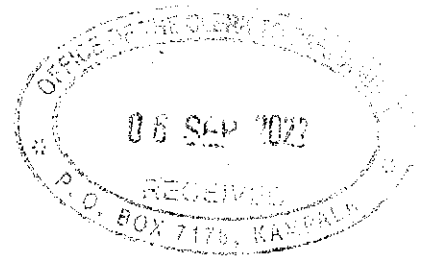




PARLIAMENT OF UGANDA



**REPORT OF THE COMMITTEE ON PHYSICAL INFRASTRUCTURE ON THE
DELAYED PAYMENT TO CONTRACTORS, BY GOVERNMENT OF UGANDA,
LEADING TO UNBEARABLE INTERESTS.**

Office of the Clerk to Parliament
Parliament Building
Kampala

M. Busingye

August 2022

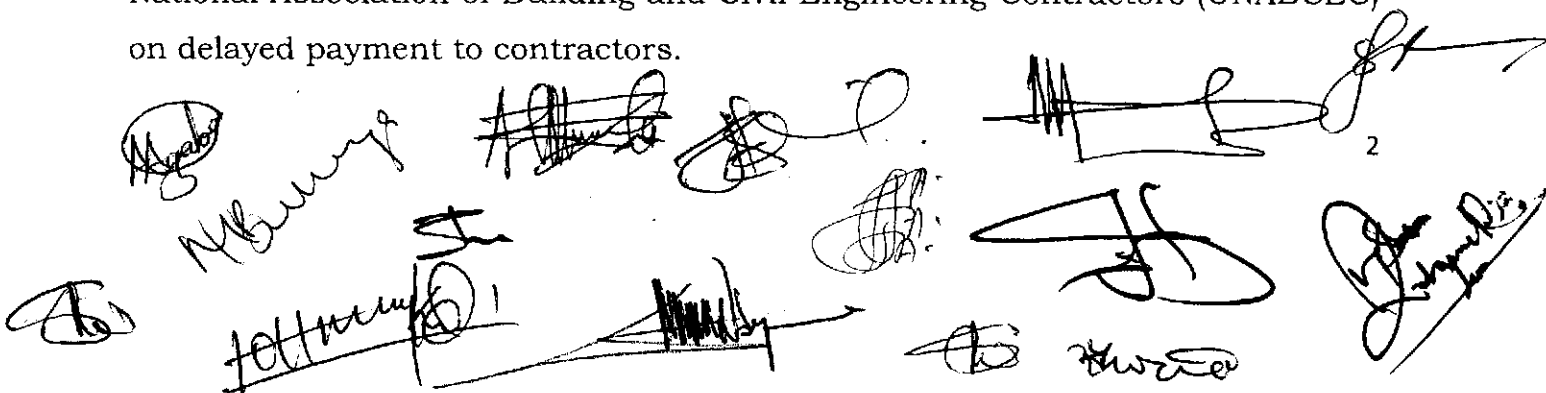
1.0 Introduction

On 4th May 2022, Hon. Richard Sebamala, MP, Bukoto Central in Masaka District raised a Matter of National Importance regarding budget suppression particularly in the Road Sector with its attendant accumulation liquidated damages to a tune of **UGX. 334,000,000 per day** in the case of debts accumulated by Uganda National Roads Authority (UNRA). The Rt. Hon. Speaker directed the Committee on Physical Infrastructure to investigate the matter.

Rules 187 (f) and 189 provide for the jurisdiction and mandate of the Committee respectively; to cover the sectors of Lands, Housing, Urban Development, Physical Planning, Works and Transport; and to *interalia*:

- i. examine and comment on policy matters affecting the Ministries covered by it;
- ii. initiate or evaluate action programmes of Ministries and Sectors and make appropriate recommendations on them;
- iii. monitor the performance of Ministries, Departments and Agencies;
- iv. monitor Government compliance with approved plans and programmes; and
- v. monitor the progress on implementation of the sustainable development goals made by sectors that fall within its jurisdiction.

It is against this background that the Committee proceeded to interrogate the debts owed by Government to Construction Companies and the attendant skyrocketing interest rates charged to the Consolidated Fund arising therefrom. The Committee also concurrently considered a Petition from Uganda National Association of Building and Civil Engineering Contractors (UNABCEC) on delayed payment to contractors.



It now presents its report to this House for consideration.

2.0 Methodology

The Committee:

- i. Perused the Hansard of 4th May 2022;
- ii. Held a meeting with Uganda National Roads Authority (UNRA), and Ministry of Works and Transport.
- iii. Held a meeting with Uganda National Association of Building and Civil Engineering Contractors (UNABCEC)
- iv. Held a meeting with the Ministry of Finance, Planning and Economic Development (MFPED).
- v. Perused the Public Procurement and Disposal Act (PPDA) 2003 as amended, and the Procurement Guidelines (2014).

3.0 Submissions from Stakeholders

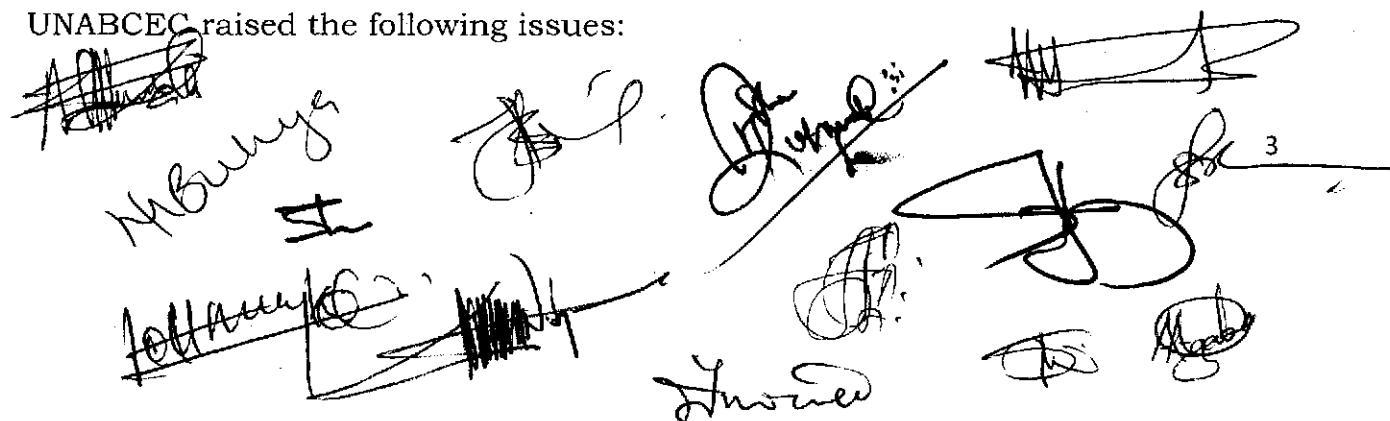
The Committee received submissions from Stakeholders as follows:

A. Submission from UNABCEC

UNABSEC is a non –profit, member-driven National Trade Association of over 396 genuine Contractors, and other organizations engaged in the Construction sector in Uganda. The core purpose of the organization is commitment to improve performance in the Construction Industry by championing better regulation and enhancing operational integrity.

The submission from UNABCEC is attached herewith as *Appendix I*.

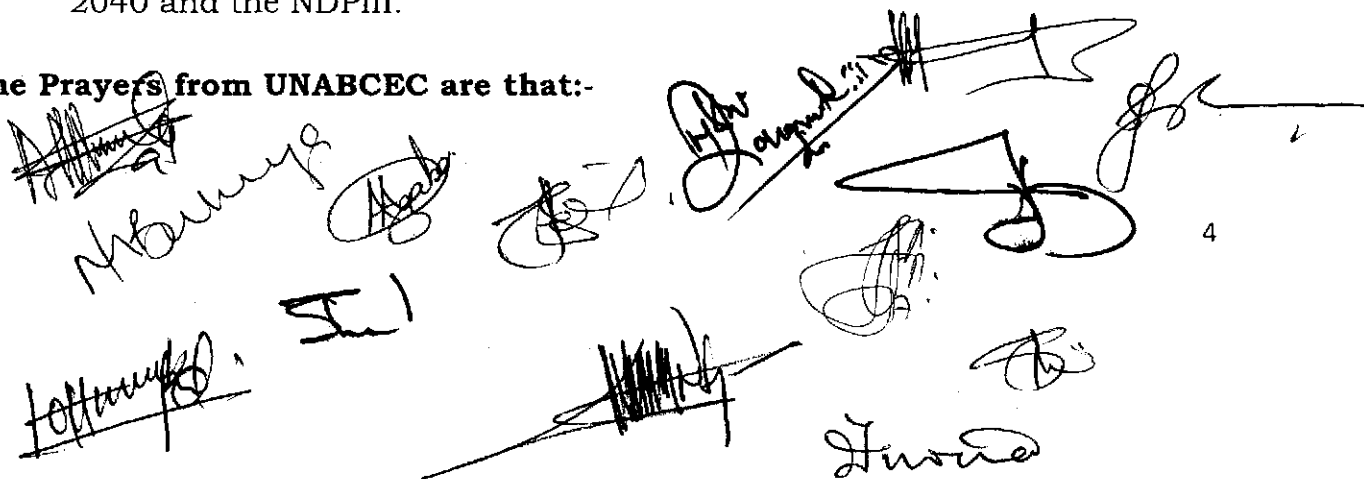
UNABCEC raised the following issues:



i. Delayed payments is a major factor that has negatively affected Local Contractors. UNRA, the major employer of UNABCEC members owes UNABCEC over UGX. 500,000,000,000 in arrears as at 11th May, 2022. The other Government Entities that owe UNABCEC include the Ministry of Works and Transport, Ministry of Water and Environment, Ministry of Lands, Housing and Urban Development, Ministry of Health, Ministry of Education and Sports and various District Local Governments. Consequently:

- a. Some members have lost the security which they used in acquiring the loans they used for executing the Government projects;
- b. Contractors have been frustrated and hindered from performing on-going works, and accordingly failed to pay workers, taxes and other statutory obligations like NSSF, insurance and other partnership commitments;
- c. Penalties have overwhelmingly accumulated as Uganda Revenue Authority(URA) has continued to fine the Contractors for delaying to pay requisite taxes like VAT.
- d. Commercial Banks are losing confidence in government-funded projects due to contractual breach; and this has made the projects less competitive and more expensive.
- e. Continued non-payment to Contractors has suppressed related manufacturing, and small businesses along the supply chain.
- f. The limited participation of Local Contractors in Uganda's Public Procurement Process has led to increased exposure of Ugandans to foreign exploitation.
- g. Government's delay to pay the Local Contractors has frustrated the growth of its own National Providers, contrary to the Objectives of Vision 2040 and the NDPIII.

