



Prudence - Transparency - Integrity - Value

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Our ref: URF/FIN/REL/DUCAR/001/19-20

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**The Accounting Officer,
DISTRICT LOCAL GOVERNMENTS**

**The Accounting Officer,
MUNICIPAL LOCAL GOVERNMENTS**

RELEASE OF FUNDS TO ROAD FUND DESIGNATED AGENCIES FOR MAINTENANCE OF DISTRICT AND URBAN ROADS IN QUARTER 1 OF FY 2019/20

The Uganda Road Fund herewith disburses funds to Local Governments for the maintenance of various categories of public roads in Q1 of FY 2019/20. The summary of the funds released to District Local Governments including the Town Councils and their corresponding physical outputs are shown in the attached Table B.1 and Table B.2 for the maintenance of the DUCAR network.

- Table B.1: Release of Ushs **20,642,663,034** to 134 Districts **including** their Town Councils (Votes 501-635) as Annex 1.
- Table B.2: Release of Ushs **7,018,650,909** to 41 Municipalities (Votes 751-778) as Annex 2.

The disbursement is made on authority of Board enshrined in Section 14 of the Uganda Road Fund Act 2008. The funds are released against the workplan you provided and annexed to your FY 2019/20 Performance Agreement.

The Q1 funds disbursed to you should be deployed to improve conditions of the network by use of force account to immediately implement the works schedule in your respective programs in line with the **Force Account Guidelines – August 2017**.

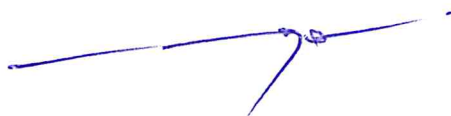
Please note: Accounting Officers should ensure that Road Maintenance Funds are not lost through garnishment by Uganda Revenue Authority (URA), diversion or corrupt practices.

May you kindly note the following:

- a) The funds disbursed constitute the first tranche of the Financial Year fixed at 25.67% of the annual budget of DUCAR.
- b) The Chief Administrative Officers (CAOs) of the respective District Local Governments (DLGs) should urgently transfer the funds for the Town Councils under their Votes **expeditiously and intact** as indicated in Table B.1. The funds for maintenance of district roads should be transferred to the Works Account immediately. The CAOs remain accountable to the URF for funds so transferred to sub agencies as agreed in the Performance Agreements.
- c) Agencies should implement road maintenance works on only road schemes approved in the already signed Performance agreements between DAs and URF;
- d) Agencies should refer to the URF budget guidelines for FY 2019/20 available on the URF website www.roadfund.ug. for guidance during implementation of their annual road maintenance programme.
- e) The operational guidelines show the eligible expenditure heads and accountability procedures among others. Particularly agencies should desist from diversion of funds and expenditures on capital expenditures;
- f) Each DUCAR designated agency shall apply its available ceiling such that cost of routine manual maintenance is covered 100% followed by routine mechanized maintenance to the maximum extent possible and the balance to apply on periodic maintenance.
- g) Members of the District Roads Committee and Resident District Commissioners should play their oversight role and ensure that the Q1-2019/20 funds released are properly utilized as per approved agency road maintenance programmes.
- h) Each designated agency within the boundary of the district is responsible for meeting costs of participation of its categories of members scheduled in Section 25 (2) of the URF Act in the DRC forum.
- i) The DLGs together with urban local authorities within its boundaries designated as independent agencies of the Road Fund shall each expend not more than 4.5% of Q1-2019/20 maintenance funds as operational costs including for District Roads Committee costs. These operational costs should be pegged to particular road schemes.
- j) Mechanical Imprest Funds are part of the Q1-2019/20 funds released which can be utilized upto a maximum of 15% as per your FY 2019/20 Annual workplan already submitted to URF. The mechanical imprest funds should be utilized for handling

only minor equipment repairs/maintenance services for both the old and new road equipment. Major repairs (such as engine overhaul, replacement of major parts, etc) should be undertaken at the Regional Mechanical Workshops of Bugembe, Mbarara and Gulu. Ministry of Works and Transport has made provisions for these facilities

- k) Accountability of the use of these funds by the designated agencies to the Road Fund shall remain the responsibility of the Accounting Officer of the Designated Agency.
- l) Agencies should immediately provide general receipts to URF as soon as funds are received without further prompting.
- m) The Uganda Road Fund as a “financier” of Road Maintenance in Uganda holds accountable the respective Accounting Officers on delivering on the agreed Workplans for Q1 of FY 2019/20.
- n) All the available funds so far received by URF have been allocated and agencies should not expect any additional releases during the quarter;**
- o) The Uganda Road Fund remains committed to the core principles of Prudence, Transparency, Integrity and value.



Eng. Dr. Michael. M. Odongo
EXECUTIVE DIRECTOR

- c.c. Permanent Secretary/Secretary to the Treasury
- c.c. Permanent Secretary, Ministry of Works and Transport
- c.c. Permanent Secretary, Ministry of Local Government
- c.c. Accountant General, Ministry of Finance, Planning and Economic Development
- c.c. Chairperson, Uganda Road Fund Board
- c.c. The Director Budget, Ministry of Finance Planning and Economic Development
- c.c. Chairpersons, District Roads Committees
- c.c. Area Members of Parliament
- c.c. Resident District Commissioners