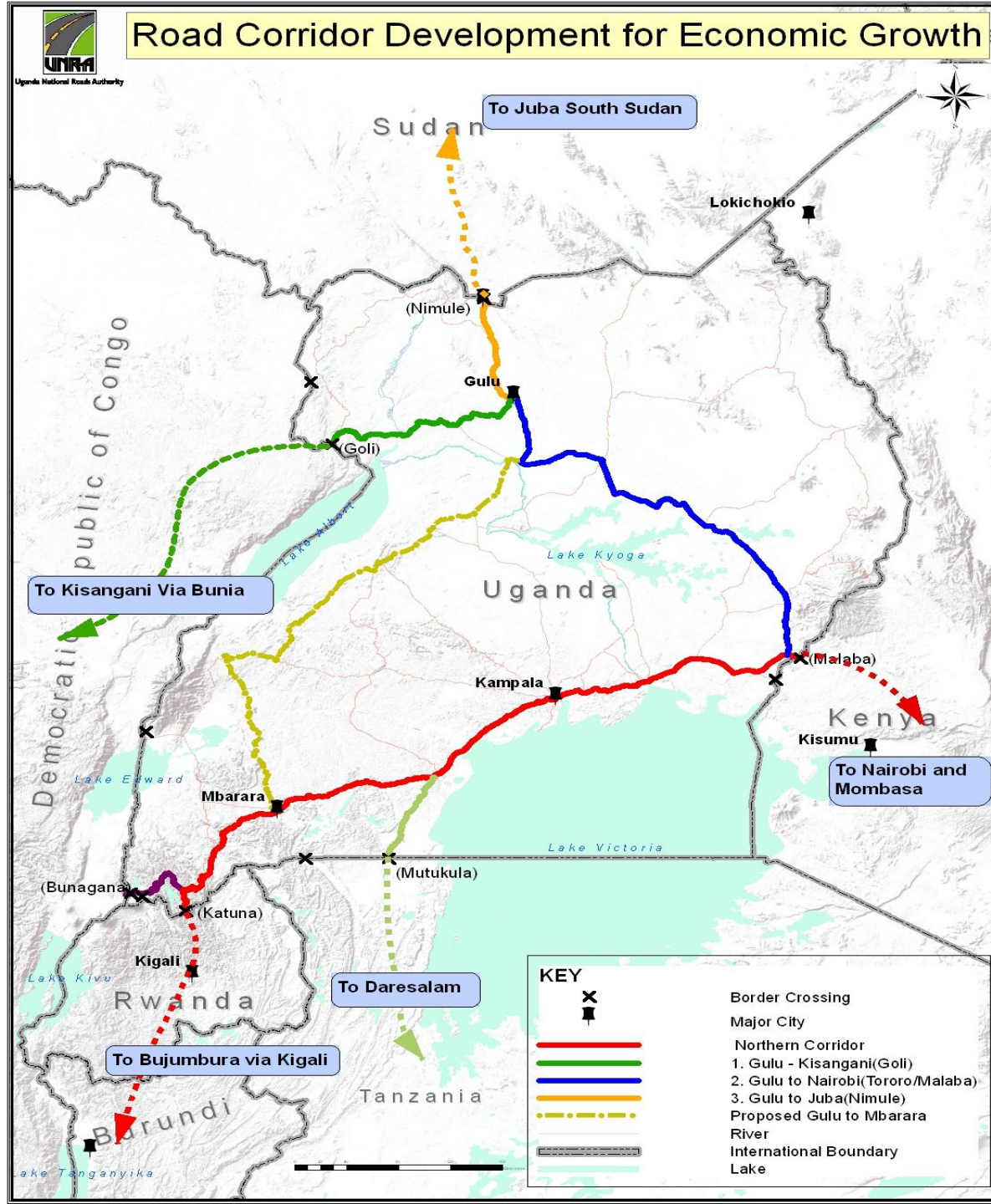


# Road Corridor Development for Economic Growth

## 4(b) Priority Road Corridor Projects

- Northern Corridor (Kampala-Malaba);
- Gulu-Kisangani (Goli);
- Gulu to Nairobi (Tororo/Malaba);
- Gulu to Juba (Nimule);
- Gulu to Mbarara;
- Northern Eastern Corridor (Tororo-Kamdini).

