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SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE:
SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE

Assistance to Uganda

Report of the Secretary-General

1. The General Assembly, in its resolution 35/103 of 5 December 1980, entitled "Assistance to Uganda", requested the Secretary-General to dispatch a mission to Uganda to consult with the Government on its most urgent reconstruction, rehabilitation and development needs. The Secretary-General, in a report dated 16 October 1981 (A/36/599), informed the Assembly of the response of United Nations bodies and specialized agencies and the assistance provided to Uganda. The Secretary-General also submitted a report to the Assembly on Assistance to the drought-stricken areas of Uganda (A/36/274), which analysed the drought-related food emergency of 1979-1981 and proposed medium-term and long-term measures to mitigate the effects of drought. In its resolution 36/218 of 17 December 1981, the Assembly expressed its appreciation to the Secretary-General for the steps taken to mobilize assistance for Uganda and requested him again to dispatch a mission to consult with the Government of Uganda on its most urgent reconstruction, rehabilitation and development needs and to submit the report of the mission to the Assembly at its thirty-seventh session through the Economic and Social Council at its second regular session of 1982.

2. In pursuance of the above resolutions, the Secretary-General arranged for a mission to visit Uganda in January 1982. The report of the mission, which is annexed hereto, reviews the current economic and social situation in Uganda, discusses the urgent needs for reconstruction, rehabilitation and development, and describes the priority requirements for external assistance during the next two years.

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* A/37/50.

3. In paragraph 10 of resolution 36/218, the General Assembly invited a number of specialized agencies and organizations of the United Nations system to bring to the attention of their governing bodies the special needs of Uganda and to report the decisions of those bodies to the Secretary-General by 15 July 1982. Their replies will be reproduced in a report of the Secretary-General covering Uganda and other countries for which the Assembly has requested the Secretary-General to organize special economic assistance programmes.

ANNEX

Report of the mission to Uganda

(17-27 January 1982)

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APPENDIX

I. INTRODUCTION

1. In response to the request by the General Assembly in its resolution 36/218 of 17 December 1981, the Secretary-General arranged for a mission to visit Uganda from 17 to 27 January 1982 to consult with the Government on its most urgent rehabilitation, reconstruction and development needs. The mission was led by the Joint Co-ordinator for Special Economic Assistance Programmes in the Office for Special Political Questions of the Secretariat and included representatives of the Department of Technical Co-operation for Development, the United Nations Industrial Development Organization (UNIDO), the United Nations Children's Fund (UNICEF), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization.

2. In the course of its stay, the mission held meetings with senior officials of the Ministry of Foreign Affairs, the Ministry of Planning, the Ministry of Finance, the Ministry of Industry, the Ministry of Commerce, the Ministry of Agriculture and Forestry, the Ministry of Animal Industry and Fisheries, the Ministry of Co-operatives and Marketing, the Ministry of Power, Posts and Telecommunications, the Ministry of Transport, the Ministry of Lands, Mineral and Water Resources, the Ministry of Works, the Ministry of Housing and Urban Development, the Ministry of Health, the Ministry of Education, the Ministry of Local Government, the Ministry of Culture and Community Development, the Ministry of Rehabilitation, the Ministry of Information and Broadcasting, the Ministry of Tourism and Wildlife and the Ministry of Regional Co-operation. The mission also met the Governor of the Bank of Uganda, and held a final review meeting with the Presidential Economic Advisory Committee.

3. The mission wishes to record its appreciation of the very full co-operation it received from the Government and from the office of the United Nations Development Programme (UNDP) in all aspects of its work.

II. ECONOMIC BACKGROUND

A. General

4. Uganda is classified as a least developed country, and was among the countries most seriously affected by the sharp rise in the cost of imports in recent years. After having experienced satisfactory economic growth during the first decade of independence (1962-1971), with real *per capita* gross domestic product (GDP) growing by about 2 per cent per annum, a severe decline took place between 1972 and 1980. It is estimated by the Government that real GDP fell by up to one third a/ and real *per capita* GDP by almost 40 per cent over the past decade. Few new development programmes were undertaken during the period, obsolete or run-down plant and equipment were generally not replaced, and repair and maintenance were inadequate or lacking.

5. Government estimates for 1981 show a *per capita* GDP (at 1980 prices) of approximately 11,300 Ugandan shillings or about $US 133 at the current exchange rate. b/ Table 1 shows estimates of GDP for selected years.

Table 1

Gross domestic product a/

(Billions of UShs)

	At current prices	At constant 1966 prices
1971	10.8	7.5
1972	11.3	7.5
1973	13.0	7.5
1977	42.3	7.5
1978	50.2	7.2
1979	75.2	6.6
1980	104.5	6.1

a/ The Government's estimates and projections are as follows (at 1980 prices): 1981 - UShs 147 billion; 1982 - UShs 159 billion.

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a/ Wholly within the monetary sector of the total GDP; in the subsistence sector, real GDP is estimated to have increased slowly, at least until 1979, reflecting the population's need for basic necessities during a period of instability and disruption.

b/ The current rate of exchange is $US 1 = UShs 85.

6. The Government estimates that in 1980 some 40 per cent of GDP was generated in the non-monetary agricultural subsistence sector and that agriculture within the monetary economy (including livestock, forestry and fisheries) generated 22 per cent of GDP. Thus, within the total economy, the broadly defined agricultural sector accounted for some 62 per cent of GDP. In 1972, the equivalent figure was 52 per cent. This change illustrates the movement out of the monetary economy and into the subsistence sector during the period of upheaval and disintegration in the latter part of the 1970s. The share of government expenditure in total GDP in 1980 was estimated at 14 per cent, compared to 8 per cent in 1972. Thus the remaining economic sectors (principally manufacturing, commerce, construction, transport and other services) contracted from 40 per cent of GDP in 1972 to 25 per cent in 1980. In the context of a one third fall in total GDP during the period, it can be seen that those sectors which are characteristically vigorous in a developing economy suffered drastically in the period 1972-1980.

7. The serious decline of the economy in the period 1972-1980 was largely due to short-comings in the economic and social policies followed by the régime in power between 1971 and 1979, the disruptions of the liberation war in 1979, the political instability of 1979 and 1980, the rapidly rising costs of imports (particularly petroleum), and the serious drought and famine in some parts of the country between 1979 and 1981.

8. The so-called "economic war" of 1972 had led to the exodus of persons with technical and management skills in such numbers that many economic activities continued only at very low levels or, after a time, simply ceased. The state sector expanded and the number of parastatal bodies increased by more than one hundred, leading to widespread inefficiency. The directly productive economic sectors, especially manufacturing and plantation agriculture, were neglected and commerce shrank rapidly. The general insecurity between 1971 and 1980 and expansionary monetary and fiscal policies resulted in widespread economic decline with inflation and shortages. External economic relations deteriorated and by 1977 the East African Community had broken up. External financial and technical assistance programmes became largely dormant in the late 1970s.

9. The monetary sector became increasingly unable to meet the population's basic needs. Even those who continued to earn wages and salaries were compelled to devote a considerable part of their time to private cultivation and to trading and barter, further disrupting the economic system.

