KAMPALA CITY AUTHORITY: THE TURNAROUND OF UGANDA'S CAPITAL (A)

In April 2015 Mrs Jennifer Musisi, executive director of Kampala Capital City Authority (KCCA), and in post since a new administrative structure replaced the defunct Kampala City Council in 2011, was absolutely confident on the capacity of the authority to deliver the second Kampala Institutional and Infrastructure Development Project. The so-called KIIDP2 was financed by the World Bank and over ninety percent of the funding aimed at modernizing transport and drainage infrastructure vital to transform Kampala into a modern city. It followed a previous scheme, KIIDP1, oriented mostly towards building internal institutional capacity, and which Jennifer's team had rescued from the brink of collapse in 2011.

We're in an effort to transform Kampala. To take it from where we found it - deplorable, disorganised, a total mess, to a place where it would be a capital city in the real sense of the word…. I'm here to do a serious job, don't involve me in politics …We want to make it [Kampala] a destination [KCCA Executive Director][1]

KCCA was the governing body created to administer Kampala on behalf of central government by an Act of Parliament in 2010[2] which became effective on 1st March 2011. It was part of wider government reforms to decentralise administration in a bid to "bring services closer to the people". In the case of Kampala, the administrative reform also responded to a failure of the previous administration to deliver a program of capital investment and institutional reforms agreed with the Word Bank in 2007.

The new structure did not come about without controversy. Whilst political leadership was put in the hands of an elected Lord Mayor, the Executive Director was appointed by the President of Uganda on recommendation of the National Public Service Commission [**Exhibit 1**]. Amplifying the controversy was the impeachment of the first Mayor, Erias Lukwago, who was a high-profile opponent of Ugandan President Yoweri Museveni. The impeachment in 2013 by a vote from the city councillors occurred at a time when the Mayor and the executive director had already fell out; and it followed a judgment by a government tribunal that found Erias guilty of abuse of office, incompetence, and misconduct. But critics of the President, who had been in post since 1986, read the events as the President trying to take control of Kampala.

Politics aside, the World Bank was genuinely optimistic about the capabilities of the KCCA executive team to turnaround the city. KIIDP1 had been about providing finance to develop institutional capacity to help the city make much-needed repairs to the existing infrastructure. In 2010 the World Bank had threatened to pull the

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[1] Interview to The Independent, May 2014; available from http://www.independent.co.ug/cover-story/8932-jennifer-semakula-musisi

[2] The Kampala Capital City Act, 2010, http://www.kcca.go.ug/uploads/KCCA_ACT_2010.pdf

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frustrated with the delays. But 4 years later, the WB officials were happy with the outcome of the $33 million loan notably i) reduced overdue liabilities; ii) increased KCCA own source revenue spent on service delivery from 10% to 30%; iii) increased KCCA own source revenue from Ushs 22 billion to Ushs 30 billion; and iv) and increased public satisfaction in service delivery in roads, drainage and solid waste.[3]

I'm very optimistic because the creation of KCCA was such a positive step in the right direction…provided government continues to focus on infrastructure funding we're going to obviously continue…we're also discussing with other funders African Development Bank, Japan…hopefully they'll come up with concrete projects too [WB senior official]

Indeed the city administration had changed radically in the last years. Most jobs roles were abolished after the 2010 Act and staff was invited to reapply. In the process many officials either resigned or sought retirement. The former division in charge of managing the World Bank program was shut down, and all WB projects were mainstreamed into existing directorates of planning, public health and environment, and engineering under the control of a new management team [**Exhibit 2**]. The pay scales were boosted to the extent the Authority was paying more at manager level than the World Bank. This, top leaders argued, enabled to attract young talent from the diaspora with 15% PhD holders in senior positions and an average age around 30.

The beauty about KCCA is that it gives people opportunity to make a contribution because we're transforming. We don't have systems set, we're setting systems…for people who are really ambitious, who want to make a contribution … this is the place... for us, internally, the issue of tribalism has not been that bad…I'm from a different tribe than my boss and my subordinates… where we're very, very strict, and what killed the former institution, is corruption. [KCCA Top official]

As it happens, KCCA succeeded to restore the confidence and trust of WB officials, and in 2014 KCCA and WB agreed a second program of financial assistant. KIIDP2 was, however, a very different kettle of fish. KIIDP1 had looked primarily to modernize the authority, whereas the emphasis of KIIDP2 was on new infrastructure development including retrofitting existing roads, building new transport corridors, and building channels to drain water from low areas susceptible to flooding.

This capital investment was much needed as Kampala had seen its population double to almost 2 million in less than 10 years, and the city strategic plan projected a 10 million population by 2040. The traffic was chronically congested, and the city lacked public lighting and public transport systems. Of the 1,200km of roads only about 300km were paved; traffic management was inexistent; and slums continued to grow. Extreme flooding was another major issue. Every year floods caused contamination of drinking water resulting into outbreaks of diseases such as cholera, dysentery, typhoid and diarrhoea, mainly in the densely populated and poorly planned settlements.

[3] http://www.worldbank.org/en/news/feature/2014/08/19/kampala-on-the-road-to-becoming-a-comfortable-city

Stagnant water pools were breeding grounds for mosquitoes which spread malaria.

Complicating matters, KCCA internal revenues were still constrained by outdated property evaluations and old regulation that exempted property owners from paying local taxes. The city had estimated that bridging the most critical infrastructure gaps would require finance around $1 billion. But government was limited in the amount of money it could supply through grants. It would also take time before KCCA would be in a position to borrow money on the markets although its creditworthiness had improved substantially; borrowing money on the market above 10% of the annual revenue itself required a change in the national laws. Dealings with China were something KCCA was being prudent about. KCCA had recently turned down an offer from the government of China to carry on a feasibility study on light rail for free (the 'carrot' as one official put it). The city leaders found the strings attached—the design-build contract would have to go to a Chinese company— wholly unacceptable.

Implementing KIIDP2 in 5 years was an ambitious goal. A major challenge would be land acquisition. Existing roads and rights of way had been over the years encroached by illegal developments and informal settlements. It was World Bank policy not to supply money for taking land. Still the WB required the city to produce a resettlement plan and compensate people who would be forced to move. The land compensation costs as recommended by the Chief Government Land Valuer were, however, way more than the supplementary funds provided by the Government of Uganda ($8.75m). This left the city with no alternative but to engage in dialogue and appeal people to comply voluntarily with a request to move. But what if people did not want to move?

UGANDA

Uganda was a Sub-Saharan African country located in Eastern Africa. It was also a land locked country with an economy comprised of majorly subsistence agriculture, which contributed around a fifth of the country's GDP of around $26bn (2014 prices). In 2013/14, the budget deficit excluding grants was 5.9% of its GDP. The country had a low debt/GDP ratio around 30% of which 40% was domestic debt, and GDP was steadily growing even if GDP per capita remained stubbornly low [**Exhibit 3**]. The general improvement of the economy had encouraged the International Monetary Fund (IMF) to remove a ceiling on non-concessional borrowing in 2015, saying the country had low-risk debt sustainability. Population wise, preliminary results of the 2014 census showed growth at more than 5%, already exceeding 35 million[4].