**Kampala and Gulu** will become regional hubs as a result







# Financing for Transport Infrastructure

- ❑ Financing has always been a challenge;
- ❑ Government has prioritised Transport Infrastructure development;
- ❑ Currently, financing is exclusively by public sector - faces demands from other sectors;
  - Financing for road maintenance at 65% of optimum requirement;
  - Road development alone requires Approx. \$600m per year to achieve the NTMP target of 10,000km paved road network by 2040



# Public Private Partnerships (PPPs)

- **Government promoting non-traditional financing for infrastructure projects especially those that can easily generate a cash flow;**
  - **Projects being considered are:**
    - **Expressways such as Kampala-Jinja, Kampala-Mpigi, Kampala-Entebbe, Kampala-Bombo & Kampala Southern Bypass;**
    - **Performance based contracts for management and operation of roads on**
      - (i) **Tororo-Mbale-Soroti-Lira-Kamudini (340km) and**
      - (ii) **Kampala-Kafu-Karuma-Gulu road (302km)**



# Categories of Projects Implemented by UNRA

Type of Project	Description
<b>Development Partner Financed Projects</b>	<ul style="list-style-type: none"><li>❑ Projects supported by Development Partners in the form of Grants and/or Loans.</li><li>❑ Borrowing is on the basis of the Government's Road Sector Development Program (RSDP): 10- year rolling program;</li><li>❑ Major Development Partners include World Bank, European Union, European Investment Bank, Japan International Cooperation Agency (JICA), African Development Bank (AfDB), Arab Bank for Economic Development in Africa (BADEA), OPEC Fund for International Development (OFID), Islamic Development Bank (IsDB) and China Exim Bank.</li></ul>
<b>Government of Uganda Financed Projects</b>	Projects funded through budgetary allocation from Government revenues from the consolidated fund.



# Categories of Projects Implemented by UNRA

Type of Project	Description
<b>Public Private Partnerships (PPPs)</b>	<ul style="list-style-type: none"><li><input type="checkbox"/> Government enters into a long-term agreement with a private company for the construction and maintenance of the road;</li><li><input type="checkbox"/> This is being piloted on express highway projects;</li><li><input type="checkbox"/> Private company would receive a revenue stream – from Government budget allocations, from user charges, or a combination-dependent on the availability and quality of the contracted services;</li><li><input type="checkbox"/> The private company would generally be required to make an investment in the venture and at the end of the PPP contract, the assets would revert to Government ownership.</li></ul>
<b>Contractor Facilitated Financing Projects</b>	<ul style="list-style-type: none"><li><input type="checkbox"/> Funds for road development is raised from Development Financial Institutions with support and facilitation of contractors;</li><li><input type="checkbox"/> This follows the realisation that contractors have better leverage with many donor/financing agencies than Government.</li></ul>



# **Key Projects in the Roads Sub-Sector**

- 1) Capacity Improvement projects**
- 2) Development of Regional Road Transport corridors;**
- 3) Development of Bankable PPP Road Projects;**
- 4) Development of roads facilitating Agriculture, Tourism, Oil and Gas Sectors**