10. In 1979 and 1980, Uganda experienced a severe food shortage, which was aggravated by drought in the north and north-east, particularly in Karamoja. The national food deficit during this period was estimated at 270,000 tonnes, or 12 per cent of the country's total food requirements. The total national harvest in 1980 was 25 per cent less than normal, and by the end of the year it was estimated that over 400,000 people needed emergency food relief regularly. A massive programme was launched by the Government, in co-operation with the international community, to meet emergency requirements for food and medical services. In the early part of 1981, civil disturbances occurred in West Nile

Province and some 200,000 persons needed food relief and emergency medical services. By the first half of 1982 the number of people needing emergency food relief had fallen below 150,000; most of them were in the areas (including Karamoja) where only one crop a year is possible.

11. The liberation war of 1979 was followed by a period of political instability and insecurity. In the northern areas, the problem was exacerbated by a sharp increase in cattle raids and by looting and destruction by fleeing soldiers. These unsettled conditions prevented the beginning of economic rehabilitation. Furthermore, the drought and famine between 1979 and 1981 meant that the attention and resources of the post-war administrative infrastructure were largely focused on those emergencies. Only in the latter part of 1981 was the food crisis seen to be receding and since then the Government has been increasingly able to turn its full attention to the rehabilitation and reconstruction of the economy.

12. Faced with very unstable monetary conditions and extremely high rates of inflation, the Government introduced major economic and monetary reforms in mid-1981. The shilling went on to a managed float and the exchange rate fell to about one tenth of its previous official level of UShs 7.5 to $1.00.

13. Attention is now being directed not only to repairing and rehabilitating production units and infrastructure but also to carrying through a reversal of the mutually interactive and cumulative process of administrative, social and economic deterioration that took place over nearly a decade. Uganda is seriously lacking in skilled manpower and in domestic resources for this immense task, and a large volume of external financial, material and technical assistance is urgently needed to support the nation's recovery efforts.

B. Development policies

14. The Government has divided its development programme into three phases: rehabilitation (2 years); medium-term (2 to 5 years hence); and long-term (5 to 10 years hence). Although the programme of urgent projects requiring external assistance described in section V below relates primarily to the rehabilitation period, it is useful to review briefly the Government's over-all economic strategies.

15. The basic strategy of the rehabilitation phase is to meet minimum requirements for economic and social goods and services, bearing in mind the potentially attainable levels of output and assessing realistically the underlying bottle-necks and constraints. In practical terms, this means aiming to rehabilitate and re-establish productive capacities in each sector at the earliest possible time. It is recognized that not all sectors can recover at the same pace. The targets are to rehabilitate existing assets and make them productive, to promote exports and limit imports to items of highest priority, and to make available essential products and services to the whole population.

16. One immediate implication of these targets is that, during the early

rehabilitation phase, imports are made up mainly of large quantities of a limited number of essential agricultural and household items, urgent health and educational supplies, spare parts for machinery and transportation equipment, building materials and petroleum products. Essential imports of intermediate inputs and raw materials for manufacturing industries and technical expertise in industry, manufacturing and the plantations are also needed to support government administration and social services. Limited amounts of capital equipment to replace worn-out or ruined machinery will also be necessary, but no significant new capital investments will be embarked on in the short term, except in those cases where a start must be made if major future shortages are to be prevented.

17. In mid-1981 the Government introduced a number of major economic and financial reforms. These were principally concerned with removing the worst distortions in the economy, and were coupled with negotiations to reschedule the external debt and raise new external resources. The economic reforms involved: floating the currency in order to correct the serious price distortions resulting from the overvalued shilling; decontrolling most commodity prices c/ and greatly increasing cash-crop prices; changing from specific to ad valorem sales taxes; raising minimum wages; reforming the parastatal sector (weeding out inefficient organizations); entering into negotiations with previous owners for them to resume their involvement; drafting legislation to clarify the legal position of properties and businesses taken over during the 1970s; and introducing legislation to promote and regulate foreign investment. It is expected that the wide-ranging institutional and policy adjustments to be implemented during the rehabilitation phase will permit structural economic adjustments to be achieved in the medium-term phase, thus creating the basis for the long-term developments envisaged later in the decade.

18. Among the strategies in the medium and longer-term are: using market forces to determine prices to the extent practicable; reforming taxes to encourage productive activities; promoting the development of entrepreneurs; attracting appropriate foreign investment and technology; establishing a national food security plan; providing incentives for regional dispersion of industrial activity; promoting an equitable distribution and security of land tenure; diversifying agriculture; the functional integration of agriculture and agro-industry; expanding exports; promoting regional projects with neighbouring countries; and formulating and implementing manpower development plans for the public and private sector.

19. A key element for the rehabilitation phase is the convening by the World Bank of a Uganda Consultative Group in Paris in May 1982, when Uganda's most urgent needs for its recovery programme will be presented to the international donor community. The mission was informed that a core programme, drawn from the more extensive list of needs contained in the present report and concentrating on those existing assets that can be most rapidly revived and made productive, will be issued by the Government prior to the Paris meeting.

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c/ This increases recurrent budgetary costs since the Government previously purchased at unrealistically low controlled prices.

C. Government finance

20. The government budget over the previous and current fiscal years is shown in table 2.

Table 2

Government budget

(Millions of UShs)

	1979/80 (Actual)	1980/81 (Provisional actual)	1981/82 (Projected)
Recurrent revenue	3 809	2 993	25 292
Recurrent expenditure	5 446	9 800	22 350
Recurrent balance	-1 637	-6 807	+2 942
Balance on development budget	-100	-3 940	-17 824
Over-all deficit	-1 737	-10 747	-14 882

Source: Government of Uganda.

21. Declining economic activity and increasingly ineffective tax administration resulted in falling real current revenues for several years preceding the economic reforms of 1981. At the same time expenditures increased, particularly when post-liberation administrations attempted to make good the dislocations caused by the war and to begin national rehabilitation. Although a satisfactory situation was projected for the 1981/82 recurrent budget following the recent reforms, revenue collections appear to be running below forecast. The development budget, necessarily large at this time, is almost completely dependent on external assistance.

22. In the 1981/82 budget estimates, export taxes (almost wholly from coffee) are expected to contribute 27 per cent of revenue, d/ import duties and excise taxes 34 per cent and sales taxes 34 per cent. The projected contribution from income taxes is only 4 per cent, in contrast to about 40 per cent in the early 1970s. These figures clearly reflect the economic and administrative dislocations that occurred during the 1970s and the rapid erosion of the tax base.

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d/ The value of the coffee export tax increased greatly after the floating of the shilling, when the export price denominated in shillings increased.

23. In recent years, the heavy deficits have been almost entirely covered by borrowing from the central bank, and the supply of money expanded by a factor of 6 between 1971 and 1978. It then doubled in the two-year period 1979-1980, and rose by a further two thirds in the first 10 months of 1981. There was little increase in productive activities, resulting in extremely high rates of inflation, which were given additional impetus by increasing commodity shortages. The cost-of-living indices for Kampala for selected years are shown in table 3.