Whilst economically Uganda was on the right path, the challenges facing the country faced were many. For almost two centuries the country had been a British protectorate run by local kingdoms and chieftaincies that inhabited the lake regions of central Africa[5].The first independent government was formed by the marriage of convenience between two parties: the Kabaka Yekka headed by E. Mutesa II, a local royal, and the Uganda People's Congress headed by Dr. Apollo Obote. But the coalition crumbled four years later, leading to the abrogation of the 1962 constitution, and Obote assumed the presidency while Mutesa II fled to exile. In 1971, Idi Amin, the heinous

[4] Uganda Bureau of Statistics (2014): National Population and Housing Census, Provisional results

[5] http://www.ugandahighcommission.com/uganda-info-center/political-history

head of the army ousted Obote. In 1980 a combined Tanzanian and Ugandan exiled armies succeeded to overthrow Amin's dictatorial and murderous regime, and preside over the election that brought Obote back to power.

Since 1986 Uganda's president had been the General Yoweri Museveni who militarily took over power. Museveni had lost the presidential elections of 1980, and for 6 years engaged in guerrilla warfare on the elected government of Obote purporting that the elections had been rigged. The protracted guerrilla war weakened the Obote II government which was toppled by General Okello who Museveni then overthrew within six months. All in all, the Uganda post-independence leadership and governance history was one wholly characterised by military coups and destructive takeovers, and the country was yet to witness a peaceful handover of power.

Indeed since 1986, General Museveni had been ruling Uganda, first under a military decree between 1986 and 1996, and then under a one-party state entrenched in the constitution from 1996 to 2005. In 2005 Museveni endorsed a constitution reform to allow for a multiple-party system, but also to remove the cap on Presidential terms, paving the way for his two subsequent re-elections in 2005 and 2011. Museveni's current term was scheduled to end in 2016, but rumours had it that as the leader of the National Resistance Movement, Museveni planned to contest again for presidency.

In this environment cliques had inevitably emerged over time. Once referred as mafias by a sitting vice-president, the cliques had scavenged many government deals notably in the infrastructure sector. Hence Uganda had been struggling for years to enforce anti-corruption laws and its ranking in the world's Corruption Perception Index remained dismal. The press was constantly washed with allegations of abuse of office and corruption such as payments for works not carried on and shoddy works. Things started to change after a major crisis in 2012 in the wake of allegations that up to $13million in aid money had been embezzled through the prime-minister's office. In response, many donors suspended budget support and a crisis ensued—at the time Uganda relied on external financing for about a quarter of its public expenditures. The crackdown on corruption finally picked up with instances of elected officials and civil servants sent to jail. But a lot more work was still necessary. In the meantime most donors pulled out from generic support into project support; one donor explained:

Since 2012 most donors have left the budget support modality…. where you put money into their national treasury and trust government and the national systems to spend…and rely on the supreme audit function…. with projects you can even decide to audit your own … you can have projects with a specific government department or sector and you're in control of the work plan, of the budgets … I don't want to call it micromanaging but you closely follow up on that… you'll have close scrutiny

High population growth and rapid urbanization had made Uganda one of the fastest growing counties in Africa. Against this context, the country was doing well in reducing the poverty rate. In two decades the share of population living below the poverty line has declined from 56.4 percent in 1992 to 24.5 percent in 2009. Higher crop prices, agricultural diversification, growth of non-wage non-farm employment and urban job growth, particularly in Kampala were key contributors to poverty reduction. But lack of infrastructure had become a real obstacle to further progress.

Boosting infrastructure was one pillar of the Uganda's National Development Plan. How to achieve this goal was less clear when the government scrambled to provide even the most basic education and health care services. Communicable diseases were still commonplace, the prevalence of water-, sanitation- and hygiene-related ailments were rampant, and the rates of HIV/AIDS, child mortality, and maternal mortality remained very high. All in all Uganda remained dependent on grants and loans from the donor community and multilateral agencies to develop new basic infrastructure.

KAMPALA

Kampala was the capital and largest city of Uganda, with a population between 1.5 and 2 million growing at an annual growth rate of 5 percent per annum. Greater Kampala Metropolitan Area was estimated to have around 3.15m million people, but no administrative structure existed yet at that level.[6] Kampala had been established as a municipality in 1947, but the roots of the city could be traced to the Buganda kingdom from which several buildings survived. The kingdom remained powerful and politically influential in Uganda politics, and the king of Buganda himself was one of the major landlords in Kampala. Tribalism was, however, not much of an issue in Kampala, a metropolitan occupied by people from many different tribes.

Originally built on seven hills, the city had in the last decades expanded considerably [**Exhibit 4**]. Bordering on Lake Victoria the city covered an area of 189km2, of which 19km2 was water. Yet only around 23% of Kampala's area was considered fully urbanized; in contrast, the semi-urbanized area comprised 62 informal slums and housed an estimated 560,000 families. The remainder of land area was still considered rural. Administratively, the city was divided into five areas and surrounded by several other cities that relied on their proximity to Kampala for economic activity. Hence the city estimated that 3.5 million people entered the city for employment every day commuting by foot, car, and matatus (private 14-seater min buses that filled the lack of public transport, but were a major contributed to traffic congestion).

Kampala was the economic powerhouse of Uganda, accounting for approximately 80% of industrial and commercial activity and contributing about 65% to GDP. This meant everyday more migrants were arriving to the city in search of better lives; the growth of the slums seemed unstoppable; and the pressure on the infrastructure continued to augment. Migrants were also a major cause of the high level of unemployment especially amongst the youth and people living below the poverty line.

The scale of the infrastructure backlog in Kampala was highlighted in an independent 2015 report produced by Global Credit Rating.[7] Of approximately 1,200km of roads in the city, only a fraction was tarred and only around 20% were considered in good condition. Complicating matters, private motor vehicle ownership was exploding at an estimated 11 percent per year, and billboards around the city advertised Japanese websites for buying used-cars and get them delivered to the door [**Exhibit 5**]. As a result, traffic was chronically congested at the rush hour and boda-bodas (motorcycle taxi services) were the most popular mode of transport. But boda-bodas were also the

[6] World Bank (2014). International Development Association Project Appraisal document on a Proposed Credit to the Republic of Uganda.

[7] Global Credit Rating positioning itself as the 'leading emerging market-focused ratings agency'

leading cause of casualty patients admitted in the local hospitals. This was so to the extent Uganda was ranked the second country in Africa with the highest number of road accidents. How this could be resolved was unclear since there were no alternatives and police crackdowns on boda-bodas were often undercut by politics.[8]

Addressing the spreading of informal settlements was also not trivial. Many of these settlements resulted from illegal occupation of public land across disused railway tracks, road reserve, wetland areas, and former industrial areas. Slum demolition would upend the lives of its residents who would then have to find from one day into the next another place to live. Some demolitions had been particularly brutal as they occurred in the middle of the night and thus traumatic for those forced to displace.

Amplifying the challenges faced by the city authority was the proximity of the informal settlements to land vulnerable to flooding. Out of the eight primary drainage systems only two had been widened and lined. Hence further investment in drainage improvement was critical particularly the canalization of primary and secondary drains, and expansion of drainage structures for the dual benefit of maintaining the integrity of roads, and mitigating the social and economic losses cause by flooding.

Kampala Capital City Authority (KCCA)

KCCA had replaced the defunct Kampala City Council (KCC), a government body that had failed to tackle the challenges that faced Kampala, and indeed challenges ubiquitous to most urban conurbations in developing economies. KCCA was constituted in 2010. In the past, the local government ministry had treated Kampala as but one district which meant the city competed for resources with other rural districts. The city also lacked authority to govern itself. The new act created a corporate-type of local authority. An official in the Ministry of Local Government explained:

When Kampala was… still a district it was being taken as if it was like any other district. So we would control its funding … the pressures on the city were too much and funding was… little. So government thought that by making it an authority it would have leeway to get its own loans, to become a corporate not constrained by other Acts

The political authority of KCCA was allocated to a cadre of elected leaders, with the Lord Mayor at the helm, including five divisional Mayors and 34 elected councilors to represent electoral districts, special interest groups, and professional bodies. As defined in the Act the role of Lord Mayor went way beyond a ceremonial role. Hence the act delegated ultimate responsibility on the Lord Mayor for approving major executive decisions and performing the functions of speaker of the authority.

