

Govt halts 27 major road projects over Shs2t shortage

During the budgeting cycle, the Works and Transport ministry put forward a request of Shs3.153 trillion, but was allocated only Shs682b, leaving a funding gap of Shs2.472 trillion. To make matters worse, the government needs funds for land acquisition, resulting in suspension of roadworks.

BY TOBBIAS JOLLY OWINY

Construction of at least 27 major road projects countrywide has hit a dead end following government decision to suspend or slow down roadworks, citing a cash shortage.

While briefing Parliament on the status of implementation of key national roads projects and the effects of funding shortfalls in the 2025/2026 financial year, on Wednesday, Gen Edward Kautumba Wamala, the Works and Transport minister, detailed several roads where construction has been suspended, including those that will progressively be slowed, highlighting a Shs2.472trillion shortage.

During the budgeting cycle, the ministry put forward a request of Shs3.153 trillion, but was allocated only Shs682b, leaving a funding gap of Shs2.472 trillion.

According to Gen Wamala, the suspended works resulted from non-payment of contractors. By the end of July 2025, the department was handling 28 road upgrading projects, 10 road rehabilitation projects, and 11 bridge construction projects.

While reaffirming the ministry's strategy for sustaining progress amidst prevailing constraints, Gen Wamala said the ministry was allocated about 22 percent of the required Shs3.153 trillion.

"Against this requirement, only Shs682b has been allocated under the Medium-Term Expenditure Framework (MTEF), leaving a financing gap of Shs 2.472 trillion. This represents only 22 percent of the required funding."

Of the Shs3.153 trillion, the ministry had planned to use Shs2.082 trillion on ongoing works, land acquisition, and counterpart obligations, and another Shs1.071 trillion for arrears in accumulating commercial interest and monthly cost claims from contractors carried forward from FY2024/2025, this publication established.

"As of July 2025, 27 projects have been affected by either full suspension or a significant reduction in progress. These include 18 fully funded by the Government of Uganda, where contractors have suspended or slowed down works due to delayed payments, and nine externally financed projects, where delays are primarily attributed to the government's inability to provide timely counterpart funding," he said.

According to Gen Wamala, the dilemma is exacerbated by land acquisition issues, with Shs443b needed for com-

pensation and enabling access to sites, which has grounded externally funded projects.

"The cumulative effect of these suspensions and delays has led to slow absorption of project resources, exposure to financial claims, risk of asset deterioration, and reputational concerns," he stated.

This trend, according to him, follows a continued decline in the government's allocations over the National Development Plan period.

For example, he explained to Parliament how the government's contributions have reduced from Shs1.86 trillion in the FY2020/2021 to Shs682b in FY2024/2025, with the latter representing only 20 percent of the third National Development Plan (NDPIII) target for that year.

This sustained underinvestment, he said, has resulted in the accumulation of certified debt, stalling of ongoing projects, and deterioration in the condition of the road network.

Affected works

Among the affected roads are the Masindi-Biiso and Kabale-Kiziranfumbi roadworks and key oil roads. According to the Ministry of Works and Transport, the two projects hold a combined Shs111b that has not been paid to the contractors.

The other road projects that have been fully suspended due to non-payment include the Najjanankumbi-Busabala Road, Moroto-Lokitanyala Road, Mityana-Mubende Road, and the 72km Kampala-Jinja Highway.

Although partial payments were effected in Quarter Four of FY2024/2025 on some projects, the amounts released were insufficient to restore full momentum, the minister stated.

Most contractors have not resumed full operations, and most project sites remain partially mobilised or idle, as of July 2025, 27 projects have been affected by either full suspension or significant reduction in progress, he said.

21,292

Uganda's national road network currently consists of approximately 21,292km, of which 6,312.1km are paved and the remaining 14,980km are unpaved, according to Works ministry.



AFFECTED ROADS

Of the 27 road projects, 18 projects are fully funded by the government, and the contractors have had work suspended or slowed down due to delayed payments. Whereas there are nine externally financed projects, delays in the other nine projects have resulted due to the government's inability to provide timely counterpart funding for land acquisition, taxes, or enabling works.

The projects include

- Kira-Kasangati-Matugga
- Kisubi-Nakawuka-Nateete,
- Nakawuka-Kasanje-Mpigi
- Nakawuka-Mawagulu-Nanziga-Maya,
- Kasanje-Buwaya
- Entebbe-Nakiwogo Road
- Alwii-Nebbi Road
- Matugga-Semuto-Kapeeka
- Karuma-Pakwach Road
- Busunju-Kiboga-Hoima Road
- Karuma-Olwiyo
- Masindi-Biiso
- Kabale-Kiziranfumbi Road

Gen Wamala said key bridge projects, such as Katonga Bridge, including Lwera and Kalandazi swamp crossings on Masaka Road, Upper Katonga Bridge on Kabulasoke-Villa Maria Road, remain under constrained progress.