Table 3

Cost-of-living indices, Kampala

	(1961 = 100)							(Aug. 1981 = 100)	
	1971	1972	1975	1977	1978	1979 a/	1980	1981 Aug.	1981 Dec.
Low-income group	169	164	410	1 133	1 546	4 894	9 405	100	82
Middle-income group	161	163	327	794	1 172	b/	b/	-	-
High-income group	151	158	280	508	658	b/	b/	-	-

a/ If full account had been taken of black market prices (the so-called "magendo" market) the indices would probably have escalated even more rapidly in the late 1970s.

b/ Not available.

After mid-1981 however, some prices began to fall while the prices of other products have stabilized or increased only moderately. Products showing significant price declines include plantain, cassava, beans, sweet potatoes, most vegetables, rice, sugar and salt.

24. The rapid rise in the cost of living was not associated with compensatory increases in wages, which were effectively controlled in the late 1970s. As a result, the minimum real wage in 1978 was only some 20 per cent of the level in 1970. Wage employment was thus unattractive - indeed, it was impossible to live on a single salary - which in turn contributed to the breakdown of normal economic life in the formal sector. Following the mid-1981 economic reforms the minimum wage was raised by 135 per cent and, over-all, public sector salaries were raised by an average of 25 per cent.

25. A particular characteristic of the 1970s was the rapid increase in military expenditures, and as these and other non-productive expenditures rose, development-related expenditures shrank. Furthermore, normal expenditure controls all but disappeared and public funds and property ceased to be adequately accounted for.

D. Balance of payments

26. Table 4 shows Uganda's recent and projected balance-of-payments situation:

Table 4

Balance of payments, 1979-1982

(Millions of US dollars)

	1979 (Actual)	1980 (Provisional actual)	1981 (Estimated)	1982 (Preliminary projections)
Exports (f.o.b.)	404.9	315.7	272.0	250 to 300
Imports (c.i.f.)	328.3	494.0	492.6	350 to 500
Trade balance	+76.6	-178.3	-220.6	-100 to -200
Net services	-61.6	-62.0	-65.2	-80 to -100
Net grants and transfers	+12.7	+80.2	+70.3	a/
Current balance	+27.7	-160.1	-215.5	-180 to -300 b/
Net capital c/	-155.7	-94.6	+69.9	a/
Over-all balance	-128.0	-254.7	-145.6	a/

Source: Government of Uganda.

a/ Not available.

b/ Before taking into account net grants and transfers.

c/ Including SDR allocations and errors and omissions.

27. Coffee has been Uganda's principal export crop, and since 1977 has become almost the sole foreign exchange earner. The coffee export quota was recently raised by 30 per cent to 156,000 tonnes for the 1981/82 season. Table 5 shows the export quantities and values and the percentage of exports represented by coffee in selected years.

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Table 5

Coffee exports

	1971	1972	1973	1977	1978	1979	1980
Quantity (thousands of tonnes)	175	214	224	132	114	143	110 a/
Value (f.o.b. Mombasa) (millions of $)	138	158	183	570	326	434	334
Percentage of exports	53%	56%	62%	93%	90%	98%	99%

a/ The Government has estimated that smuggling may have amounted to as much as 50,000 tonnes in 1980.

28. The major foreign exchange earners in 1972 were: coffee (56 per cent), cotton (18 per cent), tourism (8 per cent), e/ tea (6 per cent), and copper (6 per cent). None of these are expected to recover significantly in the next two years.

29. While high international coffee prices during the périod 1976-1978 increased export earnings, particularly in 1977, most of the resources were squandered on military equipment and on imports not related to real investments or manufacturing activities. Foreign debt rose rapidly and in 1975 Uganda began to accumulate payment arrears. Beginning in 1976, most imports of goods and services could only be obtained through pre-payment. Payment arrears of all types (principally in respect of debt-servicing, Uganda Railways and oil imports) had reached almost $180 million by the end of 1979, and at the end of 1980 stood at $383 million, of which about 30 per cent represented debt-servicing in default. Gross foreign assets at the end of 1979 were $56 million and at the end of 1980 only $22 million. f/

30. The Government has recently started a lengthy process with numerous creditors world wide to verify its outstanding debt. Preliminary figures show a total external debt of around $737 million g/ in mid-1981, some of which has already been rescheduled (see para. 33 below). The Government is undertaking intensive

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e/ The tourist industry has all but disappeared (the highest number of visitors previously recorded was some 80,000 in a year).

f/ Net foreign assets at these two dates were -$18 million and -$85 million respectively.

g/ It is thought that an additional $220 million of unverified, largely unguaranteed, short-term debt also exists.

negotiations with major creditors for additional rescheduling. Without such rescheduling, debt-service payments would be crippling in the short term: excluding arrears and the limited rescheduling already undertaken, debt-service charges are estimated at $128 million in 1982, and $123 million in 1983.

31. Severely deteriorating terms of trade since the liberation war have greatly contributed to Uganda's declining ability to meet its import needs for rehabilitation and reconstruction: the terms of trade declined from 100 in 1978 to 41 in 1981. It has been estimated that the real volume of imports in 1981 was only two thirds of the level in 1978 and only one third of the volume in 1970. Many Ugandan industries are import-substituting (e.g. textiles, sugar, soap, building materials, paper, fertilizer), and the recent serious decline of the industrial sector means a growing need for imports which will continue until significant progress is made in the rehabilitation of the industrial sector.

32. The rate of disbursement of foreign grants and loans during the three years since the liberation war (1979-1981) has hardly increased over the level in 1978, which is surprising in view of the obvious enormity of Uganda's needs after years of economic dislocation and neglect. To a large extent the relatively poor response of the international donor community - other than in respect of the recent drought and famine - has been outside the control of the present Government. Ties with many of the traditional donor countries and institutions were under considerable stress, or were broken, during the previous régime and it is taking time to restore operational relationships and to get new projects on stream. With the situation now having stabilized, the Government is giving considerable attention to rationalizing its institutional structure for dealing with external assistance and is in the process of carefully elaborating the country's needs in the context of development and investment plans. In the aftermath of the economic reforms, which are beginning to show positive results, a large increase in foreign assistance both for balance-of-payments support and for high-priority rehabilitation projects is urgently required. Indeed, without a large inflow of foreign assistance, the domestic reforms will be frustrated and it will take a long time to bring about a significant recovery.