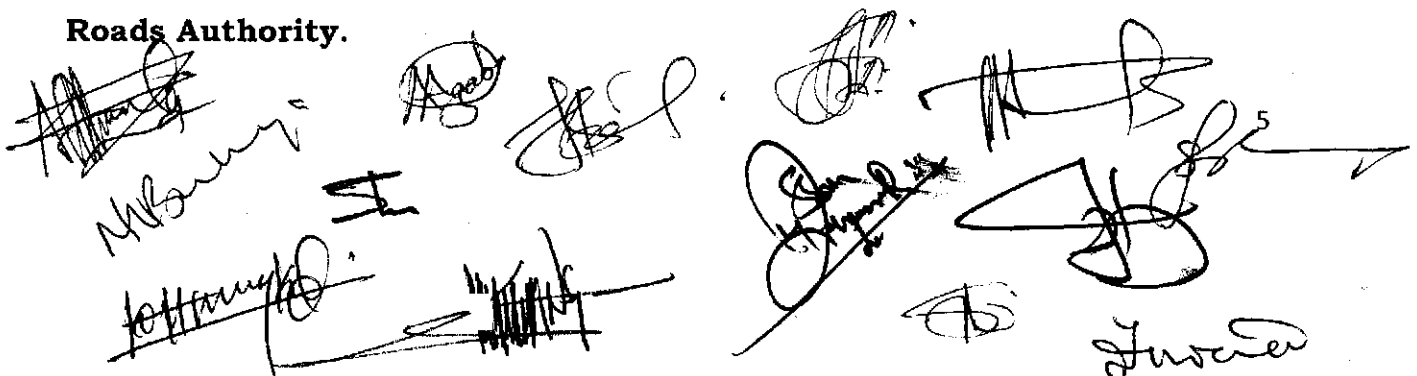
The Prayers from UNABCEC are that:-



4

- i. A supplementary budget be approved to enable payment of all the outstanding arrears to Contractors.
- ii. Government through the Ministry of Finance, Planning & Economic Development to:-
 - a. Fast-track the reversal of the budget cuts, and reinstate the 40% budget cuts to all MDAs responsible for infrastructure development.
 - b. Issue a commitment letter to UNABCEC as a tool to restore confidence in banks and other suppliers owed by UNABCEC members, until the outstanding arrears are cleared.
 - c. Engage Bank of Uganda management to relieve pressure on the non-performing loans acquired by Contractors, allow loan restructuring to Contractors, and a moratorium for a given period to relieve them of the burden.
 - d. Instruct URA and National Social Security Fund(NSSF) to negotiate with the Contractors for flexible payment terms and allow a grace period to distressed Contractors who are just recovering from the effects of COVID-19.
- iii. Direct all its Entities that employ Construction Contractors to initiate the following short-term measures:-
 - i. Waiver off liquidated damages.
 - ii. Waiver on Extension of performance bonds while allowing re-negotiation of existing contracts under an agreed formula, based on the current increase in construction inputs.
 - ii. Consider Force Majeure as a last option.

B. Submission from Ministry of Works and Transport/Uganda National Roads Authority.



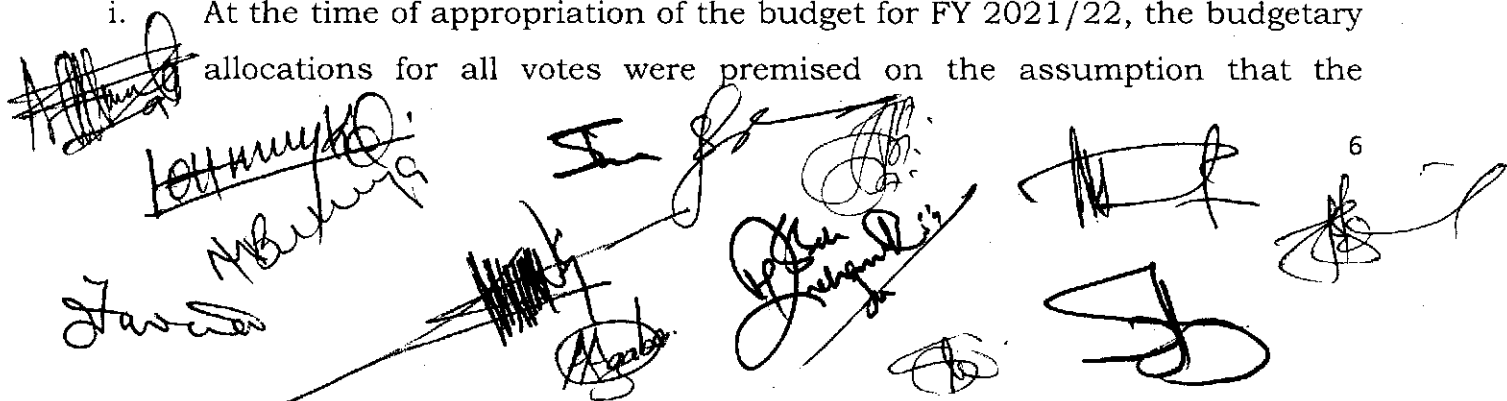
The Ministry of Works and Transport/Uganda National Roads Authority highlighted the following issues:

- i. Government decision to suppress the budget for the Financial Year 2021/22 by 40% due to poor revenue performance and effects of COVID-19 pandemic came when UNRA had already signed contracts that could not be revoked and/or were at advanced stages of procurement.
- ii. Some of the Contracts were to address broken bridges, swamp crossings and consultancies for projects whose contracts were on-going.
- iii. As at 11th May 2022 the deficit stood at **UGX. 573.3** with accruing interest charges of UGX. 235.6 million per day at a rate of 15% per annum.
- iv. The interest rates for failure to meet obligations by either party, are embedded in the respective contracts.
- v. 68% of the debt was owed to International Contractors and 32% to Local Contractors.
- vi. The deficit was projected to grow to **UGX.1124.3 million** at the end of the Financial Year 2021/22; with interest rate growing at a rate of UGX. **462 million** per day.

C. Submission from the Ministry of Finance, Planning and Economic Development.

The Ministry of Finance, Planning and Economic Development informed the Committee that:

- i. At the time of appropriation of the budget for FY 2021/22, the budgetary allocations for all votes were premised on the assumption that the



6

economy would recover and help generate UGX. 22,425trillion in domestic revenues. However within the first quarter of execution of the budget, it became evident that the economy continued to suffer the after-effects of COVID-19 lockdown and Government was expected to record shortfalls in revenue, amounting to UGX 2 trillion.

- ii. During the peak of the COVID-19 pandemic, Government had increased its borrowing to 49.8% of GDP leaving little room to cover the revenue shortfalls with debt financing given the 50% of GDP ceiling agreed with Parliament, in the Charter of fiscal responsibility.
- iii. To accommodate the revenue shortfalls, Cabinet effected a 40% suppression of the Government of Uganda Budget, excluding Wage, for all Votes. Accounting Officers were accordingly advised to revise their workplans to avoid over commitments by Government through accumulation of arrears by Contractors and Suppliers.
- iv. However, the economy had since shown signs of improvement with the re-opening in January 2022. Government shortfalls were there after projected at UGX. 1.6 trillion compared to the UGX. 2 trillion in the first quarter of FY 2021/22.
- v. The Ministry sought a Cabinet decision to unfreeze the Budget suppression of some of the Votes affected by the Outstanding obligations to Contractors, based on the submissions received from Accounting Officers as summarized in the Table below:-

Votes that submitted Outstanding Certificates/Invoices to Contractors for consideration.

Vote	Vote Name	Approved Budget (Non Wage and Dev't (UGX Bn)	40% cut (Non-Wage and Dev't) (UGX Bn)	Proposed Amount (UGX Bn)	Justification for reinstatement
016	Ministry of Works and	575.068	241.988	108.890	To pay outstanding certificates with contractors

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	Transport				
019	Ministry of Water and Environment	522.792	225.024	131.261	To pay outstanding certificates on construction works for various water schemes
113	Uganda National Roads Authority	1775.000	783.747	352.686	To pay outstanding certificates by Authority with Contractors
118	Uganda Road Fund	503.754	226.417	101.888	To pay outstanding certificates for Road Maintenance by Road Agencies
131	Office of the Auditor General	37.732	13.212	6.606	To facilitate audits and contractual obligations with various service providers
	TOTAL	3,414.35	1,490.388	701.330	

- vi. The Ministry was able to provide **UGX, 688,178,860,123** in additional expenditure limits issued in Quarter 4 of the FY 2021/22 to clear some of the debts. This left a balance of **UGX 13,151,439,877**.

The Supplementary/Additional Budget was apportioned as indicated in the Table below:

Limits as issued in Quarter 4 of FY 2021/22.

Vote	Vote Name	Additional Expenditure Limits (UGX)
016	Ministry of Works and Transport	132,343,860,123
019	Ministry of Water and Environment	101,261,000,000
113	Uganda National Roads Authority	352,686,000,000
118	Uganda Road Fund	101,888,000,000
	Total	688,178,860,123

- vii. Consequently, the Ministry has:-

- Pledged to settle the remaining obligations as first call on the budget for FY 2022/23.
- Advised all Accounting Officers to desist from undertaking new contractual obligations before the clearance of any debts owed to Contractors.