Executive authority was allocated to non-elected officials. Leading a group of 10 technocrats was an executive director who was the Accounting Officer of the Authority. Both the executive director and the ten directors were directly appointed by the President of Uganda on the recommendation of the National Public Service

[8] Kagolo, F. Kariuki, J. (2008). Deadly ride: Boda bodas leading cause of hospital causalities. New Vision, 24 August. See http://www.newvision.co.ug/D/9/34/646100

Commission. The directorates covered areas as diverse as Engineering and Technical services, Public Health and Environment, Physical Planning, Legal Affairs, Treasury, Revenue Collection and Internal Audit. The city authority had less than 400 staff.

The mandate of the Executive director involved a major structural reform. To this purpose, in 2011, existing staff were sacked and asked to reapply for the new positions, and new appointments were made to fill capability gaps across the different directorates. The former World Bank project office was absorbed into the incumbent directorates. In his opening remarks when launching the KCCA fourth strategic plan 2014/15 – 2018/19, the Minister in Charge of the Presidency and Kampala said[9]:

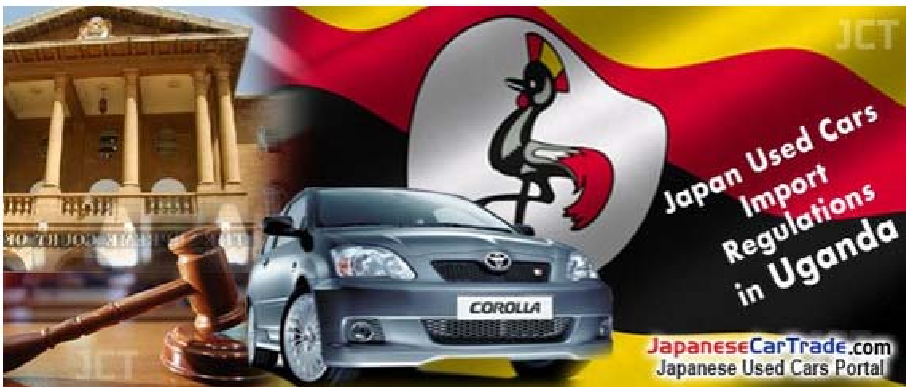
The Institutional reforms that followed the creation of KCCA as a central government agency have had noticeable dividends in the last three years. The years of neglect, apathy, mismanagement, and institutional inefficiency that had eroded the city's image are now behind us

KCCA also employed 529 temporary staff as of April 2013. All top management were "on contract" (i.e. three year renewable contracts with incentives). And all staff was subjected to performance evaluations based on a Balance Score Card and competence- based grid:

• Level 1 – Unsatisfactory performance; Termination on performance grounds
• Level 2 – Needs improvement; Put on Performance Improvement Plan
• Level 3 – Meets expectations; Paid a normal monthly salary and encouraged to improve further
• Level 4 – Exceeds expectations; Promoted if a vacancy exists
• Level 5 – Outstanding performance; Promoted immediately and paid a performance bonus.

The staff code of conduct was being enforced as well as a policy of "zero" tolerance to corruption. As of January 2014 management had terminated 65 members of staff.

In 2015, the reform seemed to bear fruit when Global Credit Rating Co. gave KCCA a high credit rating[10] **[**Exhibit 5 **– Example of billboard advertising Japanese used car sales**



[9] See http://www.kcca.go.ug/uploads/KCCA_STRATEGI_PLAN_2015-2016.pdf
[10] See http://www.kcca.go.ug/uDocs/KCCA%20credit%20rating%20report.pdf

Exhibit]. The city had made great strides in reclaiming land and buildings that had been illegally occupied without compensation, registering and licencing taxi operators, raising parking tariffs, bringing more traders into the tax net, and collecting income from items as diverse as refuse collection charges and market charges. KCCA had also seen an increase in grants from development institutions including China (solar power project) and the World Bank (KIIDP2).

Successes notwithstanding, KCCA remained heavily dependent on government grant funding **[**Exhibit 5 **– Example of billboard advertising Japanese used car sales**

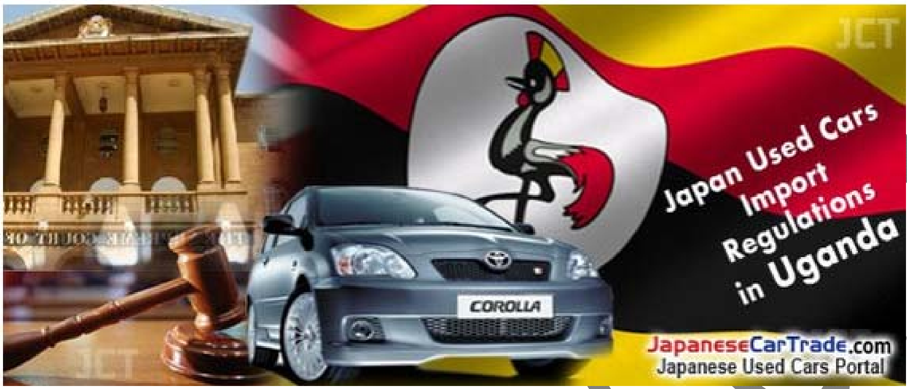


Exhibit **a, b**]. Legislation from 2005 that exempted all owner-occupied residences from paying local taxes was a major issue; another issue was the lack of property revaluation which had not occurred in the last 5 years (a new municipal revaluation exercise was expected to be completed in 2015). The wage bill was another very expensive ticket. This bill had risen substantially from UGX14.500m in 2011 to UGX50.800m ($13.8million) in 2012 and UGX89.3m in 2014 (~$24.6million). Hence the ratio of staff cost to total costs which had peaked at 51.3% in 2013 before declining to 39.4% in 2014 remained quite high. This was so despite the fact KCCA was a much leaner organization than the intent of its Organization Structure and Implementation Guidelines which had been to create 1,300 posts.

On the upside, the GCR report highlighted the lack of debt of the city authority, the downward trend in the ratio of staff cost to overall cost, and expectations of further rise in internal revenue, as well as the political support from Cabinet. But GCR also spelt out the challenges facing KCCA: the substantial socio-economic difficulties faced by most residents, the rising expenditure on staff and consumption, and the pressure the high urbanization rate was putting on the existing infrastructure. GCR also noted that unless current legislation that capped debt funding at 10% of internal revenue was erased, KCCA would not be able to tap the commercial debt market.

The financial scenario left KCCA with no alternative but to try to attract more private investment in new infrastructure. The ideas were many and the strategic plans for the period 2014/15 to 2018/19 included: a rapid bus transit (BRT) system (~US $460 million), solar street lighting (~US$53 million); roads improvement (~US$120 million); the city also planned to launch feasibility studies to revamp rail transport and build a light rail and cable cars. It was unclear, however, how this private investment would materialize as more and more countries and cities around the world including both developed and developing economies were competing for the same resources.

Kampala Politics

The politics around the administration of Kampala were an unhelpful distraction to the executive team, but difficult to avoid given the structure created to govern the city. The commencement of KCCA operations in 2011 coincided with the national and local government elections of February 2011. Hence the KCCA executive director appointed by the President office took post around the same time when Erias Lukwago, a political opponent of the President of Uganda was elected Lord Mayor.