33. However, some donors and multilateral institutions have recently initiated grant and credit assistance. The International Monetary Fund (IMF) has provided some $240 million (gross) to Uganda under various facilities between 1979 and mid-1982. The International Development Association (IDA) of the World Bank provided a first reconstruction credit of some $95 million in 1981 (which included $40 million of co-financing by other donors) and a second credit for the first half of 1982 is now under negotiation. An IDA education credit is also under negotiation. The European Economic Community (EEC) has provided some $20 million under the Scheme for the Stabilization of Export Earnings (STABEX), and $79 million was provided under the first Lomé Convention, h/ of which 20 per cent is yet to be

h/ Signed by the African Caribbean and Pacific Group (ACP) and EEC on 28 February 1975 (see A/AC.176/7).

disbursed. Under the second Lomé Convention, of 31 October 1979, EEC will make available some $104 million for the period up to 1985. Assistance from other sources has been in the form of grants and debt write-offs, and loans and credits with varying terms. In November 1981, the Government arranged with a group of creditor countries for the rescheduling of $15 million of arrears and $12 million of current debt-servicing, and it has been agreed in principle that a second rescheduling exercise to cover the period from mid-1982 onwards will be held. Meanwhile, the Government is also undertaking rescheduling negotiations with a number of other creditors.

III. REVIEW OF THE ECONOMIC AND SOCIAL SECTORS

A. Agriculture

34. In much of Uganda rainfall and soil are conducive to agricultural activities, and the agricultural sector today dominates Uganda's economy. The major food crops are green plantain (matoke), finger millet, sorghum, potatoes, cassava, beans, peas, groundnuts and maize. Sugar-cane is also grown. The major export crops in the recent past were coffee, cotton, tea and tobacco, although the production of all but coffee have been falling drastically. In 1979, Uganda was the fifth largest coffee exporter in the world and in the early 1970s ranked third among African cotton producing countries. With the exception of tea, sugar-cane and, to a lesser extent, coffee, most production takes place on private, smallholder farms of around 5 hectares, and this has given great strength and resilience to the agricultural sector in spite of severe setbacks. By the mid-1970s, Uganda had reached sophisticated levels of research, disease control, extension and training, co-operative and marketing organizations, and agricultural processing industries.

35. Agriculturally, the country may be divided into two broad areas:

(a) The rich agricultural area in the high plateaux, forming a crescent round Lake Victoria, and in the western and south-western areas;

(b) The lower-lying drier and short-grass zones across the north of the country.

36. The first of these areas receives heavy and evenly distributed rainfall throughout the year and the soil is fertile. The bulk of coffee and sugar and much of the tea, plantain, vegetables and other food staples are produced in these areas. In the second area the soil is lighter and thinner and there are prolonged dry periods; the Karamoja region in the north-east is semi-arid. In Karamoja, the rain that does fall has a high evaporation rate as well as high localized percolation and run-off rates, with the result that the opportunities for rain-fed agriculture are limited; in the remainder of the second area rain-fed agriculture is possible for cotton, tobacco, grain and root crops. The second area also has the largest concentrations of livestock and is relatively sparsely populated. Small farmers produce all the food crops; in 1976, 91 per cent of cash-crop production, by value, took place on smallholdings (all the cotton and tobacco, 95 per cent of the coffee and about half of the tea i/ and sugar).

37. Until the mid-1970s Uganda was self-sufficient in all the major food categories but thereafter there was a general deterioration in the food situation.

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i/ It is estimated that 80 per cent of the smallholder tea plantings and 90 per pent of the tea estates have been abandoned for up to four years, and export prices are now low due to poor quality.

The production of many major crops in 1979 and 1980 fell owing both to the impact of the liberation war and the subsequent disturbances and security problems and to two successive droughts in the annual-crop zone (principally affecting finger millet, groundnuts and cotton). The 1979-1980 drought tipped the balance between precarious subsistence and actual famine in the annual-crop zone, and other regions of the country did not have the necessary surpluses to move into the affected areas (even where small local surpluses existed, the means of internal transportation did not exist). A massive international relief effort was required, which is expected to end in 1982. The food-deficit areas of the country, which need supplies from the surplus regions even in normal years, have a population of 3 million to 4 million, or one third of the 10 million or so entirely dependent on agriculture.

38. A major problem in the mid- and late 1970s was that the fixed producer prices were too low in comparison with the rapidly inflating costs of inputs and household essentials. This, combined with highly inefficient marketing channels, caused farmers increasingly to avoid selling their crops through official channels. Many farmers and middlemen began to smuggle out export crops. Also, farmers tended to abandon cash crops (especially cotton) in favour of food crops whose prices were not strictly controlled and which could be sold fairly easily in local markets.

39. Official producer prices for food crops were abandoned in 1977, and internal trade in these crops thereafter improved significantly. Over the past two years, and especially since the devaluation of the shilling in mid-1981, official export-crop prices have been raised dramatically: robusta coffee by a factor of 10, cotton by a factor of 5 and tobacco and tea by a factor of 4. These new prices are having an impact on export-crop production, and also result in a higher share of the export value now being retained by the farmer. However, the farmers' returns from growing food crops remain somewhat higher than from cotton and tobacco and, in the case of cotton production, are not expected to recover to their previous levels. Tea estates are experiencing difficulty in attracting labour under the current wage/cost-of-living relationship. Coffee production is recovering and is receiving considerable rehabilitation support from EEC. Sugar production is also showing signs of recovery.

40. All subsectors of agricultural activity were adversely affected in recent years by lack of imported equipment and other requisites and shrinking public expenditures for infrastructure and services. However, with the emergence of sound pricing policies and the gradual revitalization of marketing infrastructures and of services, the future of agriculture - based on small-scale farming - is promising.

41. The primary short-term objective in the agricultural sector is to achieve the levels of output which existed at the time of food self-sufficiency and of high agricultural export earnings. It is recognized that there may be changes of emphasis as between crops. j/ An urgent task is to improve storage and marketing

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j/ For example, the regional export potential for food crops such as maize, rice, beans and groundnuts are excellent, particularly with the emergence of food deficits in Kenya and the United Republic of Tanzania.

facilities. Agricultural recovery will also involve the rehabilitation of agricultural processing industries, including the cotton textile industry; cotton seed provides important by-products for soap manufacture and the production of edible oil. The principal agro-industrial products have been coffee, cotton lint, cotton seed, sugar and tobacco.

42. While many of the projects listed in section V below have relatively high initial foreign exchange costs, those relating to infrastructures and services will gradually become self-financing through revolving funds, and the need for external support is therefore expected to rapidly diminish. The strong co-operative tradition in the rural areas augurs well for the effective operation of such revolving funds. Some projects call for significant amounts of mechanical equipment, machinery and vehicles, and it is recognized that this calls for the concomitant rehabilitation of workshops and maintenance facilities, and the provision of spare parts and retraining.

B. Animal husbandry

43. Livestock represents the livelihood and wealth of a significant part of Uganda's population and has also been of considerable commercial significance: in the early 1970s, about 400 commercial ranches and dairy farms were in various stages of development in areas cleared of tsetse fly, and some 70,000 tonnes of beef were marketed in 1977. Cattle are also of great importance as draught animals. It is estimated that about 70 per cent of the cattle are found in the east and north of the country. Small farms dominate the livestock sector.