The bottom of the page features several handwritten signatures and stamps. On the left, there is a large signature that appears to read 'Hon. M. B. ...'. To its right, there are several other signatures, some of which are circled or crossed out. There are also some illegible stamps and markings scattered across the bottom right area.

4.0 Observations and Recommendations

4.1 On Concerns from the House

The main concerns of the House as referred to the Committee for scrutiny were the *"Delayed payments to Contractors by Government, and the Sky Rocketing Interest Charges to Government on debts owed to Contractors"*, as raised by Hon. Sebamala Richard.

The Committee made the following Observations and Recommendations:-

The Committee observed that:

- a. By the end of FY 2021/22, Ministry of Finance, Planning and Economic Development had made efforts to release **UGX 688,178,860,123 billion** for various Votes, under which the Ministry of Works received UGX 132,343,860,123 billion, Ministry of Water and Environment received UGX 101,261,000,000 billion, Uganda National Roads Authority received UGX 352, 686,000,000 billion, while Uganda Road Fund received UGX 101,888,000,000 billion.
- b. The Sky Rocketing Interest Rates arising from Government's non-fulfillment of its obligations to Contractors amounts to foreseen trivial costs to Government. It is improper for the Country to incur foreseen trivial costs to a tune of **UGX. 235.6 million** per day in interest charges.
- c. Failure to pay the arrears will continue to cause Government to incur trivial expenditures including interest expenses, idle equipment and reduction in works by Contractors.



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- d. The Interest Rates that are embedded in many Government Contracts require extra due diligence on the part of Government to sight and object to them during negotiations.
- e. Delayed payment of Contractors by Government is a concern that was raised by the House, and also re-echoed in the Petition from UNABCEC.
- f. The non-operationalization of the Road Fund to the 2nd generation by Government has been the cause of the piece-meal funding to the Road Sector and the delayed payments to Contractors.

The Committee recommends the following:-

- i. Government should operationalize the Road Fund and have the regulations gazetted so as to address the funding gap in the Road Sector.
- ii. Government should desist from future budget cuts across the board without taking into consideration contracts undertaken by MDAs.
- iii. Government should honor its obligations where commitment was made to Contractors, to avert the animosity.
- iv. Greater due diligence should be taken to ensure that all contracts entered into by Government are implementable.

4.2 General Observation and Recommendation

Need to protect private sector in Uganda

The Committee appreciated the concerns of UNABCEC in regard to the need to protect the private sector in Uganda. It was noted that delayed payments by

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Government to local contractors had led to the collapse of many local companies.

The Committee observed that the collapse of the contractors derailed Uganda's journey towards the achievement of the Sustainable Development Goals (SDG) 1,8 and 9 as well as contradicting the objectives of Vision 2040 and the NDPIII.

SDG 1 advocates for no poverty by 2030 and SDG 8 for decent work and economic growth within the same period. The collapse of the contractors leaves some of them without a source of income, indebted and their former employees jobless. This predisposes both categories of people to poverty. The collapse of the contractors also jeopardizes Uganda's realization of SDG 9 that advocates for industry, innovation and infrastructure development by 2030. The fact that the contractors are unable to deliver on the expected contracts, infrastructure development is delayed.


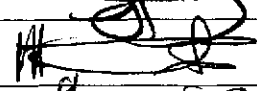
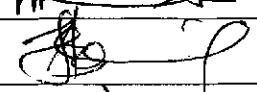
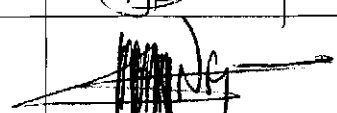
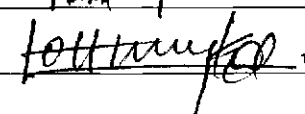
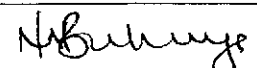


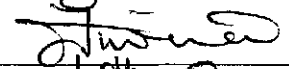
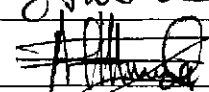
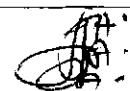
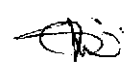
5.0 Conclusion

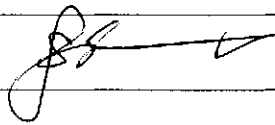
The Committee considers that MDAs, specifically Ministry of Works and UNRA are the main contributors to the deficit of the UGX 573.5 billion with accruing interest rate of 15% per annum, and the resulting interest charges amounting UGX 235.6 billion per day.

The non-payment of Certificates arose due to the shortfall in funding and the 40% budget cuts across the board.

I beg to move that this Report be adopted.

**MEMBERS OF THE COMMITTEE ON PHYSICAL INFRASTRUCTURE
ENDORSING THE REPORT ON DELAYED PAYMENT TO CONTRACTORS, BY
GOVERNMENT OF UGANDA LEADING TO UNBEARABLE INTERESTS**

NO	NAME	PARTY	SIGNATURE
1	Hon. Karubanga David C/P	NRM	
2	Hon. Kasolo Robert D/CP	NRM	
3	Hon. Sarah Opendi	NRM	
4	Hon. Nsegumire Muhamad Kibedi	NRM	
5	Hon. Lokwang Hillary	NRM	
6	Hon. Asaba Paul Nsabimana	NRM	
7	Hon. Bukenya Michael Iga	NRM	
8	Hon. Byanyima Nathan	NRM	
9	Hon. Agaba Aisa	NRM	
10	Hon. Pascal Mbabazi	NRM	
11	Hon. Atyang Stella	NRM	
12	Hon. Kabanda David	NRM	
13	Hon. Namujju Cissy	NRM	
14	Hon. Awasi Sylvia Vicky	NRM	
15	Hon. Ssemwanga Gyaviira	NRM	
16	Hon. Naigaga Mariam	NRM	
17	Hon. Atwakiire Catherine Ndamira	NRM	
18	Hon. Kibalya Henry Maurice	NRM	
19	Hon. Niringiyimana James Rugi Kaberuka	NRM	

20	Hon. Bainababo Charity		
21	Hon. Kabuusu Moses	FDC	
22	Hon. Nsibambi Yusuf	FDC	
23	Hon. Aloba Joan Acom	FDC	
24	Hon. Sebamala Richard	DP	
25	Hon. Okello Nelson	UPC	
26	Hon. Saazi Godfrey	NUP	
27	Hon. Nambeshe John Baptist	NUP	
28	Hon. Ssekabira Denis	NUP	
29	Hon. Balimwezo Ronald Nsubuga	NUP	
30	Hon. Okupa Elijah	INDEP.	
31	Hon. Mugema Peter	INDEP.	
32	Hon. Roland Ndyomugenyi	INDEP.	
33	Hon. Nsanja Patrick	INDEP.	
34	Hon. Rwemulikya Ibanda	INDEP.	



UNABCEC

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Our Ref: UNAB/ADV/PARL/05/2022/008

11th May 2022

Hon. David Karubanga (MP)
Chairperson, Parliamentary Committee on Physical Infrastructure,
Parliament of The Republic Of Uganda.
Plot 16-18 Parliament Avenue.
P.O BOX 7178, Kampala, Uganda.

Dear Honorable,

REF: DELAYED PAYMENTS TO CONSTRUCTION CONTRACTORS

Please refer to your letter Ref: AB 288/499/01 of 06th May 2022 (*attached hereto as **ANNEX 1** for ready reference*), which was consequent to our letter to the RT Hon Speaker of the Parliament of Uganda on the subject matter (*Ref: UNAB/ADV/PARU04/2022/007 of the 27th April 2022 attached as **ANNEX 2** hereto*).

We thank you for the opportunity extended to us to present the challenges that our members are currently facing on government of Uganda contracts.

INTRODUCTION:

As you are well aware Hon. Chairman, in the Construction Industry, the private sector of consists of two sub-sectors; namely:

- 1) The **Engineering design and Supervision services** comprised of **Consulting Engineers, Architects, and Surveyors among other professionals**, and
- 2) The **Physical Construction/Execution** comprised of **Contractors**, mainly represented by **Uganda National Association of Building and Civil Engineering Contractors (UNABCEC)**

Uganda National Association of Building and Civil Engineering Contractors (UNABCEC) is a 29-year-old non-profit, member-driven, national trade association of over **396 Genuine Contractors**, and other Companies and Organizations engaged in Construction Sector in Uganda. Our core purpose is commitment to improve performance in the Construction Industry by championing better regulation and enhancing operational integrity.

The association is dedicated to fostering growth and sustainability in the ever-changing environment of Commercial Construction Contractors, improving job site safety, expanding the use of cutting edge technologies and techniques and strengthening the relationships between Contractors, Clients and Government. Therefore, being the principle interface

To be the Lead Engine for the Growth and Development of the Construction Industry in the Region



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between the Construction Industry on one hand, the public, development partners and the Government on the other.

CONCERNS:

Hon. Chairman and Members of the Committee, the Contractors are ailing, as they are faced with grave challenge of delayed payments, especially on Government Projects, which we bring for your practical interventions.

Delayed payments has been and continues to be the major factor that is negatively affecting the Local Contractors. For example, Uganda National Roads Authority (UNRA), which is the major employer of our members in road construction, has over UGX 500Bn in arrears to Local Contractors, since January 2021 (*Please refer to ANNEX 3 hereto*). Other MDAs with delayed payments to contractors include, among others; Ministry of Works and Transport, Ministry of Water and Environment, Ministry of Lands, Housing and Urban Development, Ministry of Health, Ministry of Education and Sports, and various District Local Governments.