The Kampala Act did not subject the Executive Director to the authority of the Lord Mayor since the Executive Director was appointed by central government. Hence soon after the elections, the executive director and the Lord Mayor fell out:

As KCCA technical people, we're caught in between two political situations, the government and the opposition, unfortunately. But we try to do our work and take the technical line… this whole thing of politics, Musisi vs Lukwago, where the picture is meant to portray one as a victim and the other as a conqueror, oppressor is not true. When I arrived at KCCA, the first person I called was Lukwago, introduced myself as the new executive director ...the fall out was about expectations. The first fall out was when he went on radio and he started saying all these KCCA people are thieves. I told him you are accusing us of all these things, but we have to work together. [11]

After two turbulent years— the City Authority Act had put most many powers in the hands of the Lord Mayor—things got further complicated. In 2013, the Local Councilors voted out the Lord Mayor after a government tribunal found him guilty of incompetence and abuse of office. But the High Court Judge overturned the decision. In the middle of a political fight, tempers flared and violence escalated outside the City Hall. This was nothing new for Kampala, a city that had long been controlled by political opponents to the President and which had seen many battles between dissenting political leaders and Uganda Police with teargas filling the atmosphere.

Since 2013 the Lord Mayor and the government of Uganda remained embroiled in a judicial war, leaving the Kampala City Authority effectively without political leadership and potentially vulnerable to see any major executive decision legally challenged. In the interim, high-level meetings were chaired by the government minister. But Erias Lukwago, had pledged to launch a new Lord Mayor bid in 2016:

I will not pull out of Kampala affairs because I know whenever a hero puts down the shield before completion of the mission, the struggle becomes meaningless…I would be in my office if we had the top power, but although the court nullified my suspension and ordered me to go back in my office, I have spent over 2 years without accessing it

Erias went further, and wrote an open letter to donors exhorting donors not to lend

[11] Matsiko, H., Were, J. (2014). Jennifer Semakula Musisi. The Independent. 4 May

any money to "the people" running KCCA. In the letter the political opponent of the President and Lord Mayor of Kampala raises the spectrum of rampant corruption at KCCA, plans to embezzle a huge part of the KIIDP2 loan through overpriced contracts, denounced unacceptably high salaries that were depriving KCCA of financial capacity, and called the President the Chief Procurement Officer of KCCA.[12]

Kampala Institutional and Infrastructure Development Project (KIIDP2)

Approved by Parliament on December 19th 2014, the USD$ 175 million loan to the government of Uganda sought to finance the second phase of the Kampala Institutional and Infrastructure Development Project. KIIDP2 was a follow-up to KIIDP1, which had been successfully concluded in December 2013 and cemented a relationship of mutual trust and regard between the new administration of the city and the World Bank [**Exhibit 8**]. The KIIDP2 was ambitious: it was five times larger than the previous one, but the goal was to deliver the whole program in about five years, which was less than the number of years the city had taken to deliver KIIDP1. The government itself was contributing with extra $8.75 million for land compensation.

KIIDP2 was well aligned with the focus of the 2011 World Bank Africa Regional Strategy around increasing opportunities for economic growth, as well as the broader goals of the Bank of reducing extreme poverty and fostering shared prosperity. The new loan had a repayment period of 30 years and came with a grace period of 10 years. The loan itself had been approved by the World Bank on 20th April 2014 which was remarkably fast for such a large institution and a testament to the robust relational contract that the KCCA leaders had managed to forge with the multilateral funder.

The main purpose of the KDIIP2 loan was to enable the city authority to implement a number of new infrastructure projects and thus address the backlog of road retrofitting projects, lack of road signaling, traffic lighting, and walkways and footbridges, and lack of drainage channels. Roads and the selection of subprojects had been prioritized based on economic criteria, technical viability, connectivity and ability to distribute traffic within the city with the potential to reduce congestion and improve mobility. This component accounted for more than 90% of the loan amount [**Exhibits 9,10**].

To try to deliver the works within 5 years, and based on lessons learned from the KIIDP1 program, the World Bank had been working since 2014 with KCCA to develop designs, bid documents and supervision capability, and encouraging KCCA to talk with utility companies to discuss the relocation of old lines [**Exhibits 11,12**].

The much smaller second component of the loan, totaling $10million, was about capacity building, and thus support KCCA to develop modern IT systems for asset management, revenue collection, and project implementation, as well as a geographical information system to develop a modern urban land use database.

Getting the loan approved by Parliament was a protracted process due to the politics

[12] http://chimpreports.com/lukwagos-letter-to-donors-on-kcca-in-full/

of Kampala. The agreement survived scrutiny by the Parliament committee on National Economy which concluded the loan was aligned with the National Development Plan. Still the opposition raised issues, not against the loan per se, but about its management in the absence of the political arm at KCCA. The approval therefore followed a heated debate mounted by members of the opposition:

…with the absence of the Lord Mayor in office, KCCA has no capacity to manage public resources …There is no way we can authorize KCCA to borrow without anyone to monitor and provide oversight for the money they are borrowing [MP Muhammad Muwanga Kivumbi]

After months of wrangling between politicians, and technical explanations from the city officials of the real problems that they aimed to address with the WB loan, Parliament approved the loan. The delays in obtaining Parliamentary approval pushed the completion date in 6 months to the end of 2019. The Parliamentary decision was legally challenged by a concerned citizen who alleged that Parliament had approved the loan without the required quorum. The challenge was not successful, but the problems implementing the capital projects were just about to start.

Implementing KIIDP2

KCCA offices were a beehive of activities sheltered behind a number of security checkpoints. With the financing problem out of the way, implementation was the key issue. Coordinating the schemes was a core team of 20 staff. Obstacles surfaced everywhere. One project, the widening of the much-needed Nakulongo channel had been halted as KCCA failed to get hold of the land that was occupied by informal settlements. Expanding existing roads that were encroached was another difficult issue as KCCA lacked political and financial capacity to get people to move. Even more complicated was implementing projects that required new rights of the way.

Compulsory land purchases were allowed by the Uganda constitution but no precedent existed of trying to use that mechanism. The Constitution also ruled that compensation should always precede land acquisition in situations where government declared a certain private land of public interest. Furthermore, the 2005 Land Act had given land to the people, and thus KCCA could not take land from people without cutting a deal unless land was illegally occupied. Even getting utilities to relocate services to give right of way for civil works was not trivial. One official explained:

The difficult part is the evaluation process…determining the values …[and] whether certain people are eligible or not…everyone irrespective of whether they settled in the road reserve or not want compensation…Also for the WB, whoever is being deprived of a livelihood should benefit. Yet government thinks that if you settled in the road reserve you should not get compensated. We settled for the latter because the money would [otherwise] be prohibitive… with some people who were in temporary structures, we used a lot of political sensitization … and then what you are left with are those people who have their land titles…people unhappy with their compensation can appeal to the Chief Valuer who is not part of the KCCA establishment

Mindful of the financial pressure that land acquisition put on KCCA, the World Bank was discreetly lobbying for government to reverse policy that exempted landowners from paying local taxes whilst mindful it should not interfere with local politics:

This is a municipality that we're supporting; trying to make sure there is revenue ... of course, first of all you've to provide the facts … we're talking about big places like Kololo, Nakasero. .. what we're trying to say is, 'Get somebody to do the [property] assessment and provide the fact that if these people were paying this would be the revenue that would be generated' …through our consultants we've been getting some case studies about what is being done elsewhere ….then we're able to lobby policy makers.. Maybe the President.. try to put the case before him because he needs facts.. if he sees that a lot of money is being lost, maybe he will change it.