44. Commercial herds and veterinary services began to deteriorate in the mid-1970s, and in 1979, during the liberation war, the situation greatly worsened. Considerable tsetse reinfestation has occurred. Rinderpest, bovine pleuro-pneumonia and East Coast fever are spreading. The national herds have declined and, in 1981, were estimated at 4.5 million cattle, 2 million goats, 1 million sheep, 200,000 pigs and about 12 million fowl (now largely kept by individuals on small mixed farms). With the virtual disappearance of dairy farms, the milk-processing plant in Kampala now only operates by reconstituting imported milk-power. As commercial ranching fell precipitously, the meat-canning and leather-tanning industries rapidly declined. The commercial poultry industry has suffered severely from lack of veterinary supplies, feeds, and hatchery equipment; marketed broiler production is now less than 10 per cent of normal, and egg production less than 5 per cent.

45. The revival of commercial beef and dairy production is urgent. The off-take from a herd under traditional ownership is only about 7 per cent whereas the off-take on commercial ranches is up to 25 per cent. It is hoped that the re-establishment of the commercial sector will permit about 40 per cent of the demand to be met by 1985, rising to 80 per cent in 1990. Goat meat is also popular, and it is planned to integrate goat and cattle herds on ranches and dairy farms. Breeding pigs are also needed to upgrade the domestic stock. Animal-feed

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plants need to be reactivated to support the rehabilitation of the commercial livestock sector (Uganda exported animal feed in the early 1970s).

46. Recent Government efforts, with emergency external aid, have brought the animal health situation under minimal control but veterinary services remain grossly inadequate. The immediate need is for vaccines, acaricides and other drugs and syringes. The tsetse-fly eradication programme needs to be revitalized, and control measures for tick-borne diseases need to be rehabilitated urgently.

C. Fisheries

47. The fisheries provide a significant source of protein, and in 1978 the catch of about 200,000 tonnes was valued at UShs 1.2 billion. About 50 per cent of the catch came from Lake Kyoga and 40 per cent from Lake Victoria. The catch is reported to have declined since 1978 owing to deficiencies at the net factory in Kampala, at the ice plant at Soroti and at boat repair facilities.

48. The fishing industry is dominated by small-scale individual or co-operative operators using simple equipment, and in the past about 60 per cent of the catch was bought locally and consumed fresh, the rest being either smoked or chilled and sent to the large towns. The small fisherman urgently needs operational supplies and repair facilities. A good potential is also thought to exist for a larger-scale fishery, especially with trawlers in the major lakes.

D. Forestry

49. Of the 1.5 million hectares of forest, some 700,000 hectares are natural forest, 28,000 hectares are softwood and eucalyptus plantations (largely in the Nile area and southern parts of the country), and the rest is savannah woodland. Fuel wood and poles from the savannah woodlands are utilized largely in the non-monetary rural sector, while commercial logging takes place in the forests and plantations. The sector contributed some 4 per cent of GDP in the mid-1970s.

50. With economic recovery during the 1980s, demand for wood products is expected to increase substantially, leading to additional import requirements. The Government therefore wishes to strengthen and develop the sector (both natural forests and plantations) in order to minimize imports. Meeting the domestic demand for timber also necessitates the urgent rehabilitation of several sawmills and chipboard, plywood and veneer plants. Although some external assistance for the forestry sector is being secured, additional support is required.

E. Industry, manufacturing and commerce

51. In the early 1970s industry and manufacturing (excluding power) accounted for 8 to 10 per cent of GDP, but by 1980 this had fallen to 4.5 per cent (of a much reduced total GDP). Excluding the 40 per cent of industrial establishments which

have closed down altogether, capacity utilization today, on average, is probably not more than 20 per cent, compared to 70 per cent in 1970. The sector deteriorated greatly as a result of the exodus of skilled technicians and managers after the so-called "economic war" of 1972, and became more run-down during the remainder of the decade, being particularly hard hit by the impact of the liberation war of 1979 and subsequent disturbances. k/

52. Historically, manufacturing was focused predominantly on the production of consumer essentials through agricultural processing and on import substitution. Manufacturing activities characteristically had a fairly large import content. l/ By 1970 a number of manufacturing enterprises such as textiles, light agricultural tools, cement and sugar had developed beyond the import-substitution stage and were exporting to neighbouring countries. The industrial sector is centred around seven broad categories: food, beverages and tobacco; textiles; leather and footwear; wood and paper products; chemicals; non-metallic minerals; and steel and metal products.

53. Today the principal problems in the industry and manufacturing sector are run-down machinery, many antiquated installations, a critical lack of spare parts, and the severe foreign exchange constraint which hinders the import of essential raw materials. Many parastatals also need to clarify such questions as ownership of assets and asset valuation following devaluation. The poor condition of the road transport infrastructure also constrains operations, and the generally inadequate supply of working capital is an obstacle to higher levels of production. m/ Many managers and skilled workers have left industrial employment to take up farming, which has become relatively more attractive in recent years.

54. As there now exists a substantial amount of spare capacity in many plants, the demand for many of the basic consumer goods could be met in a fairly short time if inputs were available and essential machinery rehabilitated, or in some cases replaced, quickly. In this context, the strengthening of repair and maintenance capabilities is of the highest priority: most industrial plants have at least a maintenance workshop and some also have facilities for metal casting and the manufacture of spare parts.

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k/ Sales of agricultural processing industries fell by 89 per cent, and of other manufacturing industries by 57 per cent, between 1971 and 1980 (at constant prices). It is illustrative that between 1970 and 1978 national electricity consumption fell by 42 per cent (despite no increases in tariffs), wholly owing to falling commercial demand.

l/ There were several industries, however, based on local non-agricultural resources: cement, glass, copper and fertilizer.

m/ Artificially low controlled prices, at a time of rising costs, have seriously affected companies' internal capital accumulation in recent years.

55. The Government's immediate objective is to revive the manufacture of essential consumer goods and of construction and building materials. The other priorities are to promote the manufacture of machinery and intermediate goods needed by other local industries, to earn and to conserve foreign exchange and to generate revenue for the Government. Input-output linkages between enterprises will be taken into account.

56. While the Government allocates foreign exchange so as to promote industrial recovery in the most urgent areas, the severe exchange constraint means that external assistance for imported inputs is urgently needed. It is also clear that significant amounts of external technical assistance and consultancy services will be needed for the next few years.

57. It is envisaged that most industrial development activities will be carried out by the private sector, but Government encouragement and incentives will be given only to those activities meeting priority needs. Foreign investment through joint ventures will be encouraged provided it conforms to national priorities.

58. With the departure of a large part of the entrepreneurial class and most of the urban small traders, as a result of the "economic war", internal distribution and small-scale commerce suffered badly and this exacerbated the impact of shortages. In 1980, commerce accounted for some 9 per cent of GDP, and is expected to expand together with economic recovery, remaining constant as a percentage of GDP.

F. Minerals

59. The main minerals of economic importance are copper, sulphur, limestone, salt, sand, iron ore and phosphates. Cobalt extraction is under investigation. There are reports of potential petroleum deposits in the Western Rift Valley and in north-central Uganda.