As you will further appreciate Hon. Chairman and Members of the Committee, because of delayed Payments, the undesired outcomes include but without limit to following:

- 1) Our members are losing everything they used as security to acquire loans to execute government projects.
- 2) By this act (*delayed payments*), the Contractors have been frustrated and hindered from performing of ongoing works and other obligations, and have thus been disallowed from generating requisite revenue to pay workers, taxes and other statutory obligations like NSSF, insurance, servicing bank loans (*with associated compounding interests*) and other partnership commitments.
- 3) Overwhelming accumulated tax penalties. In that, irrespective of the above persistent challenge, Uganda Revenue Authority (URA) is continuously harassing our members on account of delay to remit Value Added Tax (VAT), with penalties and a monthly 2% interest on tax arrears. URA demands remittance of VAT immediately after generating an e-invoice or risk incurring interest. This is yet additional strain on our members' cash flows, and forced some of their accounts to be seized/frozen by URA and running into receivership. Other members have failed to get Transactional Tax Clearances from the entity, denying tax payers a chance to do business unfairly.
- 4) Commercial Banks, who are the main financiers of the industry are losing confidence in government funded projects due to contractual breach by government. This has made the projects less competitive hence more expensive.
- 5) The negative effect of delayed payment to Suppliers,



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- 6) Continued non-payment severely hurts construction companies and triggers a downstream spiral, with the negative effect; suppressing related manufacturing and smaller businesses along the supply chain.
- 7) Limited participation of Local Contractors in Uganda's public procurement, which would have been the bulwark against foreign exploitation, and which is very bad for the economy.
- 8) By not paying Local Contractors, government is frustrating the growth of its own National Providers, which is contrary the objectives of Vision 2040, and associated NDP III

Because these factors Hon Chair and Members, Contractors have lost credibility before associated stakeholders, because they have been excluded from fair treatment by its own government. Hence, our members have been frustrated from fulfilling its commitments and cannot continue with it operations, since the government is responsible for this grave breach of trust and its obligations to Contractors—by not paying for works offered; especially National Providers. A number of contractors will soon resort to litigation and/or termination of ongoing contracts if nothing is done to immediately change the status quo.

Permit us further, to draw your attention to selected members who have been severely hurt by delayed payments. (*Please refer to **ANNEX 4** hereto*)

Honorable members, as you will appreciate, with strained cash flow, our members are up against the increase in prices of Construction Inputs. The skyrocketing prices of Fuel/Diesel, cement, reinforcements of these major inputs have are additional burden to Contractors. Diesel for example have shot from UGX 3,490 in November 2021 to over UGX 5,400 at the fall of April 2022; over 53 percentile increase in a space of 6 months, which has affected all other construction materials. While Contractors will need deliberate cushion against ongoing contracts with government entities that were signed before the current inflation, this increase in cost of production could have been mitigated had payments been timely

RECOMMENDATIONS:

UNABCEC, recommends the following to cushion our members against the challenges being faced due to delayed payments:

- 1) Approval of supplementary budget, to enable Ministry of Finance Planning and Economic Development to pay all outstanding arrears to contractors.
- 2) Government, through the Ministry of Finance Planning and Economic Development should;

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- i) Fast-track the reversal of the budget cut, and reinstate the 40% budget cuts to those MDAs responsible for infrastructure development,
 - ii) Issue a commitment letter to UNABCEC as a tool to restore confidence in Banks and other Suppliers owed by UNABCEC Members until all outstanding payments are made,
 - iii) Engage the management of Bank of Uganda to relieve pressure on non-performing loans by Contractors. The Bank should allow loan restructuring to contractors; a moratorium for a given period to relieve contractors of the burden, and
 - iv) Instruct Uganda Revenue Authority (URA) and National Social Security Fund (NSSF) to negotiate with contractors on flexible payment terms and allow grace period to distressed contractors who are just recovering for effects of COVID 19.
- 3) Direct government entities employing construction contractors to undertake the following short-term measures;
- i) Waiver off Liquidated Damages: Because of delayed payments, most contractors have been and are still struggling to complete ongoing projects by borrowing expensively and in the process going beyond the contract period. In these circumstances, we find it unfair to charge them liquidated damages. It is our humble request that liquidated damages arising from delayed payments be waived and the period for underperforming contracts be reviewed until the situation returns to normal.
 - ii) Waiver on Extension of Performance Bonds: Contractors are struggling to perform and because of delay to meet their financial obligations, commercial banks have become adamant to extend their performance bonds. As a result, some contractors' payment certificates have been bounced by these entities because of expired performance bonds. We request that the extension of performance bonds be waived until when the situation improves.
 - iii) Allow renegotiation of existing contracts under an agreed formula based on the current increase in construction inputs since the existing conditions have a direct impact on projects. "Force Majeure" could also be considered as a last option.

CONCLUSION:

Honorable Members, we trust that you know that the Construction Sector represents the backbone of most developing economies, as it provides the foundation for infrastructure development, thereby acting as a driver and multiplier for all other economic sectors that



UGANDA NATIONAL ASSOCIATION OF BUILDING & CIVIL ENGINEERING CONTRACTORS

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UNABCEC

Our Ref: UNAB/ADV/PARL/05/2022/008

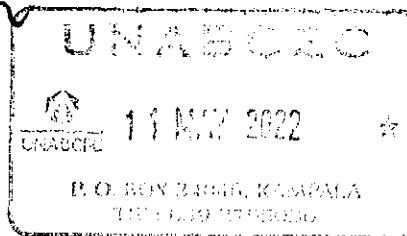
rely on such infrastructure. Besides being the 2nd biggest employing industry after Agriculture, it also contributes more than 12% to the Gross Domestic Product and it is therefore critical that it functions efficiently.

We therefore believe that the above proposed recommendations shall enable the sector flourish without compromising government's agenda.

Looking forward to your positive consideration of the matter. We remain.

Yours truly,


James One Olonya
President, UNABCEC




Elizabeth Muhebwa
Executive Director

Enclosed as above:

1. ANNEX 1
2. ANNEX 2
3. ANNEX 3
4. ANNEX 4

ANNEX 1

Parliament of Uganda's Invitation Letter to UNABCEC



THE PARLIAMENT OF UGANDA

Speaker's Office, P.O. Box 7178, Kampala-Uganda
Telephone Nos: 255-0114-377000, 255-0114-377000; E-mail: clerk@parliament.go.ug

REPLYING TO
MEMBER'S QUESTION

AB288/499/01

6 May 2022

The Executive Director,
Uganda National Association of Building and Civil Engineering Contractors,
KAMPALA

DELATED PAYMENTS TO CONTRACTORS

On 27th April 2022, Uganda National Association of Building and Civil Engineering Contractors (UNABCEC) petitioned the Rt Hon. Speaker to demand payments to Contractors.

Similarly during the Sitting of Parliament on 4th May 2022, a matter was raised on the floor of the House in regard to delayed payments to contractors and the resultant reduction of interest to unacceptably high levels.

The Committee on Physical Infrastructure was charged to conduct an inquiry into the matter and to report to the House on the findings and recommendations.

The Committee on Physical Infrastructure has since held a meeting with the Committee on Finance and Economic Affairs to discuss the matter and to coordinate the findings and recommendations to be presented to the House.

Yours faithfully,

Speaker of the House of Representatives

Speaker's Office, P.O. Box 7178, Kampala-Uganda

Telephone Nos: 255-0114-377000, 255-0114-377000; E-mail: clerk@parliament.go.ug

ANNEX 2

UNABCEC's Petition to Parliament of Uganda on delayed payments



UNABCEC

UGANDA NATIONAL ASSOCIATION OF BUILDING & CIVIL ENGINEERING CONTRACTORS

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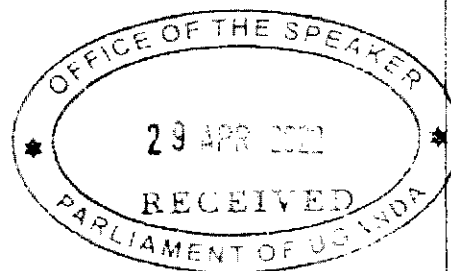
Our Ref: UNAB/ADV/PARL/04/2022/007

27th April 2022

RT HON. ANITA ANNET AMONG (MP)
SPEAKER, PARLIAMENT OF THE REPUBLIC OF UGANDA.
PLOT 16-18 PARLIAMENT AVENUE.
P.O BOX 7178, KAMPALA, UGANDA.

Dear RT Hon. Speaker,

REF: DELAYED PAYMENTS TO CONTRACTORS



INTRODUCTION:

RT Hon. Speaker, Permit us to congratulate you on your well-deserved elections earlier this year and we wish you well in all your endeavors.

Uganda National Association of Building and Civil Engineering Contractors (UNABCEC), RT Hon. Speaker, is a 29-year-old non-profit, member-driven, national trade association of over 396 **Genuine** Contractors, and other Companies and Organizations engaged in Construction Sector in Uganda. Our core purpose is commitment to improve performance in the Construction Industry by championing better regulation and enhancing operational integrity.

The association is dedicated to fostering growth and sustainability in the ever-changing environment of Commercial Construction Contractors, improving job site safety, expanding the use of cutting edge technologies and techniques and strengthening the relationships between Contractors, Clients and Government. Therefore, being the principle interface between the Construction Industry on one hand, the public, development partners and the Government on the other.

We aspire: *"To be the lead engine for growth and development of the construction industry in the region."* To that end, we are committed: *"To promote and protect the shared interests of Members, and the Construction Industry as a whole, through Mobilization, Advocacy, Networking, and Innovative Service Provision".*

To be the Lead Engine for the Growth and Development of the Construction Industry in the Region

Page 1 of 4



UGANDA NATIONAL ASSOCIATION OF BUILDING & CIVIL ENGINEERING CONTRACTORS

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Our Ref: UNAB/ADV/PARL/04/2022/007

CONCERNS:

The subject issue, RT Hon. Speaker are the challenges that UNABCEC Members, and the Construction Industry as a whole are facing, because of delayed payments from Government.

Delayed payments has been and continues to be one of the major factors limiting participation of local contractors in Uganda's public procurement. Besides the overwhelming accumulated tax penalties and interests from banks, suppliers and other service providers, our members are currently risking losing everything they used as security to acquire loans to execute government projects. Continued non-payment severely hurts construction companies and triggers a downstream spiral negative effect of suppressing related manufacturing and smaller businesses along the supply chain.