# Ongoing Capacity Improvement Projects of Interest to Oil & Gas

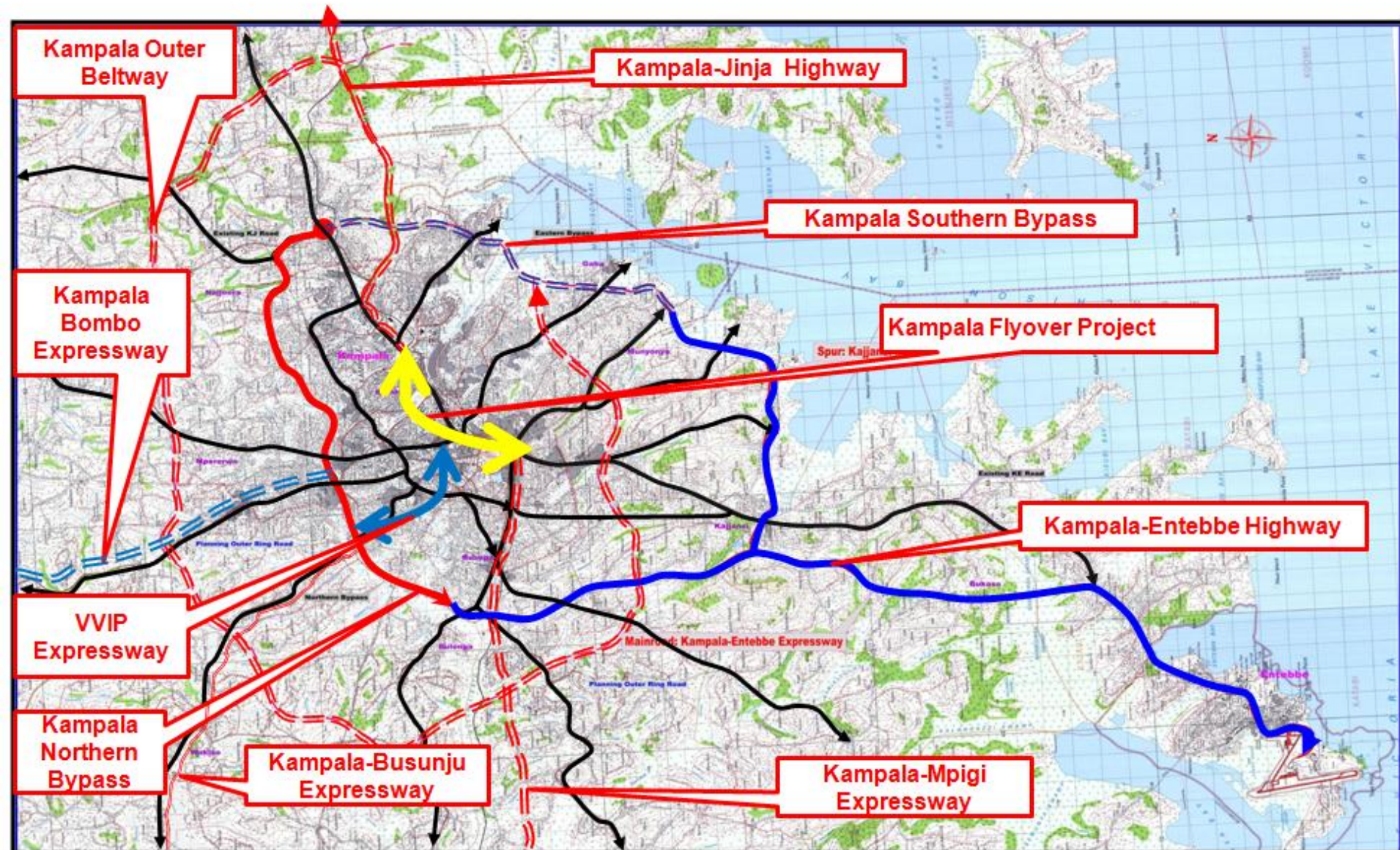
- ☐ **Multilane road construction – Kampala-Entebbe, Kampala-Jinja, Kampala-Mpigi and Kampala-Bombo, Kampala-Busunju;**
- ☐ **Circumferential roads – Kampala Northern Bypass, Kampala Southern Bypass and Kampala Outer Beltway);**
- ☐ **Junction improvements – Kampala Flyover Project where Six junctions are now being improved;**







# UNRA's Strategic Projects





# Upcoming Projects – Opportunities for Contractors and Consultants

PROJECT	FUNDER	STATUS
Luwero-Butalangwa (29km)	BADEA/OFID	Procurement to commence in September 2017
Kampala Flyover Project	JICA/ GoU	Procurement of both supervision services and civil works to commence in August 2016.