60. Considerable mining of copper, limestone, phosphates, tin, beryl, bismuth and wolfram has taken place. Copper mining was by far the most significant in the past, with a production of 17,000 tonnes of blister copper in 1970. In 1979, copper production was only 400 tonnes; operations were then closed down and the mine placed on a care and maintenance basis. A modest recovery is planned, with production of about 9,000 tonnes per annum from 1982 onwards. n/ Copper is mined at Kilembe, in the west, and smelted at Jinja. The feasibility of recovering cobalt from the tailings at Kilembe mine is currently under study. o/ Mining and quarrying contributed 1.5 per cent of GDP in 1971, but only 0.1 per cent in 1980.

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n/ Reserves are estimated at 6 million tonnes of 1.65 per cent ore.

o/ The 1 million tonnes of tailings contain 1.4 per cent cobalt and 45 per cent sulphur which can be processed into sulphuric acid.

G. Energy

61. Hydroelectricity is the principal source of power for industrial and domestic use, but large petroleum imports are required for transport and many industries. p/ The main hydroelectric plant is the Owen Falls power station, which has an operational capacity of 135 megawatts (of which 31 megawatts are exported to Kenya on a 50-year agreement expiring in 2003). With other small diesel generating facilities, the total generating capacity available domestically is 108 megawatts. National demand in 1979 and in 1980 was about 70 megawatts, but this demand was depressed because of the low level of economic activity; in 1973, the Owen Falls' output had been fully utilized. It is anticipated that with economic recovery q/ demand will exceed supply in 1984-1985, and therefore steps must now be taken to increase generating capacity in order to meet demand beyond the mid-1980s. There is also a clear potential for additional electricity exports to Kenya and for exports to the Sudan and the United Republic of Tanzania.

62. Petroleum imports, which in 1971 amounted to 451,600 tonnes, fell to only 220,300 tonnes in 1979, reflecting the reduction in economic activity and the severe foreign exchange constraint. But with the increasing burden of petroleum imports (from 6.4 per cent of export earnings in 1971 to 36 per cent in 1981) and an expected increase in demand of some 60 per cent in 1982, the Government is giving priority to petroleum conservation measures and to the development of alternative sources of energy.

H. Transport and communications

63. Uganda uses the port of Mombasa, in Kenya, for almost all imports and exports. Uganda itself used to be an important transit country for the Sudan, Zaire and Rwanda. Uganda has 1,240 kilometres of railways, for the operation of which it is heavily dependent on Kenya. Rail transit traffic for Zaire and Rwanda is expected to revive, to around 200,000 tonnes per year. Jinja and Port Bell (near Kampala) are the main ferry ports on the Ugandan side of Lake Victoria, which provides an external trade route through the United Republic of Tanzania.

64. The transport and communications sector requires priority attention. During the 1970s, the infrastructure deteriorated to such an extent that this is now a major bottle-neck in the growth of the economy. Most road vehicles are very run-down and servicing facilities are seriously deficient. Most roads and some bridges are in bad shape. The railway is in relatively better condition (largely

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p/ Data on energy consumption in 1975 showed that hydroelectricity accounted for only 16 per cent of the total; petroleum accounted for 50 per cent and wood, charcoal etc. for 34 per cent.

q/ Some industries are switching from oil to electricity: plans in progress would increase consumption by 7 megawatts.

because of under-utilization r/ but some of the wagons and passenger coaches are in poor mechanical condition and track maintenance and improvement will be needed as traffic picks up. There are enough locomotives, and, with comparatively simple improvements in operational efficiency, external rail traffic could increase rapidly in the short term.

65. In the early post-independence years, a good road system was developed, with some 27,000 kilometres of classified roads of which 7,000 kilometres were trunk roads (2,000 kilometres were paved and about 5,000 kilometres were of high-grade gravel standard). However, many of the roads have suffered from lack of repairs and over-use, and rehabilitation is urgent. The priority needs are for bitumen, manual and simple mechanical tools and equipment, repair of the present stock of machinery and workshops.

66. The number of trucks in operation was probably in excess of 10,000 in 1970, but after the "economic war" the number dropped to about 4,000. Heavy-duty trucks and trailers were rented from Kenya for Uganda's own external commerce as well as for the movement of transit traffic for the hinterland countries. The heavy traffic, coupled with lack of maintenace in the 1970s, led to severe deterioration of the road system. The result has been high transport charges in the total cost structure of trade and commerce in the country. By late 1979, the number of Ugandan trucks was estimated at not more than 1,600, nearly all in the south, but the fleet was augmented by about 1,000 vehicles during 1980-1981, largely in response to transport requirements for emergency food distribution and for moving coffee exports. Shortages of vehicles, spare parts, tyres and repair services are the most critical constraints on trucking operations in the short term.

67. Air transport also deteriorated during the 1970s. Uganda Airlines was established in 1976, after the break-up of East African Airways, and immediately experienced serious operational problems. Its assets subsequently suffered extensive damage and looting during the liberation war. The airline needs additional aircraft, maintenance equipment, and communications equipment. Further improvement of the airport in Entebbe is also essential.

68. Uganda's telecommunications and broadcasting equipment is also in a serious state of neglect and disrepair. The most urgent requirement is support for the Posts and Telecommunications Corporation in order to re-establish basic domestic and external telegraph and postal services, without which the process of economic recovery will be seriously hampered, and for the rehabilitation of the radio service.

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r/ Railway goods traffic fell from some 1.8 million tonnes in 1971 to 322,000 tonnes in 1978, and to a low of 164,000 tonnes in 1980. Some recovery is thought to have occurred in 1981.

I. Education and manpower

69. Historically, the educational system in Uganda enjoyed unusually high levels of both private and public support. The number of primary and secondary school places increased significantly after independence. Disruptions in recent years, lack of funding for educational programmes and the foreign exchange constraint have left the system in a state of serious deterioration. s/ There is an immediate need for textbooks, exercise books, pencils, chalk, blackboards, school furniture, and science equipment. t/ The rehabilitation of buildings, water tanks, electrical installations and telephones, and improved general maintenance, which was badly neglected during the past decade, are also urgent. Additional qualified teaching personnel, especially in technical subjects at secondary and post-secondary institutions are needed. Other needs include the expansion of teacher training institutions, an adult literacy campaign and the strengthening of manpower and professional capabilities in the Ministry of Education.

70. There are 5,000 primary schools with an enrolment of 1.3 million and 177 secondary schools with 93,000 pupils; 12,000 students are registered in teacher training colleges and other post-secondary institutions. During the liberation war, 213 primary schools, 52 secondary schools, and 12 colleges suffered direct damage.

71. At the primary level, the Government will encourage the continuation of community participation, always high, in organizing and paying for schools, and also promote activities such as school farms, handicrafts, and poultry projects. The development of low-cost functional school buildings will be emphasized, and the use of teacher's aides and other methods of increasing the use of available facilities will be developed.

72. At the national level, a manpower and training council will be established to systematically tackle the serious problems of high unemployment and severe shortages of technical and managerial personnel. A priority task will be to take an inventory of Ugandans, both at home and abroad, who are potentially qualified for the 1,500 or so vacancies estimated to exist at professional, technical and managerial levels and which need to be filled with the greatest urgency. Unemployment among the urban unskilled and among school leavers is a pressing social problem, and in the short term it is hoped that some relief will follow an increase in commercial, manufacturing and industrial activity.