A case in point is Uganda National Roads Authority, the major employer of our members dealing in road construction, which has over UGX500Bn in arrears to local contractors dating January 2021. The situation, RT. Hon. Speaker, is getting out of hand, as contractors will be left with no option but to seek legal or worse, industrial action against government if nothing is done to immediately address this matter.

Whereas we recognize the current financial constraints faced by the government as evidenced by the recent budget cuts, we trust that you know that the Construction Sector represents the backbone of most developing economies, as it provides the foundation for infrastructure development, thereby acting as a driver and multiplier for all other economic sectors that rely on such infrastructure. It also contributes more than 12% to the Gross Domestic Product and it is critical that it functions efficiently. We therefore believe that solutions that can enable the sector flourish without compromising government's agenda can be found.

It is also worth noting that UNABCEC has made several engagements with the Ministry of Finance, Planning and Economic Development about the matter but these have unfortunately yielded no positive results. Particular reference is made to our meeting of 16th March 2021 with Hon. Matia Kasaija, Minister of Finance Planning and Economic Development in which the Minister pledged to:

- 1) Release the remaining 25% of the approved budget for the third quarter of the FY2021/22 to MDAs in 2 weeks' time (*from the date of the meeting*) to enable them pay relative proportion to Contractors.



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- 2) In the next cabinet sitting (*within the two weeks from the date of the meeting*), urge a reversal of the budget cut, to reinstate the 40% budget cuts to those MDAs responsible for infrastructure development, so as to settle the arrears to Contractors.
- 3) Issue a commitment letter to UNABCEC as a tool to restore confidence in Banks and other Suppliers owed by UNABCEC Members, and
- 4) Engage the Bank of Uganda to relieve pressure on non-performing loans by Contractors

Sadly, it is more than five weeks later, and none of the above pledges have been fulfilled. Madam RT Hon. Speaker, by this acts (*and/or the lack of action by Government*) that Contractors have been frustrated and hindered from performance of ongoing works and other obligations, and have thus been disallowed from generating requisite revenue to pay works, pay suppliers, payment of taxes' areas, and servicing bank loans (*against which Contractors are in the verge of losing their assets*). Consequently, Contractors have lost credibly before associated stakeholders, and have been excluded from fair treatment by its own government. Hence, our members cannot maintain operations since government has become culpable by this grave breach of its obligations to Contractors—by not paying for works offered to Government; especially by National Providers.

IMPLICATIONS:

Conversely, it cannot be overemphasized, Madam RT Hon. Speaker that, Contractor being partners with Government in providing construction services (*with all related value chain; such as families, agriculture, manufacturing, supplies of all other goods and services; besides all other economic sectors that rely on such infrastructure*), needed to be functionally supported as the foundation and the thrush engine for the well sang "*National Transformation aspiration of 'Vision 2040' and the related NDPs.*" Thus, restoring confidence in the Construction Sector goes a long way in engendering the Gross National Product.

PRAYERS:

It is against this context, particularly the frustration that the Contractors have faced around this matter, that we as UNABCEC, write to you, RT Hon. Speaker, requesting that:

To be the Lead Engine for the Growth and Development of the Construction Industry in the Region



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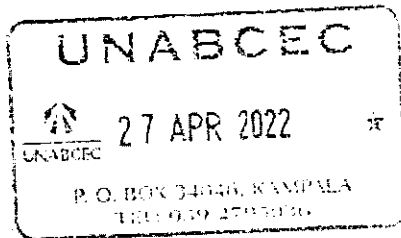
- i) Under your leadership, the Parliament of Uganda urgently weigh in and ensure that all these outstanding payments to Contractors are made without further delay,
- ii) Your well able and mandated office forges a way forward and dispel the uncertainties that Providers are currently facing to enable our members meet their obligations, and serve our great country.

We trust that you shall give these concerns and proposals due consideration.

We remain.

Yours truly,

James One Olonya
President, UNABCEC



Elizabeth Muhebwa
Executive Director

Copied to:

1. Rt. Hon. Deputy Speaker of Parliament
2. Rt. Hon. Prime Minister of The Republic of Uganda,
3. Hon. Minister of Finance, Planning and Economic Development,
4. Hon. Minister of Works and Transport,
5. Chairperson, Parliamentary Committee on Physical Infrastructure,
6. Permanent Secretary/Secretary to the Treasury, Ministry of Finance Planning and Economic Development,
7. Permanent Secretary, Ministry of Works and Transport,
8. Ag. Governor, Bank of Uganda,
9. Executive Director, Uganda National Roads Authority,
10. Executive Director, Uganda Road Fund,
11. Executive Secretary, Uganda Bankers Association.

ANNEX 3

UNRA's Letter to Ministry of Finance on Outstanding Payments to Contractors



Uganda National Roads Authority

Plot 3-5, Port bell Road
Nakawa Business Park
P.O. Box 28487 Kampala, Uganda
In any correspondence on this subject
Please quote No. UNRA/ED/01/22

19th January 2022

The Permanent Secretary/ Secretary to the Treasury,
Ministry of Finance, Planning and Economic Development,
Plot 2 -12 Apollo Kaggwa Road
P.O Box 8147
KAMPALA

REQUEST FOR ADDITIONAL CASH-LIMIT AMOUNTING TO UGX 200,000,000,000 TO PAY ACCRUED DEBT UNDER DEVELOPMENT GOU AND ROAD MAINTENANCE.

VOTE 113: Uganda National Roads Authority

Reference is made to your letter dated 22nd December 2021 in which you communicated the expenditure limits for the third quarter of FY 2021/2022 under Development GoU budget amounting to UGX 188,845,181,756 to the Accounting Officer.

Further reference is made to the letter from Uganda Road Fund (URF) dated 13th January 2021 in which a cash-limit amounting to UGX 31,000,000,000 was communicated to the Accounting Officer for Road Maintenance.

However, the cash-limits communicated for Development GoU and Road Maintenance were far below the required amount to pay debt and provide for ongoing planned works for the third quarter of the FY 2021/22. Refer to the table below for details;

Description	GoU Development	Road Maintenance
Current Debt	395,791,088,786	142,783,057,924
Q3 Cash-limit	188,845,181,759	31,000,000,000
Deficit	206,945,907,027	111,783,057,924

From the table above, it can be observed that;

- I. **GOU development funding:** The cash limit provided for the third quarter UGX 188.84 Billion is far below the accumulated debt of UGX 395.79Billion creating a shortfall of UGX 206.9Billion before consideration of the expected third quarter output including the financial requirement for upgrade of Children Hospital Entebbe road project amounting to UGX 7.99Bn .
- II. **Road Maintenance Funding:** The cash limit of UGX 31Bn from URF is far below the accumulated debt totaling to UGX 142.7Billion creating a deficit of UGX 114.7Billion before consideration of the expected third quarter output.
- III. Overall UNRA is unable to pay a total of UGX 301.1Billion out of the outstanding UGX 538.5Billion creating a cash deficit of 56%.

Therefore, UNRA needs additional cash-limit amounting to UGX 200Bn with UGX 100Bn towards part payment of the debt shortfall under the Development GoU Budget, payment for upgrade of Children Hosptial Entebbe project and UGX 100Bn towards part payment of the shortfall under Maintenance as we are cognizant of the effects of the economy resulting from reduced collections from Uganda Revenue Authority (URA).

The purpose of this letter is to request your approval of additional cash-limit amounting to UGX 200Bn. Refer to the details in the annex herein attached.


Allen C. Kagina
Executive Director

ER/bk/gb/ed/DCS

ANNEX 4

Selected Contractors Affected by Delayed Payments



SELECTED CONTRACTORS AFFECTED BY DELAYED PAYMENTS UNDER ROAD MAINTENANCE

S/N	PROVIDER'S NAME	PROJECT DESCRIPTION	INVOICE AMOUNT	INVOICE DATE	APPROVAL DATE
1	Abela Construction Company Ltd	Mechanized Maintenance of Selected National Roads Under Framework Contract Lot 21: Gulu Station: Aber - Anyeke - Ngai(37KM) Road.	356,600,095	31-08-2021	20-01-2022
2	AFROBUILD U LTD AND ROMAX HOLDINGS LTD JOINT VENTURE	SUBSTANTIAL PAYMENT CERT. 4 KANABATI KO SWAMP LOT 10 -AFRO BUILD IN JV ROMAX HOLDINGS	1,432,418,565	16-07-2021	18-08-2021
3	Akaaba Enterprises Limited	Mechanized Maintenance of selected unpaved national roads under framework Contracts for 3 years lot 24, Mbale Station 2 - IPCNO. 1 - Kufu Magale road (16.7km) Co - M/s Akaaba Enterprises Limited	363,023,406	18-10-2021	10-11-2021
4	Ambitious Construction Company Limited	IPC NO.02- Drainage improvement works of Mayanja Wasswa swamp along Masulita Kakiri Danze Mawale road	1,062,357,712	12-07-2021	16-12-2021
		IPC No 3-Kakiri-Masulita-Danze-Mawale-Ambitious Construction Company-78077	1,652,170,649	30-09-2021	11-01-2022
5	ARMPASS TECHNICAL SERVICES LIMITED	Substantial Completion Payment Certificate-Kitumbi Swamp-Armpass Technical Services-76964	1,714,291,837	07-12-2021	20-12-2021
6	ASSURED ENGINEERING SERVICES LTD	Substantial Completion Payment Certificate NO:04-Assured Engineering Services Ltd	1,122,302,723	18-08-2021	10-12-2021
7	Azu Properties Ltd	Mechanized Maintenance of Selected Unpaved National Roads Under Framework Contract for Three Years Totalling to 282Km; Lot 05; Masaka Station.	56,942,504	28-05-2021	11-06-2021
		UNRA/MSK/CTL/2020-2021/03	481,734,258	08-06-2021	29-11-2021
		Substantial Completion Payment Certificate No.01-Azu Properties Ltd	1,884,729,340	27-08-2021	10-12-2021
		IPC No. 1, Call Off Order No. 2 for Azu Properties Ltd, for works along Fort Portal - Kijura road and Kakabara - Bufunjo - Katooke Road.	983,767,761	07-09-2021	27-01-2022
		SCC COO6 for M/s. Azu Properties Ltd uploaded with memo of responses attached	2,531,486,714	22-11-2021	15-12-2021
		Substantial Completion Certificate (Revised) for Azu Properties Ltd, COO.2 Fort Portal Station	2,005,335,227	01-12-2021	07-01-2022
8	AZU PROPERTIES LTD- NIPPON PARTS (U) LTD JOINT VENTURE	IPC No 5-Bukuya Kasanda Kiboga-Azu Properties-75389	1,858,709,176	30-09-2021	17-12-2021
		IPC NO.3 ACCESS AND DRAINAGE IMPROVEMENT NAIGOBWA JINJA	2,233,779,889	17-12-2021	01-03-2022
9	BCR General Ltd	Mechanized Maintenance of selected Unpaved National Roads under framework Contracts for Three years under UNRA Mubende Station	362,466,603	23-06-2021	17-07-2021
		Substantial Completion Payment Certificate (02)- for B.C.R General Limited	1,237,851,248	05-08-2021	22-09-2021
		Mechanised Maintenance of Selected Unpaved National Roads Under Framework Contracts for Three Years, LOT 19: Mubende Station.	278,524,109	14-08-2021	07-10-2021
10	BLD Consults Uganda Ltd	Mechanized maintenance of selected unpaved national roads under framework contract for three years totaling 205km Lot:24 Moyo Station	1,547,691,319	29-06-2021	18-08-2021
		IPC02 for BLD Consults(U) Ltd for substantial completion on Aliodranusi-Gobolo-Matu-Kei road under Moyo Station	908,751,859	20-09-2021	07-10-2021
		Call-off Order No 07-Moyo-Obongi-76139	2,390,342,235	30-09-2021	15-02-2022



