

HIGH COST OF ROADS IN UGANDA: WOULD LESS PRICING

Why is it more expensive to build roads in this country?

In the first part of this series, the informal nature of the local construction sector was largely blamed as a big contributor to the escalating infrastructural costs. In today's part, we look at the impact of the cost of raw materials on the overall unit cost of projects. More stakeholders continue to share their views

In Uganda, there are peculiar things that affect the final unit cost of our infrastructural projects, making them appear more expensive than in countries like Kenya and Ethiopia. Key among them is the cost of the raw materials used in these projects," says a key figure on the Standard Gauge Railway (SGR) project that prefers anonymity. More so, the commission of inquiry into allegations of mismanagement, abuse of office and corrupt practices in the Uganda National Roads Authority (UNRA) also, as part of its methodology, carried out a study on the unit cost of road construction with special focus on bill of quantities items that consume the biggest portion of the budgets.

Chaired by Justice Catherine Bamugemereire, the commission established that the unit cost of Asphalt Concrete (AC) in Uganda is 19% higher than the unit cost in Rwanda and 52% higher than the corresponding cost in Ethiopia. The cost of base course of crushed stone or natural gravel in Uganda is 6% higher than the cost in Rwanda and 130% higher than the corresponding cost in Ethiopia.

"The cost of sub-base in Uganda is 221% higher than the corresponding cost in Rwanda, while for sub-grade layers out of selected material; the cost in Uganda is 69% higher than the cost in Rwanda and 125% higher than the corresponding cost in Ethiopia," the commission's report read.

Rock excavation in Uganda is more costly by 19% than in Rwanda. Compacted fill material in Uganda is 172% more costly than in Rwanda, 68% higher than in Ethiopia and 15% higher than in Namibia.

Double Bituminous Surface Treatment (DBST) or surface dressing in Uganda is 133% higher in cost than in Namibia, 71% higher than in Ethiopia and 61% higher than in the neighbouring Rwanda.

Prime coat application (MC30 cutback bitumen) in Uganda is 27% higher in cost than in Rwanda, 11% higher than in Ethiopia and 29% higher than in Namibia. Grouted stone pitching in Uganda is 196% higher than the corresponding cost in Ethiopia. All the sampled comparative bill items reveal that the unit costs are higher in Uganda than in any of the three countries, that is Rwanda, Ethiopia and Namibia.

The SGR source argues that before people start raising dust over the cost of Uganda's part of the SGR, they should put into consideration the impact of the unit costs of these raw materials on the final project costs.

"For example, the cost of cement in Uganda is around \$180 per tonne



A road under construction in eastern Uganda. Compared to other countries, some construction material in Uganda is higher by 100%

SUNDAY SPOTLIGHT BY RONALD MUGABE

by the 850,000 tonnes we need in comparison to Kenya's and Tanzania's. It amounts to a huge difference in figures," the source says.

Putting fuel as another key resource into perspective, the source explains that fuel in most of the neighbouring states, especially those with access to the coast, is cheaper compared to Uganda.

"The difference per litre might seem insignificant but when

multiplied by the millions of litres required to complete the job, it becomes evident we spend a lot more money.

That affects a lot of prices in the construction process if you put into consideration how much fuel is needed

steel and other machinery to sites," the source stated. More so, Uganda spends about \$700 per tonne of steel yet Kenya spends about \$550 per tonne; implying a cost difference of about \$150 per tonne. This, according to the source, is largely overlooked by those making comparisons. The source reveals that to make fair comparisons,

OTHER FACTORS

Sam Mutabaazi, the executive director of Uganda Road Sector Support Initiative (URSSI), states that there are several other factors that have kept the problem of high infrastructural unit costs alive.

"Subcontracting is also another often overlooked challenge. Sometimes, you have contractors subcontracting other companies and in the process, some conflicts arise. These are usually due to absence of clear guidelines," he says.

He gives the example of the Katosi road scandal where Eutaw subcontracted Chinese firm, CICO. "I think Kagina's UNRA has tried to deal with this issue of subcontracting but if the subcontracting is not done in very clear terms, then conflicts like the one on Katosi will continue to lead to heavy loss money," Mutabaazi advises.

He also mentions that the long time taken to compensate project affected persons also escalates unit costs. "It is public knowledge that most of our projects involve compensation and this is a very complicated process. It involves a lot of money and sometimes, the

land ownership is very tricky and leads to delays that attract overriding costs that have an effect on the unit rate," he says.

"Lack of equipment also contributes to the country's problem of high unit costs. Most of the companies don't have adequate equipment. In most cases, you find that some of these companies have worn out equipment or they completely don't have. It should be noted that most of these machines are very expensive, hence unaffordable to some companies," Mutabaazi adds.

The high unit cost of Uganda's infrastructural projects has a lot to do with politics too. According to several experts, politics plays a huge role in determining how the projects are delivered. Mutabaazi argues that if there was institutional independence, we would have very good projects being delivered and in time.

"Government has shown interest in investing in infrastructural development, but has not allowed the responsible institutions to do their work professionally and independently. If you look at a country like Ethiopia which is a model in the region and Africa as a whole, they have allowed their institutions to grow and their personnel to acquire skills. We actually are hiring their engineers here as consultants on our projects,