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s/ It has been found that levels of reading comprehension and science knowledge have fallen significantly in recent years.

t/ Of six typical schools in 1981, four did not possess a single textbook, and there was only one chair for every 8.8 pupils.

J. Health

73. In the early 1970s Uganda's health services were among the best in Africa, with 80 hospitals and some 476 health centres and health units. The country was relatively well supplied with doctors and other health professionals. However, during the second half of the 1970s, the health system (particularly its infrastructure) underwent severe physical deterioration and mismanagement. There was extensive looting during and after the liberation war. Most health facilities are now in pitiful shape, being in gross disrepair and practically without drugs and other medical supplies. Many doctors have gone abroad. It is estimated that at present there are 560 doctors, or 1 per 23,000 persons (down from 1 per 16,000 in 1969), and 1 hospital bed per 660 persons (higher than in the early 1970s; the availability of a hospital bed, however, by no means implies the availability of adequate treatment; also, availability is heavily skewed against the rural population). There present estimate is that only above 30 per cent of the population has reasonable access to health facilities.

74. As a result of the deterioration of health services in recent years, a number of diseases which were once under control have recrudesced, among them sleeping sickness, tuberculosis, cholera, venereal disease, typhus, meningitis and rabies. Malnutrition has recently become a problem. The health profile is distressing: for example, the infant mortality rate is 110 per 1,000 live births.

75. Over the next two years the Government will place high priority on the complete rehabilitation of medical facilities and institutions, including hospitals, health centres, dispensaries and training institutions. The most urgent requirements are drugs and other supplies, u/ and the provision of transport and appropriate office and scholastic supplies for the various types of facilities. The immediate completion of essential repairs and renovations to water, sewerage and electrical systems is a pre-condition for the revival of medical instititions.

K. Social services

76. During the last decade the housing sector and the water and sewerage services suffered severely from a lack of materials and spare parts for routine repairs and maintenance and for expansion. Other social services also deteriorated.

77. In addition to the severe deterioration of the housing stock during the 1970s, the liberation war damaged many houses, particularly at Masaka, Mbarara and Arua. The present housing deficit is estimated at 160,000 units and, by 1990, some 500,000 new families will require housing (of which 100,000 will be in the urban areas). The priority need in the short term is to rehabilitate the affected housing stock. The local building material industries - which in the past were

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u/ Basic medical and surgical instruments, sterilizers, laboratory equipment, blood transfusion supplies, dental materials and X-ray apparatus, and crockery, laundry and kitchen equipment.

quite vigorous - will be given every encouragement to produce the necessary materials and parts, but inevitably a large portion of the immediate requirements will have to be imported.

78. The existing water and sewerage systems are also in urgent need of repairs. In the major towns, the water supply frequently breaks down, and sewerage plants are practically out of operation. Mechanical rural water-supply facilities, including small pumping stations and individual boreholes, have greatly declined in recent years as a result of lack of maintenance and the unavailability of spare parts. Priority will be given to rehabilitating existing water and sewerage installations both in rural and urban areas and to the completion of existing water-supply schemes.

79. There are also needs relating directly to the social impact of the liberation war and its aftermath (see sect. V B, projects S-19 and S-38).

IV. URGENT NEEDS IN THE NEXT TWO YEARS

80. The programme for recovery involves: the rehabilitation and utilization of industrial productive capacity (this has a very large foreign exchange component); the re-establishment of the economic infrastructure particularly in rural areas (cash-crop collection, agricultural input and commodity distribution, and transport systems); the support, through training and technical assistance, of essential governmental administrative structures; and the rehabilitation of the housing stock and urban services (essential for recovery of the monetary sector and to the inflow of foreign assistance). The principal need is foreign exchange: the serious shortage of foreign exchange is the major constraint on economic activity and no significant reconstruction can take place without a considerable increase in external resources.

81. The Government is anxious to reduce the level of deficit financing which, in view of the revenue-expenditure situation in the recurrent budget, means that the bulk of development expenditures - including the financing of local costs - must be met from external sources.

82. In very broad outline, the Government's first provisional estimates of the foreign exchange situation in 1981 showed that petroleum ($110 million) and imports for government use (about $80 million) absorbed around 70 per cent of foreign exchange earnings. Some $170 million of parastatal and private sector imports was financed by the remaining foreign exchange earnings and by IMF support. A further $135 million of imports was tied to grants, loans and credits (including some $80 million in food aid).

83. Preliminary projections indicate that if there is to be any significant economic improvement in 1982, imports will have to increase to a level at least 10 to 15 per cent higher than that of 1981. v/ Such a level would not provide for investment to replace worn-out and damaged industrial plant, but would allow for the 60 per cent increase in petroleum imports considered essential to economic recovery. Assuming continuing levels of IMF support (necessitating credits into the upper tranches) and IDA and other grants, loans and credits, but a discontinuance of food aid, the minimum incremental external foreign exchange support needed is in the order of $150 million. However, taking account of the fact that some industrial plant has to be replaced in essential industries and that the capacity of the domestic budget to contribute to development expenditures is very limited, the mission has estimated that additional external support needed by Uganda in 1982 in order to launch a significant rehabilitation and recovery programme is at least $200 million. The need in 1983 will be of a similar order of magnitude. Even with this level of assistance, major problems of debt-servicing and accumulated arrears would remain.

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v/ The balance of payments projection for 1982 as shown in table 4 above is necessarily more conservative at this time.

84. The great and obvious needs of Uganda are daunting. The projects listed in section V would cost some $1.76 billion over the two fiscal years, 1982/83 and 1983/84, (excluding the cost of urgent projects which still need to be further elaborated and costed). It is unlikely that external support will be forthcoming for the totality of this programme. The Government therefore intends to select, from this list, a core programme of highest priority projects to be presented to the Uganda Consultative Group meeting in Paris on 18 and 19 May 1982.

85. It must be emphasized that project assistance in the sense of initiating new activities is not what Uganda is requesting at this time. What is needed is foreign exchange support - in whatever form - to permit existing economic, agricultural and social assets to be rehabilitated and to become productive. The priority projects in section V therefore focus on three areas:

(a) Repairs, spare parts, replacement of broken-down or lost assets;

(b) Imports of essential manufacturing and agricultural inputs to permit recovery of productive operations;

(c) Re-establishing essential services which were previously available.

It should be noted that external assistance under these conditions is likely to lead directly to a rapid increase in production and levels of well-being.

86. The Government recognizes that it faces a considerable task in rehabilitating public administration, which is important both for the normal functioning of Government and to ensure absorption of external assistance. Many essential governmental parastatal records were not kept during the previous régime or were lost during the liberation war; civil service morale plummeted with the rise of nepotism and arbitrary decision-making, and the purchasing power of salaries eroded to the point where many public servants were forced to spend working time on subsistence cultivation; revenue collection - by central government and local authorities, and to some extent by customs - almost collapsed; and health and veterinary services fell considerably below even minimal standards. Many civil servants were rendered idle as a result of lack of equipment and supplies for their departments or institutions.