SELECTED CONTRACTORS AFFECTED BY DELAYED PAYMENTS UNDER ROAD MAINTENANCE

S/N	PROVIDER'S NAME	PROJECT DESCRIPTION	INVOICE AMOUNT	INVOICE DATE	APPROVAL DATE
11	BMCE SERVICES IN JV WITH APCON LIMITED	Mechanised Maintenance of Selected Unpaved National roads Under Framework contracts for 3 Years totaling to 85Km. Lot 09: Tororo station (Tororo-Nagongera road (20Km)	68,251,551	05-07-2021	18-08-2021
		Substantial Payment Certificate-UGX-COO1	51,761,905	30-09-2021	16-12-2021
12	Busenvi Enterprises Limited	IPC No.1 for periodic maintenance of unpaved national roads for 23 UNRA Stations Lot 08:Kasese for Busenvi Enterprises Limited	1,078,972,168	10-08-2021	10-09-2021
13	Capital Logistics and Construction Ltd	Substantial payment certificate COO1 Framework contract Ariamoi- Lopei Moroto station	473,439,666	04-11-2021	20-12-2021
14	CGH Establishments Ltd	IPC No 1-Call Off Order No 1-Myanzi-Kasanda-bukuya-kiboga-CGH Establishments Ltd	506,141,309	27-05-2021	30-08-2021
		MECHANIZED MAINTENANCE OF SELECTED UNPAVED NATIONAL ROADS UNDER FRAMEWORK CONTRACTS FOR THREE YEARS LOT 19: MUBENDE STATION	393,933,184	29-06-2021	23-07-2021
		IPC No. 2 for CGH Establishments Ltd, Call Off Order No. 3;Framework contract for mechanised maintenance; for works along Mpala - Kazinga - Bwizi road, Rugombe - Katooke road and Kahunge - Bisozzi - Bwizi - Kihura road	726,946,406	30-06-2021	03-09-2021
		Substantial Completion Payment Certificate No.03-C.G.H Establishments Ltd.	431,785,855	25-08-2021	07-10-2021
15	China Communication Construction Company Ltd	Periodic Maintenance of Kibuye-Entebbe Road (22Km).	1,979,770,523	26-12-2021	27-01-2022
16	CUBEROOT LIMITED	IPC1 Periodic maintenance Moroto station roads by Cuberoot	779,512,673	09/09/2021	13/10/2021
17	DA TRACK LIMITED	IPC NO.01	242,711,999	17-09-2021	27-10-2021
		Substantial Completion Payment Certificate NO.02, COO No.005	244,468,505	10-11-2021	15-12-2021
		Routine Maintenance of Paved Roads under Kampala Station for framework contracts of 3 Years (Lot 2)Seeta-Namugongo , Bweyogerere section, Seeta-Namilyangosection,Kireka-Namugongo, Namboole Circular section, Bweyongerere- Bukasa (33.4km)	200,361,138	07-12-2021	22-12-2021
		Routine Mechanized Maintenance of Paved Roads Under Kampala Station for Framework Contracts of 3 Years, LOT 2.	185,710,946	26-12-2021	20-01-2022
		Substantial Completion Payment Certificate No.03, Call Off Order No.006	254,960,007	31-03-2022	27/04/2022
18	Dalach Investment Limited	IPC3 LOT22 -Mechanised Maintenance of Selected Unpaved National Roads for 18 UNRA Stations under Framework Contracts for 3 Years Lot 22: Kotido Station - DALACHI INVESTMENTS LIMITED	407,581,761	13-08-2021	10-09-2021
		IPC Final Periodic maintenance of unpaved roads Masindi station.Ngwedo Bugana Waiga	76,502,916	04-10-2021	27-10-2021
		Mechanized maintenance of selected unpaved roads under frame work contract Phase 2 Kotido-Nakapelimoru -Lopei and Kanawat -Koputh-Kaabong	288,579,217	10-12-2021	20-12-2021
19	Dynaco Limited	Mechanised Maintenance of Selected Unpaved National Roads under Framework Contract for 3 years totaling to 134km, Lot 14 Ibanda station, Kazo-Kabagole-Kyegegwa Road (83km)	1,206,868,109	16-07-2021	07-09-2021
20	Efra Limited	Interest on Delayed Payment Certificates on COO No. 2 Ntare-Mutonto-Kacwangobe road	52,046,876	16-04-2021	20-09-2021



SELECTED CONTRACTORS AFFECTED BY DELAYED PAYMENTS UNDER ROAD MAINTENANCE

S/N	PROVIDER'S NAME	PROJECT DESCRIPTION	INVOICE AMOUNT	INVOICE DATE	APPROVAL DATE
21	Engineers Investment Ltd	Mechanized Maintenance of selected unpaved national roads under framework Contracts for 3 years totaling to 126km Lot 2 Final Payment Certificate No. 4 Bubulo –Bududa Circular road (28.0km) for Engineers Investments Limited	39,241,999	16-07-2021	03-09-2021
		Mechanized Maintenance of selected unpaved national roads under framework Contracts for 3 years totaling to 126km Lot 2. Substantial Payment Certificate No.02 Project Nalugugu – Elgon (19.0km) Co. Engineers Investments Limited	369,455,543	16-07-2021	10-09-2021
		Mechanized maintenance of selected unpaved national roads under framework Contracts for 3 years totaling to 126km Lot 2 under Mbale Station. Substantial Payment Certificate. Call Off Order 2 Bukwo-Kapnandi-Suam (20km)	309,257,437	16-07-2021	03-09-2021
		Mechanized Maintenance of selected unpaved national roads under framework Contracts for 3 years totaling to 126km Lot 2 Substantial Payment Certificate No. 3 Bubulo –Bududa Circular road (28.0km) for Engineers Investments Limited	211,899,500	16-07-2021	18-08-2021
		Final Payment Certificate-COO No 2-Malukhu Musoto-	24,842,870	20-09-2021	18-10-2021
		Substantial Payment Certificate-COO No 3-Kadoto Butebo Kabwangasi-Engineers Investment Ltd-74567	904,052,257	20-09-2021	18-10-2021
		Substantial Payment Certificate-COO No 5-Giriki River Bukwo-Engineers Investment Ltd-74565	689,668,933	23-09-2021	18-10-2021
		Mechanized Maintenance of selected unpaved roads under framework contracts for 3 years totaling 120km Lot 1 Mbale Station Final Payment Certificate Call Off Order No.3 Kadoto Butebo Kabwangasi Engineers Investments Limited	100,423,799	17-02-2022	22-03-2022
		Mechanised maintenance of selected unpaved national roads under framework Contracts for 3 years totaling to 126km Lot 2 Payment Certificate to recover liquidated damages Bubulo Bududa Circular road 28.0 km Engineers Investments Ltd	116,903,379	21-02-2022	17/08/2020
22	Excel Construction Ltd	IPC No 4-Lot 11-Kisiro-Bugangu Swamp Along Namalembe-Bugodi-Kisiro-Bugangu-Excel	2,392,269,873	12-06-2021	18-08-2021
		IPC 5 - Kisiro Bugangu Swamp Crossing along Namalembe Bugodi - Jinja Station	3,693,578,337	30-06-2021	20-09-2021
		IPC No 6-Lot 11 Kisiro-Bugangu Swamp Crossing-Jinja Station-75692	2,757,608,587	11-10-2021	10-02-2022
23	GIC LOGISTICS AND ENGINEERS LIMITED IN JOINT VENTURE WITH STRAKON LIMITED	IPC1 Matany- Lopei and Lokopo link GIC in joint venture with Strakon Ltd	834,982,950	03-08-2021	03-09-2021
24	GREY STONE INVESTMENTS LIMITED	Substantial completion payment certificate (IPC) 3 periodic maintenance of unpaved National Roads for UNRA stations -Kabale -Greystone	2,960,210,527	09-12-2021	06-01-2022
25	Heaat General Engineers and Contractors Ltd	Mechanized maintenance of selected unpaved national roads under framework contract for 3years totaling to 305km Lot 18 Soroti Station	415,332,509	24-03-2021	14-04-2021
26	J.B UNITED ENGINEERING & BUILDING CONTRACTORS LIMITED	Substantial payment certificate for Call-Off Order 5 for Ms JB United Civil Engineering & Building Contractors Ltd for Mechanized Maintenance of unpaved roads for 22 Stations under Framework Contract for 3 years: Abako-Dokolo road 27km	339,805,114	18-06-2021	26-11-2021