"The funding shortfall of Shs2.472 trillion in the FY2025/2026, has had far-reaching consequences on the implementation of the national roads programme. These impacts are manifested across land acquisition, ongoing project performance, the paved road network, and maintenance of gravel roads," he told Parliament.

"The cumulative effect of these suspensions and delays has led to slow absorption of project resources, exposure to financial claims, risk of asset deterioration, and reputational concerns. If not urgently addressed, these disruptions will compromise Uganda's ability to deliver critical national infrastructure and maintenance of the existing network," he said.

Set of options

It will now require Shs888m per kilometre for periodic maintenance intervention costs or Shs2.59b per kilometre, which is approximately three times the periodic maintenance costs. Due to severe degradation, the periodic maintenance is not done.

A truck is driven on the Karuma-Olwiyo-Pakwach Road that is under rehabilitation, on July 20. The construction works have not been completed due to funding gaps. PHOTO/FELIX WAROM OKELLO

Deterioration of the 1,993km due for period maintenance further into rehabilitation, would result in a preventable fiscal loss of up to Shs850b. This, according to Gen Wamala, however, does not include the direct cost for the road users, such as vehicle maintenance.

"If roads already earmarked for rehabilitation are neglected further, they transition into the reconstruction category, which costs Shs3.70b per kilometre. Consequently, failure to address just 100km of rehabilitation-ready roads could impose an added burden of Shs111b."

The national gravel road network, spanning over 14,000km, is also facing significant pressure due to poor funding and recurring climatic shocks. Whereas 48 percent are marked to be in good condition, 35 percent are in fair condition, and 17 percent are in poor condition.

The Works ministry blames the situation on unreliable and inadequate fund releases for grading and spot improvements, depletion of gravel materials in high-demand districts, infrastructure degradation due to flooding, landslides, and prolonged wet seasons, among others. "The ministry's capacity to respond to routine maintenance demands has been stretched. Without predictable funding and mechanisation support, rural access and road connectivity are likely to deteriorate further," Gen Wamala said.

He proposed to the government to prioritise and ring-fence funding for periodic maintenance, clear certified arrears, manage further contractor demobilisation and avert accumulation of commercial interests, among others.

"The most economically prudent intervention is to protect roads still in maintainable condition; periodic maintenance should be prioritised and ring-fenced in the FY2025/2026 to prevent 1,993km from degrading into higher-cost rehabilitation or reconstruction categories. This alone could avert fiscal losses of over Shs850b," Gen Wamala said.

He added: "Restore momentum on suspended or slowed-down sites; priority should be placed on fully suspended government-funded projects such as Mityana-Mubende, Kampala-Jinja, and the Busega-Mpigi Expressway, among others."

The ministry recommends that a substantial portion of the Shs1.071 trillion

in arrears be cleared early in the financial year. Land acquisition is a recurring constraint affecting both donor and government-funded projects. An immediate allocation of at least Shs843b is required in FY2025/2026, to enable access to sites and avoid breach of contract obligations, he added.

After the merger of the Uganda National Roads Authority (Unra), the Department of National Roads under the ministry took over management of all ongoing roadworks previously under Unra.

During the sitting, the House did not debate the matter since none of the responsible ministers from the Ministry of Finance were present to respond to the issues Gen Wamala raised in the report.

This publication also established that the funding shortfall of Shs2.472 trillion in FY2025/2026 has triggered project suspensions, delayed land acquisition, accumulated arrears, and increased fiscal exposure through interest and claim liabilities.

The national paved network is now experiencing a backlog of 2,460km requiring urgent intervention. Without decisive action, an additional 300km to 500km may deteriorate to a costlier intervention level within a single year, Gen Wamala warned.

Reacting to the minister's statement, the Government Chief Whip, Mr Hamson Obua, informed the House that the responsible ministers were all away on official engagements.

Meanwhile, the Speaker of Parliament, Ms Anita Among, tasked Mr Obua to take responsibility over the matter while deferring further debating on the report to next Tuesday.

Uganda's road network is a critical national asset that underpins economic growth, regional integration, and service delivery. Its total replacement value is estimated at Shs37.4 trillion.

However, due to underfunding and deferred maintenance, this value is established to have already depreciated by Shs10.5 trillion, with further risks of deterioration forecasted.

Uganda's national road network currently consists of approximately 21,292km, of which 6,312.1km are paved, and the remaining 14,980km are unpaved.

According to the latest technical assessment by the ministry, 2,460km require urgent intervention while 207km have deteriorated to the level of full reconstruction.