

STATEMENT TO PARLIAMENT BY THE MINISTER OF STATE FOR WORKS AND TRANSPORT (TRANSPORT) REGARDING THE STATUS OF THE REGIONAL MECHANICAL WORKSHOPS

Rt. Hon. Speaker,

In 2010, Government reviewed the districts and urban roads management and maintenance framework and re-introduced the direct labour (Force Account) mode of operation with provision of road equipment from China in 2012 and subsequently additional road equipment from Japan in 2017.

From 2017 to 2021, the road equipment from Japan was exclusively maintained through framework contracts that were signed with road equipment local dealers. During this period, equipment availability averaged about 90%. It should however, be noted that while this high equipment availability was quite impressive, it left the Ministry perpetually indebted to the service providers.

Rt. Hon. Speaker, in 2021 ^{the} my Ministry made a strategic decision to shift routine/preventive maintenance of the road equipment to an in-house arrangement. Routine maintenance mainly entails servicing of the road equipment (change of filters and oils), carrying out minor repairs and undertaking other preventive steps like greasing. The reason for the above shift in maintenance approach was to curtail the overall equipment maintenance cost while strengthening the capacity of our Regional Mechanical Workshops with the ability to carry out minor repairs and residual capacity to remotely monitor the Komatsu road equipment using the KOMTRAX system.

Rt. Hon. Speaker, major repairs like system overhauls and complicated diagnosis continue to be handled by the road equipment dealers. While this new hybrid approach to road equipment maintenance is working and to some extent has reduced the cost of maintenance, it has experienced a number of teething problems, mostly due to financial constraints, which resultantly has reduced equipment availability to about 30%.

Rt. Hon. Speaker, my Ministry operates four (4) Regional Mechanical Workshops at **Central Mechanical Workshops at Kampala for the Central Region, at Bugembe in Jinja for the Eastern Region, at Gulu for Northern Region and at Mbarara for Western Region.** While the Regional Mechanical Workshops are equipped with mobile capacity to carryout routine maintenance, the number of mobile workshops is insufficient to cover the entire country. The Regional Mechanical Workshops also act as regional hubs where the road equipment can be referred in case of complex repairs although they are not adequately equipped with requisite tools.

Rt. Hon. Speaker, in regard to the status of the Regional Mechanical Workshops, I would like to furnish you with the following information:-



Infrastructure and Tools

1. Apart from the Bugembe Regional Mechanical Workshop, which was built with the assistance of JICA in 1996, the other three (3) do not have appropriate infrastructure in place. For example Gulu and Mbarara Regional Mechanical Workshop can best be described as parking yards while the one at Central Mechanical Workshops has dilapidated structures.
2. The Ministry has continually engaged with the Ministry of Finance, Planning and Economic Development but due to resource constraints, we have not been able to get funds for equipping/retooling the Workshops. Conversely, my Ministry has also engaged with development partners such as JICA for project support but this is yet to be realized. It is an area that we continue to explore and advance.
3. A feasibility study carried out on refurbishment and retooling/re-equipping the Regional Mechanical Workshops estimated the requirement to be **Ushs. 100 billion**.

Funding of Maintenance for the Road Equipment

1. In 2017 when the road equipment was procured, it was computed and estimated that its annual routine/predictable maintenance cost would be **Ushs. 22 billion**. Consequently, in FY 2017/2018, Government allocated **Ushs. 10 billion** for road equipment maintenance with an additional **Ushs. 6 billion** coming in FY 2018/2019 and finally **Ushs. 6 billion** in FY 2019/2020. However, during FY 2019/2020, the national budget was rationalized in order to cater for special requirements under Operation Wealth Creation (OWC) which affected a number of budget lines in the Ministry, including road equipment maintenance. Consequently, budget allocation for maintenance of road equipment was reduced from Ushs. 22 billion to Ushs. 12 billion resulting into the Ministry's inability to provide tyres and batteries, let alone settling accumulated debts with service providers on account of routine maintenance. The resultant effect was increased downtime and the availability of the equipment reduced to about 30%.
2. In FY 2022/2023, only **Ushs. 12 billion** was provided for equipment maintenance and yet as pointed out earlier, routine maintenance alone requires **Ushs. 22 billion**. The road equipment from Japan is over **six (6)** years old and has on average each clocked about **8,000 hours**. The road equipment is due for corrective maintenance, which entails repairs of undercarriages, transmission and hydraulic systems of excavators, bulldozers, wheel loaders and motor graders. These repairs are estimated to cost **Ushs. 23 billion annually**. The Table



below shows the funding gap for routine and corrective maintenance of the road equipment.

Routine/predictive and corrective maintenance funding gap (Ushs. Billion)

No.	Amount required for maintenance		Funds provided in the MPS for FY 2022/23	Total Shortfall
1	Routine maintenance	22	12	33
2	Corrective maintenance	23		
Total maintenance requirement		45		

3. The MoFPED was through various correspondences in FY 2022/23 informed about the above funding gap but the Ministry was advised to prioritize service and maintenance of the road equipment within the available budget ceiling. This funding gap if not addressed through provision of additional funds is bound to negatively affect the **Ushs. 1 billion** road development grant that each district is receiving since there will be no road equipment to implement the road works. This will also derail the attainment of targets set forth under the **National Development Plan (NDP III) and the Parish Development Model.**

Madam Speaker, regarding road equipment for the new districts, the Ministry completed the procurement process and the contracts were signed. However, MoFPED only provided **Ushs. 28 billion** leaving a balance of **Ushs. 27 billion under the budget allocation for FY 2022/23**. The supply contract signed with M/s Victoria Equipment Limited for supply of Komatsu motor graders and wheel loaders still requires a top-up of **Ushs. 6 billion** to enable delivery of the equipment by January 2024. The supply contract signed with M/s Spear Motors Ltd for supply of Mitsubishi Tippers and Water Bowers is still in abeyance awaiting availability of funds. The rollers for the new districts will be procured in future through a separate contract.

Rt. Hon. Speaker, I beg to submit.

Byamukama Fred (MP)

**MINISTER OF STATE FOR WORKS AND TRANSPORT/TRANSPORT
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