SELECTED CONTRACTORS AFFECTED BY DELAYED PAYMENTS UNDER ROAD MAINTENANCE

S/N	PROVIDER'S NAME	PROJECT DESCRIPTION	INVOICE AMOUNT	INVOICE DATE	APPROVAL DATE
		Mechanized Maintenance of Selected Unpaved National Roads Lot 10: Soroti Station Phase 11, Serere- Kateta-Kyere (27.3Km)	841,960.169	24-08-2021	29-11-2021
		Claim of Interest on Delayed Payment of IPC No. 1 COO5 for Mechanised Maintenance of Unpaved Roads for 22 Stations under Framework Contract for 3 years: Abako-Dokolo Road 27Km	9,790.641	10-11-2021	10-12-2021
27	JV of Coronation Developers Uganda Ltd and Romax Holdings Limited	MECHANIZED MAINTENANCE OF SELECTED UNPAVED NATIONAL ROADS UNDER FRAMEWORK CONTRACTS OF 3 YEARS LOT6:MASAKA STATION1, LYANTONDE-NTUSI ROAD 58KM, CALL OFF ORDER NO.1	898,480,219	09-07-2021	18-08-2021
28	Kasese Nail and Wood Industry Ltd	MECHANIZED MAINTENANCE OF SELECTED UNPAVED NATIONAL ROADS UNDER FRAMEWORK CONTRACTS FOR 3 YEARS TALLING TO 138KM: MASAKA STATION	403,496,646	29-06-2021	09-12-2021
29	King Albert Constructions Ltd	Final Payment Remedial works on Kabale Katuna. Balance unpaid 1,692,385,281	1,692,385,281	02-06-2021	17-07-2021
		IPC No 8-Buddo -Nabbingo-76153	3,318,904,513	22-12-2021	15-02-2022
30	KUKA (U) LTD	Revised Substantial Completion Certificate for Kuka (u) Ltd, works along Ntandi - Kikyo - Bundibugyo Road.	333,394,980	19-08-2021	09-09-2021
31	KUUKA INVESTMENTS	Mechanised Maintenance of Selected Unpaved National Roads under Framework contract for three years for Kitgum Station(Matidi-Kalongo-Patongo Road)	425,825,975	05-07-2021	09-09-2021
		Submission of Substantial Completion Certificate-IPC No 2-72430	487,056,677	24-08-2021	30-11-2021
		IPC No.03, Certificate No.03	609,306,972	25-08-2021	09-09-2021
		IPC No 2-COO No 2-Matidi Kalongo Patongo-Kuuka Investments-76250	487,056,677	30-09-2021	04-03-2022
32	Lusa Construction and Engineering Co Ltd	Substantial Payment Certificate - COO4 - Lusa Construction - Hoima	735,339,117	24-06-2021	17-07-2021
		Final Payment Certificate-COO3-Lusa Construction and Engineering Co.Ltd	38,597,201	17-08-2021	03-11-2021
33	MG Engineers and Contarctors Ltd	IPC NO 1 COO1 KAMULI-BUKUNGU ROAD(0-40 KM) MG ENGINEERING	1,518,405,205	12-03-2021	29-11-2021
		Mechanised Maintenance of selected unpaved National roads Under Framework Contact for 3 Years Totalling to 215KM Under Tororo Station Lot 16	769,226,059	01-04-2021	30-04-2021
34	MML Road Construction Co. Ltd	Mechanized Maintenance of Selected Unpaved National Roads Under Frame work Contract for 3 years Totaling 215Km Lot16: Tororo (Namayingo-Bumeru Road (32Km)	78,218,457	14-07-2021	20-09-2021
		Mechanised Maintenance of Selected Unpaved Roads Under Framework Contracts for 3 years Totaling to 215KM (Nagongera-Paya-Leresi-Budaka(32KM) Road	361,102,551	20-07-2021	07-10-2021
		Substantial Completion Payment Certificate-COO No 5-MML Road Construction-76949	225,525,366	30-09-2021	17-12-2021
		Interest on delayed payment	14,836,334	20-12-2021	17/02/2022
35	MOHA CONSTRUCTION LIMITED	Periodic Maintenance of Selected unpaved National Roads for 23 UNRA Stations, Lot 19: Soroti Station Kumi-Omatenga-Agule(16Km) and Bugondo-Butiko-Kadungulu(14Km)	1,180,549,041	24-06-2021	03-09-2021



SELECTED CONTRACTORS AFFECTED BY DELAYED PAYMENTS UNDER ROAD MAINTENANCE

S/N	PROVIDER'S NAME	PROJECT DESCRIPTION	INVOICE AMOUNT	INVOICE DATE	APPROVAL DATE
		IPC No 2-Parabekl Padibe Namukora Lokapel Adilang-Moha Construction Ltd-71020	1,060,764,964	29-07-2021	17-01-2022
		Substantial Payment Certificate Lot 19 Soroti Station-Moha Construction-77023	209,351,518	30-09-2021	22-12-2021
36	Net World (U) Ltd	SUBSTANTIAL COMPLETION PAYMENT CERTIFICATE -COO2 IGANGA-BULOPA-KAMULI RD NETWORK - JINJA STATION	2,182,897,454	28-10-2021	12-11-2021
		COO3 SUBTANCIAL COMPLETION PAYMENT CERTIFICATE LOT 3 KALIRO NAMWIMA ROAD 26KM NETWORK JINJA STATION 27 oct 2021	2,053,049,356	28-10-2021	12-11-2021
		Final Completion Payment Certificate for Call Off Order No.004	298,725,070	03-11-2021	15-12-2021
		Final Completion Payment Certificate for Call Off Order No.005	242,774,265	03-11-2021	29-11-2021
		IPC No. 2 - Construction of Low Volume Access Road to Presidential Initiative on Banana Industrial Development Centre (3.0 KM)	2,472,901,847	25-11-2021	10-02-2022
37	Nicontra Ltd	Final Cert. COO 4	50,238,666	30-09-2021	08/12/2021
38	NIEM ESTABLISHMENTS LTD	IPC No.3- Niem Establishments Ltd - Periodic Maintenance- Hoima Station	685,780,058	23-06-2021	06-07-2021
		IPC 4 Periodic maintenance	1,057,673,891	28-09-2021	07-01-2022
39	Nipe Construction and Technical Services Ltd	Periodic Maintenance of unpaved national roads for 23 UNRA stations - Lot 21: Mbarara Station (30 KM) - Substantial Payment Certificate No. 3 - Ruti - Mwizi	631,467,679	25-08-2021	07-10-2021
40	Nippon Parts Uganda Limited	Substantial Completion Certificate 6 Lot 1 Kibuye-Zana-Entebbe Airport-Nippon Parts	187,512,861	27-08-2021	07-10-2021
		Substantial Completion Certificate 6 Lot 1 Kibuye-Zana-Entebbe Airport-Nippon Parts	502,762,292	27-08-2021	07-10-2021
		IPC, Call Off Order No.05	152,911,791	10-11-2021	05-12-2021
		Routine Maintenance of Paved National Roads under Kampala Station for framework contract of 03 years: lot 1:Kibuye-Zana, Zana-Entebbe Airport and Nakiwogo Ferry Access (45km)	136,139,772	07-12-2021	22-12-2021
41	Pekasa Enterprises Ltd	IPC No. 2, COO 3 for Pekasa Enterprises Ltd; framework contract for 3 years; Karugutu - Ntoroko Road	1,146,674,766	23-07-2021	03-09-2021
		Substantial Completion Certificate IPC No.01 Call off Order No.7 for unpaved roads under Kasese Station. Lot 10 (L.George-Rwenatre-Katwe and Katunguru-Ishasha road)	1,201,610,224	06-08-2021	22-09-2021
42	PNR Services Limited	IPC 1 Call Off Order Number 1: Wandi-Oree Road Link PNR Services Ltd	515,976,570	21-07-2021	15-03-2022
		Final Payment Certificate 2 COO 1 Ngomoromo-Nyimur Road Link-PNR Services Ltd	147,837,783	12-08-2021	17-09-2021
		Mechanized maintenance of selected unpaved National Roads under Framework contract for Three years: Totalling to 180km; LOT 16 Kitgum station: Ngomoromo - Nyimur(34km) (call off order 1)	299,946,697	08-10-2021	27-10-2021
		IPC 2 Wandi-Oree Road Arua Station-PNR Services Ltd	189,961,560	09-12-2021	22-03-2022
		Submission of Advance Payment Recovery Claim-COO 1-79046	99,673,282	02-02-2022	10-03-2022
		Mechanized Maintenance of S/unpaved NRds under framework contract. Lct 25: Arua Station wandi oree	634,420,189	03-02-2022	28-03-2022