Serious lobbying for any major policy changes would have nonetheless to wait until the 2016 elections were out of the way. Complicating matters, the Lord Mayor had announced plans to re-apply for the job. Thus the risk was real of any initiative to move people out of their land turning into a political football and making headlines in local mass circulation newspapers. The case of a much-needed channel was telling:

Along this channel we've a lot of illegal settlements... now we've an area Minister of Parliament (MP) who has frustrated the process and said 'no', and he's even encouraging more people to get on the channel and saying 'there's money from the Bank…they need to pay my people first before they can move..' So it has become very difficult … But we also have other politicians, again from opposition from the same area, who are saying 'no, we're tired of floods' —that's a new thing.[KCCA Official]

All in all World Bank officials were sympathetic to the plight of the KCCA technocrats, and remained confident and optimistic about the whole program. KCCA had been given flexibility to change the sequence to implement road projects so as to work around difficulties in acquiring land and displacing people. KCCA itself was progressing with the works by sections as land became available, doing sectional handovers, and trusting on communities to put pressure on illegal settlers to move.

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Mrs. Jennifer Musisi, KCCA executive director, did not have an easy task. Albeit the lack of political leadership at the authority, Jennifer had a mandate to implement the program agreed with the World Bank. The Bank was generally pleased with the way the organization had been able to turnaround. But every KCCA strategic decision was subjected to political scrutiny from third parties ranging from accusations of illegal and dictatorial exercise of power, to an example of professional management and leadership. Lack of funds to acquire land was another major challenge that KCCA was facing. Hence it was reasonable to assume difficulties in delivering the KIIDP2 program agreed with the World Bank within the originally intended timescale.

Operating under the shadow of tough politics, what could Jennifer Musisi do? So far the tactic seemed to have been to work with the Minister for Kampala, the 32 elected Councillors, and the five local Mayors to forge ahead. This had borne fruit: KCCA had successfully negotiated the KIIDP2 and got it through Parliament. But would this approach garner sufficient political support to tackle the problems of acquiring land, displacing illegal occupiers, and working with utilities? And how could Jennifer prepare for a potential come back of the former Lord Mayor in less than a year?

Exhibit 1 Functions of the KCCA Lord Mayor and Executive Director (Kampala City Act 2010)

29. Functions of Mayor
(1) The functions of a mayor are—
(a) to be the political head of a division urban council;
(b) to preside over the meetings of a division urban council;
(c) to head the division urban council in developing strategies and programmes
for the development of the division urban council;
(d) to provide guidance to the ward ur
ban councils, village urban councils and
street committees; and
(e) to liaise with the Authority on matters relating to the division urban council.
19. Functions of executive director
The functions of the executive director shall include the following—
(a) to be the head of the public service in the Authority and to head the administration of the Authority, including divisions and wards;
(b) to be the accounting officer of the Authority;
(c) to be responsible for the management of all public funds of the Authority and accountable to Parliament;
(d) be responsible for coordination and implementation of national and council policies, laws, regulations, byelaws, programmes and projects;
(e) advise the mayor and Authority on Government policy;
(f) present the annual budget to the Authority;
(g) advise the Authority on technical, administrative and legal matters pertaining to the
management of the Authority;
(h) implement lawful decisions taken by the Authority;
(i) oversee the delivery of quality services to the population within the Capital City and
take remedial action where service delivery standards are below the expected minimum
standards;
(j) ensure proper physical planning and development control in the urban councils;
(k) monitor and coordinate the activities of the directorates of the Authority and of the lower Authority;
(l) be the custodian of all the assets and records of the Authority;
(m) attend meetings of the metropolitan Authority;
(n) supervise and evaluate staff performance;
(o) liaise with the central Government and other institutions on behalf of the Authority;
(p) conduct the public relations of the Authority;
(q) promote trade order;
(r) mobilise the urban community for development and sustainability of infrastructure and services;
(s) be responsible for the enforcement of ordinances and byelaws made by the Authority

and its lower council units;
(t) be responsible to the Authority, subject to the general directions of the Minister;
(u) on day-to-day operations, be responsible to the Authority; and
(v) make reports to the council and the Minister on the state of affairs of the Capital City
at least once a year or as the Minister or the Authority may determine;
(w) to perform any other duties assigned by the Authority or the Minister.

Exhibit 2- KIIDP2 Institutional and Implementation Arrangements

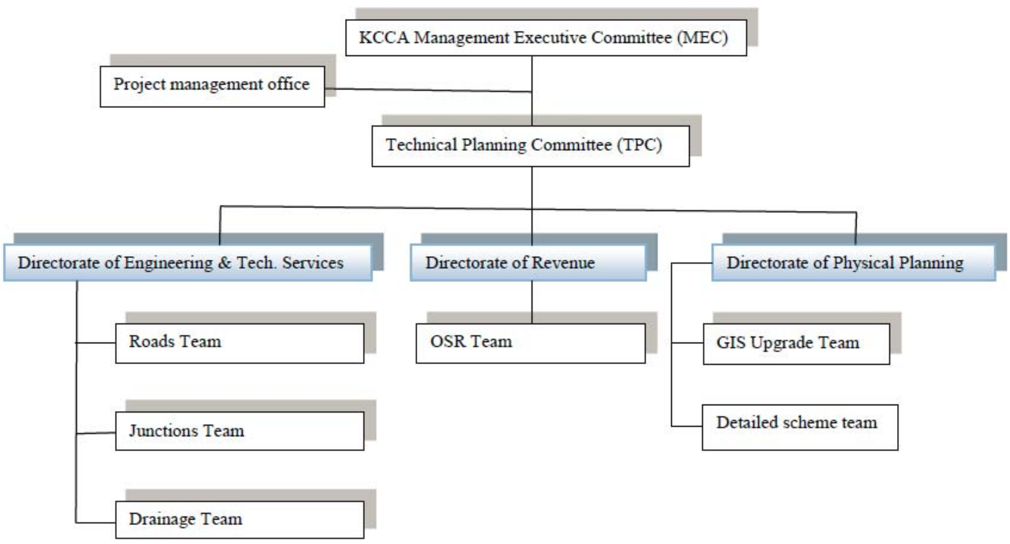

Exhibit 3 Uganda Key Economic Indicators

Table 1: Key economic indicators (year ending June)	2010	2011	2012	2013	2014	2015e
Population (m)	31.0	31.9	32.9	33.9	34.9	35.9
GDP (USD'm)	17,933	17,947	24,034	24,642	26,505	27,936
GDP growth (%)	5.2	9.7	4.4	3.3	4.5	5.4
DGP per capita	579.0	562.0	731.0	727.0	759.0	
Inflation	9.4	6.5	23.4	5.8	6.9	2.6
Ave lending rate	18.2	19.2	24.6	24.8	22.1	n.a
UGX/USD	2,283	2,623	2,472	2,593	2,581	n.a

Source: World Bank Uganda Country Report, February 2015

Exhibit 4 Map of Kampala Capital City, 2014

Exhibit 5 – Example of billboard advertising Japanese used car sales

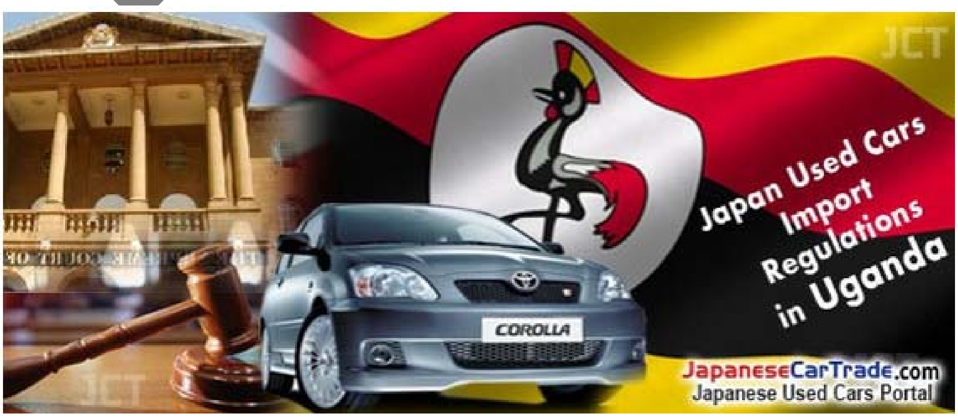

Exhibit 6 Summary of GCR Creditworthiness of KCCA

GCR GLOBAL CREDIT RATING CO.
Local Expertise • Global Presence

GLOBAL CREDIT RATING CO.