# Upcoming PPP Projects – Opportunities for Contractors

Project	PPP Type	Status
Kampala-Jinja Expressway (77km)	Full PPP	<ul style="list-style-type: none"><li>• Design ready;</li><li>• PPP Project to be tendered by Dec 2017 after approval by PPP Committee;</li><li>• Estimated cost US\$800m</li></ul>
Kampala Southern Bypass (18km)	Full PPP	<ul style="list-style-type: none"><li>• Design ready;</li><li>• Project to be tendered together with Kampala-Jinja Expressway y end of year.</li><li>• Estimated cost is US\$200m</li></ul>
Kampala-Mpigi Expressway (32km)	Open to both Operation and Maintenance PPP and Full PPP	<ul style="list-style-type: none"><li>• Design ready;</li><li>• Works contract tender ongoing under AfDB financing;</li><li>• O&amp;M PPP to be launched in December 2017</li></ul>





# Upcoming PPP Projects – Opportunities for Contractors

Project	Anticipated PPP Type	Status
Kampala Bombo Expressway	To be determined (O&M or Full PPP)	<ul style="list-style-type: none"> <li>• Design study ongoing;</li> <li>• Project to be structured as PPP after design is completed;</li> <li>• Estimated cost is US\$500m</li> </ul>
Kampala-Entebbe Expressway	Operation and maintenance PPP	<ul style="list-style-type: none"> <li>• Construction under Design and build contract is ongoing to be completed by May 2018;</li> <li>• Process of Selection of O &amp; M operator to commence in Dec 2017</li> </ul>







# Capacity Improvement Projects/Multilane Road Projects

Project	Status
Kampala Flyover Project	Detail design ongoing. Procurement for works to commence August 2017
Nakasero – Northern Bypass Express Route	Design study ongoing. Funds to be sought for Works after design is completed
Kampala-Busunju-Kiboga-Hoima Expressway (200km)	Design study to commence by Dec 2017
Kampala Outer Beltway (2 <sup>nd</sup> ring road) 100km	Design Study ongoing, to be completed by June 2018





# Upcoming Bridges Projects

Project	Estimated Cost (US\$m)	Status
Karuma Bridge	150	Cable stayed, Design complete
Gaba Bridge	300	Concept Stage for cable stayed bridge
Nabuganyi Bridge	150	Concept Stage, for cable stayed bridge
Masindi Port Bridge	70	Design complete for cable stayed bridge
Nakiwogo Bridge	270	Concept Stage for cable stayed bridge
<b>Total</b>	<b>940</b>	



# Conclusion

- ☐ **Investment and business opportunities are available in the works and transport sector as highlighted;**
- ☐ **There is predictable investment environment;**
- ☐ **Fully liberalised economy, good market access;**
- ☐ **Enabling legislation such as PPP Policy & PPP Act are in place**
- ☐ **There is strong natural resource base; and**
- ☐ **Government supports the private sector.**



# Conclusion Cont'd....

- ☐ **Road transport is the major mode of travel in Uganda;**
- ☐ **Gov't of Uganda has therefore rolled out a number of initiatives and programmes to improve the road transport infrastructure;**
- ☐ **Gov't continues to institute management reforms to improve the management of roads;**
- ☐ **Gov't on its part is committed to modernise the road network to meet the needs of all road users.**
- ☐ **UNRA needs stakeholders (investors and contractors) to support this effort.**