SELECTED CONTRACTORS AFFECTED BY DELAYED PAYMENTS UNDER ROAD MAINTENANCE

S/N	PROVIDER'S NAME	PROJECT DESCRIPTION	INVOICE AMOUNT	INVOICE DATE	APPROVAL DATE
		Substantial Completion Certificate for Koboko-Lodonga (0+000-18+000) 18Km	286,620,881	31-03-2022	27/04/2022
43	Prime Contractors Ltd	IPC No 1-Kilak Adilang-Call off Order No 1-Prime Contractors Ltd-70837	1,275,446,560	23-07-2021	09-09-2021
		IPC02 -Kitgum Station- Prime Contractors	53,377,840	25-08-2021	20-09-2021
44	Rocktrust Contractors Uganda Ltd	COO11 LOT 15 NAMAGANDA BUGONDA AND ISIMBA BRIDGE ACCESS ROCKTRUST	556,875,758	22-06-2021	29-09-2021
		IPC NO.1 COO12 NAMUTUMBA-BUDUMBA (30.2km) NMALEMBE-BULANGE(26.0KM) LOT 15 ROCKTRUST	814,334,509	28-07-2021	22-09-2021
		IPC NO.1 COO 13 BUSEMBATYA NAMAOKO(34KM) NAWANDALA NAMBALE NMALEMBE(26KM) LOT 15-JINJA STATION	908,877,789	22-10-2021	15-11-2021
45	Rodo Contractors Ltd	Substantial completion certificate IPC 4 call off order 7 Katuna -Rubaya -Muko road	1,129,097,774	22-04-2021	21-09-2021
		IPC 1 call off order 10 Rukungiri -Mitaano -Kanun	922,036,660	02-06-2021	17-07-2021
		Substantial Completion Certificate No.01-Rodo Contractors	570,288,041	25-08-2021	29-11-2021
		Mechanised maintenance of unpaved roads under framework Mpigi station, Kitumba Kinyokya Mutetema	56,713,949	21-09-2021	27-10-2021
		Final payment certificate /retention (IPC 5) call off order 7 Katuna Rubaya -Muko (47km) UNRA/WORKS /2016-17 /00018/12 -RODO Contractors Ltd	328,821,377	08-12-2021	05-01-2022
		Mechanized Maintenance Of Selected Unpaved National Roads Under Framework Contract For Three Years Totaling To 258 Km; Lot 04: Mpigi Station - M/S RODO CONTRACTORS LTD	13,503,294	07-04-2022	25-04-2022
46	Sanix Technologies Ltd	Mechanised Maintenance of Selected Unpaved National Roads under Framework Contracts for 3 years totaling to 125km, Lot 1 Ibanda station, Bigusyo-Bihanga Road 13km	180,693,430	21-07-2021	22-09-2021
		Mechanised Maintenance of Selected Unpaved National roads under Framework Contracts for 3 years totaling to 125km, Lot1 Ibanda station, Kabujogera-Kagongo road (8km) and Rwenjaza-Kabujogera road (34km)	206,807,482	21-07-2021	03-09-2021
		Mechanised Maintenance of selected unpaved National Roads under framework contract for 3 years totaling to 125km, Lot 1 Ibanda station, Rwenjaza-Kabujogera road (34km)	480,330,774	21-07-2021	03-09-2021
		Substantial Certificate Call off order 3 for Rwenjaza-Kabujogera Rd	1,211,510,035	23-11-2021	17-12-2021
		Substantial Completion Cert Call off order4 for Bigusyo-Bihanga Rd	796,619,333	29-11-2021	13-12-2021
47	Shajapa Technical Works Ltd	Mechanized Maintenance of Selected Unpaved National Roads, Lot 18 Soroti station - Call Off order No.1	334,090,218	28-05-2021	22-09-2021
		Final IPC Term maintenance of Kapir Ngora Mukongoro and Soroti Brooks Corner	489,133,418	18-06-2021	20-09-2021
		Mechanized Maintenance of selected unpaved National Roads under framework Contract Lot 18, COO2-Kidongole-Kanyum-Moruita (30km) and Amuria-Orungo-Okude (29km)	1,933,180,999	21-06-2021	18-08-2021
		Mechanised Maintenance of selected Unpaved National Roads under framework contract for 3yrs Contract No.UNRA/WORKS/2016-17/00018/20 Kotido Kanawat Abim 70kms. Final Certificate	490,342,439	03-12-2021	17-12-2021
48	Spider Contractors Limited	IPC No.1 COO No.5, Spider Contractors Ltd -Mechanized Maintenance of selected Unpaved National Roads Under framework contracts For 3Yrs Totaling to 403Km -403Km, Lot20 Kotido Station	406,494,865	08-06-2021	10-09-2021



SELECTED CONTRACTORS AFFECTED BY DELAYED PAYMENTS UNDER ROAD MAINTENANCE

S/N	PROVIDER'S NAME	PROJECT DESCRIPTION	INVOICE AMOUNT	INVOICE DATE	APPROVAL DATE
		IPC 5 Substantial Completion for Contract UNRA/Works/2018-2019/00006/10 Periodic Maintenance of unpaved roads Kotido Station. Kaabong -Kapeedo Road (35.5km) & Kapeedo -Karenga (33)km	396,472,394	08-07-2021	12-10-2021
		Interest Claim-Inv 664-Pader Kalongo Paimol-Kitgum Station-76257	139,046,423	30-09-2021	20-12-2021
		Mechanized maintenance of selected unpaved National Roads under framework contract for three year: Totalling to 229km Lot 23 Kitgum station: Pader -Kalongo - Paimal (46km) (call off order 4)	84,549,004	14-10-2021	20-12-2021
		Mechanized Maintenance of selected unpaved roads under framework contract contract Phase 1 Koputh -Orom (66km) And Kaabong Jctn -Kalapata -Piire(58km) Procurement Ref UNRA/WRKS/2016-17/00018/20	78,084,435	02-12-2021	10-12-2021
		Mechanized Maintenance of selected unpaved National roads under frame work contracts for 3yrs totalling to 403km Lot 20 Kotido -Framework contract phase-1 Nakaperimoru-Kotein -Kenya border	1,064,064,956	08-12-2021	22-12-2021
49	Strakon Limited	IPC 2 COO 6 Framework contract Nakiloro- Lomukura- Kotein Jcn Strakon Ltd Moroto station	928,011,377	04-11-2021	29-11-2021
		Mechanised Maintenance of Selected Unpaved National Roads Under Framework Contracts for 3 Years totalling to 363km; Lot 19: Moroto Station - STRAKON LIMITED	304,192,297	05-04-2022	25-04-2022
		IPC No 2-Strakon Limited-74624	1,101,827,930	30-09-2021	29-11-2021
		IPC Substantial COO 5 Lolachat- Magoro Strakon	863,050,967	09-09-2021	10-02-2022
		IPC No 1-Nakiloro Lomukura Kotein Jcn-Strakon Ltd-74589	925,439,045	02-09-2021	03-11-2021
		IPC No 1-Lolachat Magoro-Strakon Ltd-70700	1,185,711,025	12-07-2021	18-08-2021
50	STRAKON LIMITED IN JV WITH TEGEKA ENTERPRISES LTD	Advance Access and Drainage Buloma swamp	1,550,749,812	01/03/2021	27-04-2021
		IPC NO.2 LOT 9 BULOMA SWAMP CROSSING BUPYANA NAMWIMA CROSSING(19KM) STRAKON	2,915,747,705	21-09-2021	27-10-2021
51	Techno Three Uganda	Substantial Payment Certificate - COO3 - Techno Three (U) Ltd	1,060,494,977	22-07-2021	20-09-2021
		Final Payment Certificate - COO2- Techno Three (U) Ltd Mechanised maintenance of unpaved roads under framework Hoima	64,617,153	28-07-2021	28-09-2021
		IPC 1 Substantial completion COO8 Mechanised maintenance of unpaved roads under framework Mpigi station,Kikonge Sekanyonyi Matte	930,125,056	21-09-2021	17-11-2021
		Mechanised Maintenance Of Selected Unpaved National Roads Under Framework Contract For Three Years Totalling To 258 Km; Lot 04: Mpigi Station - M/S TECHNO THREE (U) LTD	22,141,468	07-04-2022	25-04-2022
52	Tegeka Enterprises Ltd	IPC NO. 2 LOT 3 KAMULI KALIRO TEGEKA ENT.	751,930,316	27-07-2021	09-09-2021
		Interim Payment Certificate No. 1 for M/S Tegeka Enterprises Ltd for Mechanized Maintenance of 14 Selected Unpaved National Roads under Framework Contract for Three Years: Lot 14: Lira Station: Agwata-Aduku Road (29.4km)	192,644,971	20-08-2021	09-09-2021
		SUBSTANTIAL COMPLETION CERTIFICATE COO2 LOT 3 JINJA KAMULI KALIRO 46KM 9th NOV	1,436,176,432	09-11-2021	29-11-2021



SELECTED CONTRACTORS AFFECTED BY DELAYED PAYMENTS UNDER ROAD MAINTENANCE

S/N	PROVIDER'S NAME	PROJECT DESCRIPTION	INVOICE AMOUNT	INVOICE DATE	APPROVAL DATE
		Final Completion Certificate-COO No.09	87,154,192	19-12-2021	05-01-2022
53	THUNDER BOLT TECHNICAL SERVICES LIMITED	IPC No 3-Tororo Malikis Magodes Busumbu Munamba Magale Bumbo Lwakhaha-Thunder Bolt Technical Services Ltd-78216	1,218,549,867	17-12-2021	15-02-2022
54	TIC Lokere	Interim Payment Certificate No. 2 for Call-Off order 4 for Mechanized maintenance of unpaved roads: Akia-Aloi (23.7km)	122,889,043	25-05-2021	10-06-2021
55	Universal Engineering (U) Ltd	Substantial completion certificate 1 COO 8 Katobo -Bugangari Bwambara -44 km	646,852,482	03-06-2021	10-09-2021
56	Upland Enterprises & Construction Ltd	Interest Claim Certificate COO 1 Kitgum-Lukungu-Upland Enterprise	85,738,810	16-04-2021	18-08-2021
		Substantial Completion Certificate for Bobi - Ayer Road	577,251,060	25-05-2021	12-06-2021
		Mechanised Maintenance of selected unpaved national roads under framework contract- LOT 22 GLU STN	87,261,467	30-06-2021	27-09-2021
		Completion Payment Certificate-Kitgum Lukung-Upland Enterprises and Construction Ltd-70747	105,538,621	13-07-2021	07-10-2021
		Mechanized Maintenance of Selected National Roads Under Framework Contract Lot 22: Gulu Station: Gulu - Patiko(33KM) Road.	21,345,792	31-08-2021	12-10-2021
		Mechanized Maintenance of Selected National Roads under Framework Contract Lot : 22 - Gulu Station : Bobi - Ayer(55KM) Road. IPC No. 3 - Call Off Order No. 7 - Final Completion Certificate by M/S Upland Enterprises and Construction Co. Ltd	73,076,941	02-12-2021	10-12-2021
	TOTAL		115,331,561,636		