Kampala Capital City Authority

Uganda Local Authority Analysis **May 2015**

Rating class	Rating scale	Rating	Rating outlook	Expiry date
Long term	National	$A_{(UG)}$	Stable	May 2016
Short term	National	$A1_{-(UG)}$		

Financial data:

(USD'm comparative)

	30/06/13	30/06/14
UGX/USD (avg)	2,557.6	2,506.8
UGX/USD (close)	2,569.9	2,593.0
Total assets	192.9	202.6
Total debt	16.6	16.4
Total capital	172.7	181.2
Net debtors	22.9	24.5
Cash & equiv.	5.0	3.9
Total income	64.6	90.4
Net result	7.2	0.8
Op. cash flow	14.1	21.2
Net capex	17.8	20.6
Market cap.	n.a	
Market share	n.a	

Rating history:

Initial Rating (April 2015)
Long term: $A_{(UG)}$
Short term: $A1_{-(UG)}$
Rating outlook: Stable

Related methodologies/research:

Criteria for Rating Local Authorities, updated February 2015

GCR contacts:

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Summary rating rationale

- Kampala is the financial centre of Uganda, accounting for approximately 80% of industrial and commercial activity and contributing 65% to GDP. Thus, the city is considered critical to the country's prosperity, implying strong government support.
- Government support has also been demonstrated through the establishment of KCCA and the assignment of a minister to represent the city in the Cabinet. This implied and demonstrated support is an important supporting factor in respect of the ratings.
- KCCA has made good progress in updating its property register, licencing taxis and other businesses, and generally expanding the rates and fees base. Combined with improved debtors' collection, this has seen internal revenue rise from UGX40bn in F12 to UGX72bn in F14. Internal revenue is expected to rise sharply in the medium term, to comprise around 40% of total income in F16, thereby reducing the municipality's reliance on government grants.
- While the staff cost ratio (whether to total expenses or income) remains above the 35% benchmark that GCR considers prudent for public entities, the sharp downward trend in F14 indicates that new hirings are having a positive economic impact on KCCA.
- KCCA currently has no debt, but the city is considering future debt funding. This will only be for projects that are able to generate sufficient revenue to service the obligation. However, legislation caps debt funding at 10% of internal revenue, a limitation that will have to be eased if KCCA is to tap the commercial debt market.
- Although the much more stringent cash management efforts are positively noted, maintaining only negligible cash balances does expose the municipality to unforeseen liquidity requirements. In addition, it exposes KCCA to the financial health of the National Government, even if amounts have been allocated to the city.
- KCCA's financial position is constrained by the substantial socio-economic challenges faced by most of its residents. This has limited the amount of income the municipality can generate, while at the same time increasing the burden of service delivery.
- The improved operational capacity has engendered renewed confidence from development institutions, which are now engaging KCCA on potential projects. Maintaining their confidence is critical as KCCA will need their assistance in implementing the substantial infrastructure programmes that are necessary.

Factors that could trigger a rating action include:

Positive change: Sustained growth in internal revenue, making KCCA more self-sustainable, would be positively viewed. Demonstrated ability to bring large infrastructure projects to fruition.
Negative change: Reversal of the operational progress made at the municipality, potentially evidenced by rising expenditure on staff and consumption. Lack of progress in addressing the social and infrastructural needs of the city.

Uganda Local Authority Analysis | Public Credit Rating

Exhibit 7a - KCCA Income, Expenditure, Grant Funding

Table 2: Sources of income	F12		F13		F14	
	UGX'm	%	UGX'm	%	UGX'm	%
Property rates	11,325.0	10.0	14,516.4	8.8	24,146.2	10.7
Parking fees	5,390.3	4.7	12,530.4	7.6	15,917.1	7.0
Business licences	8,766.3	7.7	13,268.4	8.0	12,926.4	5.7
Service taxes	9,076.7	8.0	8,697.4	5.3	11,401.5	5.0
Other	4,964.7	4.4	6,529.2	4.0	7,830.9	3.5
Total IGR*	**39,523.0**	**34.8**	**55,541.8**	**33.6**	**72,222.1**	**31.9**
Grants	71,895.6	63.3	88,160.3	53.4	154,112.9	68.0
Other	2,170.7	1.9	21,485.6	13.0	159.3	0.1
Total income	**113,589.3**	**100.0**	**165,187.7**	**100.0**	**226,494.3**	**100.0**

* Internally generated funds.

Table 4: Expenditure	F12		F13		F14	
	(UGX'm)	%	(UGX'm)	%	(UGX'm)	%
Salaries and wages	50,829.2	47.1	75,310.2	51.3	89,308.7	39.8
Grants & donations	7,739.0	7.2	5,589.6	3.8	7,590.7	3.4
Depreciation	0.0	0.0	979.8	0.7	2,673.0	1.2
Goods and services	17,908.0	16.6	23,192.3	15.8	21,516.8	9.6
Other expenses	11,835.0	11.0	6,966.0	4.7	36,931.0	16.4
Repairs & maint.	19,578.4	18.1	34,734.5	23.7	48,878.4	21.8
Prov. for bad debts	0.0	0.0	0.0	0.0	17,660.2	7.9
Total	**107,889.5**	**100.0**	**146,772.4**	**100.0**	**224,558.8**	**100.0**

Table 3: Grant Funding (UGX'm)	F12	F13	F14	B15
Operational	27,452.4	63,091.9	78,747.7	67,074.8
Capital	44,443.2	25,068.4	38,090.1	77,653.5
Other gov. units	-	-	33,693.9	-
External funding	-	-	3,581.3	22,517.1
Total	**71,895.6**	**88,160.3**	**154,112.9**	**167,245.4**

Exhibit 7b- KCCA Income Statement

Kampala Capital City Authority

(UGX in Millions except as Noted)

INCOME STATEMENT Year end: 30 June	2011	2012	2013	2014
Tax revenues	52,074.3	39,523.0	55,541.8	72,222.1
Grant funding	46,335.9	71,895.6	88,160.3	154,112.9
Other income	426.4	2,170.7	21,485.6	159.3
Total income	**98,836.6**	**113,589.2**	**165,187.7**	**226,494.3**
Bad debt write-offs and provisions	0.0	0.0	0.0	(17,660.2)
Expenses	(86,632.1)	(107,889.5)	(146,772.4)	(206,898.5)
Net interest & capital charges	0.0	0.0	0.0	0.0
Surplus/(deficit) before taxation	**12,204.5**	**5,699.7**	**18,415.4**	**1,935.6**
Transfer (to)/from treasury	0.0	(11,956.4)	16.2	0.0
Net surplus/(deficit)	**12,204.5**	**(6,256.7)**	**18,431.6**	**1,935.6**
BALANCE SHEET				
Funds, Reserves & Accumulated Surplus	**112,834.2**	**77,339.4**	**443,863.3**	**469,954.5**
Short term debt	0.0	0.0	0.0	0.0
Long term debt	42,570.4	42,570.4	42,570.4	42,570.4
Total debt	**42,570.4**	**42,570.4**	**42,570.4**	**42,570.4**
Non interest bearing liabilities	16,099.8	20,796.1	9,262.8	12,902.5
Total Liabilities	**171,504.4**	**140,705.9**	**495,696.6**	**525,427.4**
Fixed Assets & WIP (net of loans redeemed & other capital receipts)	45,094.1	48,993.9	420,937.9	448,350.3
Investments & other (excl. cash investments)	0.0	2,629.7	0.0	0.0
Net debtors	71,894.7	54,439.2	58,950.5	63,448.9
Inventory	0.0	1,660.1	2,842.0	3,633.4
Cash & cash investments*	54,515.6	32,301.9	12,966.2	9,994.8
Other current assets	0.0	681.1	0.0	0.0
Total Assets	**171,504.4**	**140,705.9**	**495,696.6**	**525,427.4**
CASH FLOW STATEMENT				
Cash generated by operations	26,801.1	1,318.0	45,341.0	60,148.8
Utilised to increase working capital	0.0	12,514.4	(9,256.0)	(6,923.4)
Cash flow from operations	**26,801.1**	**13,832.4**	**36,085.0**	**53,225.3**
Net capital expenditure	(3,437.9)	(6,379.6)	(45,505.3)	(51,640.2)
Net investment activity (excl. cash investments)	0.0	0.0	0.0	0.0
Borrowings: increase / (decrease)	0.0	0.0	0.0	0.0
Cash and cash investments : (increase)/decrease	(23,363.1)	(7,452.9)	9,420.3	(1,585.1)
Net debt: increase/(decrease)	**(23,363.1)**	**(7,452.9)**	**9,420.3**	**(1,585.1)**
KEY RATIOS				
Credit Protection Measures:				
Gross interest cover (x)	n.a.	n.a.	n.a.	n.a.
Net interest cover (x)	n.a.	n.a.	n.a.	n.a.
Operating cash flow interest cover - gross (x)	n.a.	n.a.	n.a.	n.a.
Operating cash flow : net debt (%)	n.a.	134.7	121.9	163.4
Total debt : capital outlays (%)	94.4	86.9	10.1	9.5
Total debt : total income (%)	43.1	37.5	25.8	18.8
Net debt : total income (%)	n.a.	9.0	17.9	14.4
Net capex : total income (%)	3.5	5.6	27.5	22.8
Current ratio (:1)	7.9	4.3	8.1	6.0
Days cash on hand (days)	229.7	109.3	32.2	16.2
Days cash on hand (days) - excluding unspent conditional grants	229.7	109.3	32.2	16.2
Bad debt writeoffs : current debtors (%)	0.0	0.0	0.0	0.0
Efficiency:				
Staff expenses : total expenses (%)	16.7	47.1	51.3	39.8
Staff expenses : total income (%)	14.6	44.7	45.6	39.4
Distribution loss - water (%)	n.a.	n.a.	n.a.	n.a.
Distribution loss - electricity (%)	n.a.	n.a.	n.a.	n.a.
Debtors : tax, general & trading income (%)	73.1	48.9	40.8	27.9
Collection period (days)	266.7	178.3	148.8	102.0
Gross debtors: total income (%)	72.7	47.9	50.7	31.0
Net debtors: total income (%)	72.7	47.9	35.7	28.0
Growth Statistics:				
Increase in salaries and allowances (%)	n.a.	251.2	48.2	(2.3)
Increase in debtors (%)	n.a.	(24.3)	53.7	13.5
Increase in capex (%)	n.a.	85.6	613.3	10.0
Increase in net debt (%)	n.a.	n.a.	188.3	163.4

Exhibit 8- World Bank Assessment of the KIIDP1 (International Development Association, Project Appraisal Document of a Proposed Credit to the Republic of Ugnda, 2014. Report No. PAD800.

Triggers	Benchmarks	Status
New organizational system operational	Staffing level 80%[18] filled.	**Achieved.** As of November 8, 2013, a total of 398 staff have been appointed (up by 39 staff from 359 in April) out of the 400 staff target for the financial year 2012/13. This represents 99% of the target for FY2012/13. In addition to the permanent staff, the Authority had also employed 529 temporary staff as of April 30, 2013.
	Performance-based compensation system implemented for key staff (Heads of Department, Deputy Heads and Senior Principal Assistant Town Clerks).	**Achieved.** Under the new KCCA structure, top management (deputy directors and above) are "on contract" (i.e. three year renewable contracts with incentives for performance). An instrument to measure staff performance has been developed. The tool is based on the Balance Score Card system and competence- based management system. The proposed instrument has clear sanctions and rewards for each of the performance levels attained by the staff as outlined below: • Level 1 – Unsatisfactory performance; Termination on performance grounds • Level 2 – Needs improvement; Put on Performance Improvement Plan (PIP) • Level 3 – Meets expectations; Paid a normal monthly salary and encouraged to improve further • Level 4 – Exceeds expectations; Promoted if a vacancy exists • Level 5 – Outstanding performance; Promoted immediately and paid a performance bonus.
	Enforcement of the Leadership Code	**Achieved.** The staff code of conduct is being enforced. KCCA management is committed to implementing activities particularly those aimed at enhancing the culture of transparency, accountability and due process. Management is also enforcing a policy of "zero" tolerance to corruption. As of January 2014 disciplinary actions were taken on a total of 89 KCCA staff (65 terminations, 8 interdictions, 16 warnings).
Establish and implement a formal public consultation process	Framework for measuring KCCA performance by stakeholders in place	**Achieved.** Second and last Citizen Scorecard Report under the project was completed. KCCA management has adopted the CSC Report and continued to take on board the findings to address citizens' views and concerns.
	Media strategy implemented	**Achieved.** Following the preparation of the new KCCA Corporate Strategy, the media strategy has been discussed by KCCA management and a rebranding process completed. The new KCCA corporate identity and status, including a new logo was launched on November 29, 2012.
	Budget and development planning consultation carried out	**Achieved.** KCCA has continued to hold budget and development planning conference for all stakeholders. Since April 2013 KCCA has held five "barazas[19]".
Implementation of financial recovery action plan (FRAP)	Reduce the stock of overdue liability from UGX[20] 8 billion to UGX 3 billion	**Achieved.** Overdue liabilities had been reduced from UGX8bn to 0. However there are unverified claims of UGX2.6 billion. KCCA, in consultation with the Accountant General, intends to take measures to clean its books from these unclaimed liabilities.
	Increase own-source revenue from UGX 22 billion to UGX 33.5 billion	**Achieved.** OSR collection for FY2012/13 was UGX55.71 billion
Comprehensive O&M plan for infrastructure	Provision and release of adequate O&M budget	**Achieved.** In FY2012/13, of a total budget of UGX70.298 billion from OSR, UGX26.6 billion was allocated to wages, UGX 24.0 billion to non-wage costs, and UGX 19.7 billion to development.
	Quality control system in place and operationalized for both O&M and new construction.	**Achieved.** The Quality Management System (QMS) introduced in Engineering and Works and Physical Planning Directorate. Plans are underway to roll the system to the other Directorates/Departments under the proposed KIIDP 2.
Effective implementation of the infrastructure rehabilitation and maintenance	Infrastructure investments selected based on sound appraisal and public consultation	**Achieved.** Infrastructure investments are selected based on sound appraisal and public consultation.
	Quality Assurance System (QAS) is operational	**Achieved.** QAS has been started in the engineering and technical services with plans to roll-out the system to all the KCCA departments.

Exhibit 9 –KIIDP2 Investment Program (World Bank report 2014)

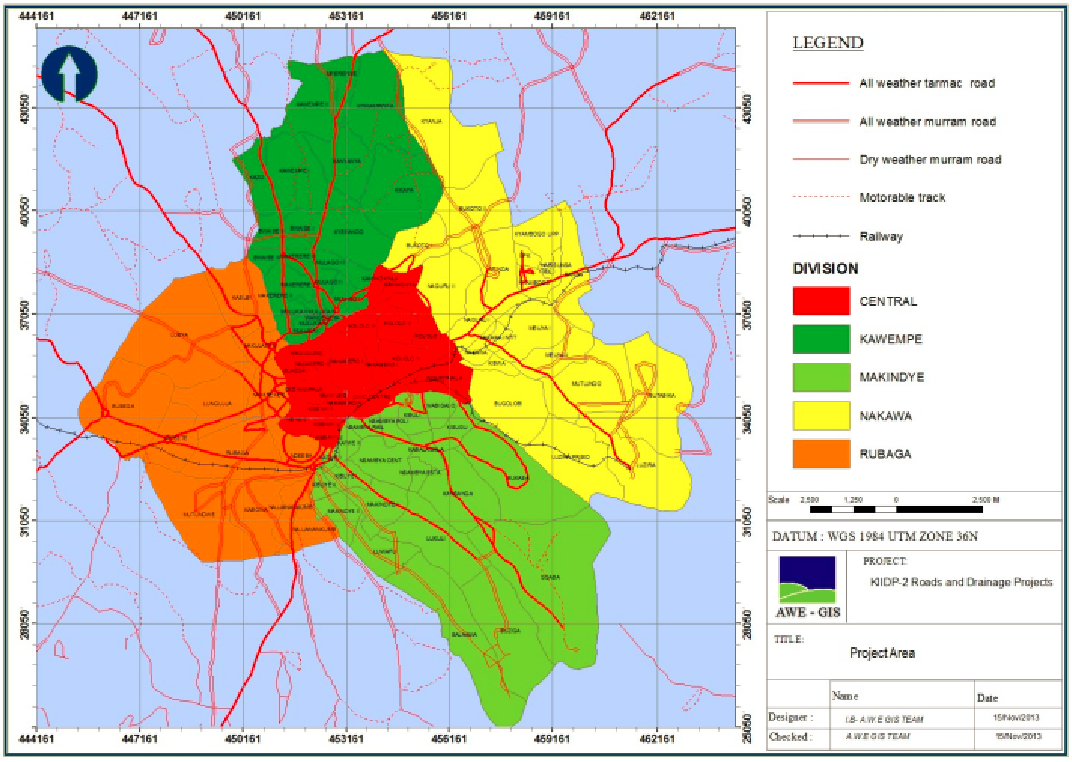

Exhibit 10–Mambule Road, one road to be constructed under KIIDP 2

Source: http://www.redpepper.co.ug/parliament-approves-ugx-500-billion-kcca-loan/

Exhibit 10 KIIDP2 List of Procurement Packages

1	2	3	4	5	6	7	8	9
Ref. No.	**Contract (Description)**	**Estimated Cost ($ mill) – excludes local taxes**	**Procurement Method**	**Pre-qualification (yes/no)**	**Domestic Preference (yes/no)**	**Review by Bank (Prior / Post)**	**Expected Bid-Opening Date**	**Comments**
Goods								
1	Purchase and Installation of Revenue Management System	2.856	ICB	No	No	Prior	7-Jun-14	
2	Purchase and Installation of the GIS Enhancement Software	0.656	ICB	No	No	Prior	7-Jun-14	
3	Purchase of Transport Management System	0.85	ICB	No	No	Prior	7-Sept-14	
Works								
4	Dualling and Signalization of Batch 1 Roads and Junctions	29.83	ICB	No	No	Prior	May 2014	final designs and bidding documents awaited
5	Improvement of Nalukolongo Drainage Channel	13.2	ICB	No	No	Prior	May 2014	Pending submission of final design
6	Construction of Batch 2 Roads and Junctions	89.2	ICB	No	No	Prior	Dec 2014	
7	Improvement of Kinawataka Drainage Channel and Other Secondary Drains	24.78	ICB	No	No	Prior	Dec 2014	

Exhibit 11 – KDDIP2 Procurement Notice

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Projects & Operations

NOTICE

UG-KIIDP 2

GENERAL PROCUREMENT NOTICE

UGANDA
KAMPALA INSTITUTIONAL AND INFRASTRUCTURE DEVELOPMENT PROJECT PHASE 2

Project ID No.: **P133590**

The Government of Uganda has applied for financing from the World Bank in the amount of US$ 175 million equivalent toward the cost of the Kampala Institutional and Infrastructure Improvement Project Phase 2,and it intends to apply part of the proceeds to payments for goods, works, related services and consulting services to be procuredunder this project.

The principal objectives of KampalaInstitutional and InfrastructureDevelopment Project are to deepen the institutional reforms inKampala and enhance City infrastructure to improve urban mobility for economic development

The project will include the followingcomponents: (i) City wide road and drainageinfrastructure development and (ii) Institutional and systems development with a focus on enhancing KCCA organizational capacity forCity Management

Procurement of works and consultancy services under this project includes, interalia:

Works: (i) Upgrading, reconstruction and dualling of 50km of roads. (ii) Upgrading of 28 junctions through expansion and signalisation and (iii) improvement of selected stormwaterdrainage systems including 21 km of primary drains and 53 km of secondary drains
ConsultancyServices: (i) Feasibility anddetailed designs of the proposed works projects (roads, junctions and stormwater drains), (ii) Construction supervision oftheproposed works projects (roads, junctions and stormwater drains),(iii) Updating of the Kampala Drainage Master Plan,

(iv)Development of the Greater Kampala Metropolitan Transport Strategy and Traffic Signal Standards (v) Development of the Kampala CityInfrastructure AssetRegister and (vi) procurement and financial audits and related services

Procurement of contracts financed by the WorldBank will be conducted through the procedures as specified in the World Bank's *Guidelines:Procurement of Goods, Works, and non-Consulting Services under IBRD Loans and IDA Credits & Grants(January 2011)*, and isopen to all eligible bidders as defined in the guidelines. Consulting services will be selected in accordance with the World Bank's *Guidelines: Selection andEmployment of Consultants under IBRD Loans & IDA Credits &Grants by World Bank Borrowers (January 2011)*.

Specific procurement notices for contracts tobe bid under the WorldBank's international competitive bidding (ICB) procedures and for contracts for consultancy services will beannounced, as they become available, in *UN Development Business* and *dgMarket*, in the internationalpublications (where applicable), and in the local and regional newspapers.

Prequalification of suppliers and contractorswill not be required.

Requests for Expression of Interest forConsultancy Services are expected to start in December 2013.

Invitations to bid are expected to start inJanuary 2014.

Interested eligible bidders who wish to be included on the mailing list to receive invitations to bid under ICB procedures,and interested consultants who wish to receive a copy of advertisement requesting expressions of interest for consultancycontracts, or those requiring additional information, should contact the address below.

TheHead of Procurement andDisposal Unit,
Kampala Capital CityAuthority
Plot 1-3 Apollo KaggwaRoad
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1st Floor Room B114A
P. O. Box 7010 Kampala ?Uganda
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Website: www.kcca.go.ug