87. The recovery of food production during 1981 augurs well. It is recognized that the small-scale farmer remains the backbone of Uganda's economy, and it is clear this sector responds rapidly when there are possibilities and incentives for increasing production. While Uganda will be largely self-sufficient in food staples in 1982 (some pockets of shortages will remain and external assistance will be required to overcome problems of internal distribution), there remains a considerable dietary imbalance - a deficiency in proteins and oils - which is beginning to show up in the nutritional state of children. Under the circumstances, the recovery of livestock, fisheries and oil-seed production is most important.

88. In the agricultural sector generally, the most important obstacles are the low efficiency of the collection, storage and marketing of cash crops, and the lack of farm supplies w/ and extension and veterinary services. The co-operative system is well-established but needs resuscitation, as do the marketing boards. The rehabilitation of these institutions is therefore of the highest priority.

V. PROJECTS REQUIRING FUNDING

A. Background

89. At the time of the missions's visit, the Government of Uganda was in the process of undertaking a detailed and comprehensive review of the country's resource requirements for a recovery programme, focusing particularly on immediate needs in the next two years. While most of the more urgent needs had been identified, intra-sectoral and inter-sectoral priorities had not yet been defined. While the general order of magnitude of project costs had in most cases been established, the costs were subject to further refinement and for a few projects had not yet been estimated.

90. At the Uganda Consultative Group meeting in Paris in May 1982, the Government will present a core programme of highest priority projects, which will be described and costed in some detail. It is expected that this programme will be selected from the longer list of needs identified during the mission's visit and descibed in the present section.

91. Since the identified needs, as listed below, total some $1,760 million (plus some projects for which costs had not been estimated) the Government recognizes the necessity of indicating to the international donor community what its highest priorities are from within this list. On the other hand, the existence of this longer list may enable some potential donors to support projects for which they have particular capabilities. The list necessarily includes some of the basic imports which it is hoped to finance with IMF and IDA resources. It does not, however, include minimum needs for consumer goods which will have to be imported.

B. Summary project descriptions

92. The following 161 projects are those presented to the mission for which costs had been estimated. They total $1,759.8 million over two years. x/ A further 24 projects for which costing was not available at the time of the mission's visit are listed at the end of each sectoral group below. Because of the limit imposed on the length of reports to the General Assembly, project descriptions are necessarily brief. Further project information is available from the Office for Special Political Questions of the Secretariat, and full project descriptions can be obtained from the Government of Uganda.

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w/ Also of essential household items for the rural areas; the incentive for cash-crop production diminishes if these are not available.

x/ The five largest projects (concerning agricultural supplies, road repairs, and railway rolling-stock and workshops) account for $602.9 million or 34 per cent of the total.

93. It should be noted that about half of the value of the needs described below is for urgent inputs, and for repair and maintenance materials, for agriculture, industry, transport, public works, health and education. On the other hand, there is little in the following list in the nature of consumer goods. This situation demonstrates the need for balance-of-payments support or programme assistance at this time, rather than project assistance. y/

1. Agriculture

A-1. Urgent needs for agriculture and agro-industry (estimated cost: $166.6 million)

94. Urgent needs for agriculture and for agro-industry during 1982-1983 are: fertilizers ($16.8 million); pesticides ($26.8 million); seeds, including maize, groundnut, wheat, soya and vegetable ($10.8 million); agricultural tools, including 1 million hoes, 300,000 forked hoes, 50,000 machetes, and 5,000 ox ploughs ($10.4 million); acaricides and veterinary products ($27.6 million); livestock equipment, including 5,000 bucket-pumps ($5.2 million); coffee industry supplies including 20,000 gunny bags and $3 million for factory spares and tools ($24.2 million); cotton industry supplies including 20,000 gunny bags and $1.9 million for ginnery spares ($11.9 million); edible oil and soap mills under the Lint Marketing Board (a total of $22 million for spare parts ($2 million) and imported inputs for two years ($20 million)), supplies for the Produce Marketing Board, including supplies for the tobacco industry ($5.6 million); supplies for the co-operatives' transport fleet (a total of $4.2 million for batteries ($1.1 million), spare parts ($0.5 million), tyres and tubes ($1.9 million) and truck tarpaulins ($0.7 million)); rehabilitation of premises and provision of training programmes for the Uganda Co-operative Savings and Credit Union ($0.4 million); and supplies for the Uganda Co-operative Alliance ($0.7 million).

A-2. Support for agricultural planning and co-ordination (estimated cost: $2 million)

95. Three ministries, namely, Agriculture and Forestry, Co-operatives and Marketing, and Animal Industry and Fisheries, have primary responsibilities for the agricultural sector. There is a great need to strenghthen the planning functions in the three ministries and achieve co-ordination between them and also to strengthen the collaboration between these ministries and the Ministry of Planning and Economic Development. This project involves external technical co-operation only, the precise nature of which will be elaborated between the Government and any interested donor organization.

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y/ In the following list needs are grouped by "projects" primarily for clarity of presentation.

A-3. Integrated food production and rural development
(estimated cost: $1.5 million)

96. There are three elements to this programme: activities in the eastern and northern districts; activities specifically for the Karamoja region; and assistance and support for semi-arid farming. The first two elements have secured support from the International Fund for Agricultural Development (IFAD) and EEC respectively; the third element, which is complementary to activities in Karamoja, still requires funding.

A-4. Agricultural census
(estimated cost: $8 million)

97. The last agricultural census was carried out from 1963 to 1965. Since then there have been considerable changes in the structure of production, the availability of the different agricultural requisites, farming communities and the numbers and distribution of livestock. A new agricultural census is required in order to have an adequate data base for planning in the agricultural sector in the mid- and late 1980s.

A-5. Rehabilitation of cotton production
(estimated cost: $11 million)

98. Cotton production has declined from a high of 430,000 bales a year to less than 20,000 bales and from 130,000 tonnes of cotton seed to only 6,000 tonnes. Imports for cotton production activities are urgently needed as well as rehabilitation of extension services to cotton growers and the reconstruction of damaged sheds.

A-6. Rehabilitation of the sea industry
(estimated cost: $11.6 million)

99. Tea production fell drastically in the late 1970s, and quality also decreased as the level of husbandry on the tea estates fell. External inputs for production, spares for machinery and vehicles, new machinery, and tea-processing plant rehabilitation are required.

A-7. Rehabilitation of the tobacco industry
(estimated cost: $10 million)

100. Tobacco production is only 1,000 tonnes compared to a peak of 5,000 tonnes in 1972. Basic inputs and improvements in the marketing system are needed as well as considerable rehabilitation work on sheds, barns and collection points.

A-8. Rehabilitation of prison farms
(estimated cost: $5 million)

101. The 109 prison farms, of 10 to 7,300 hectares, have traditionally provided a considerable marketable surplus, and the Government places high priority on rehabilitating them. The principal needs are agricultural requisites and transport facilities to market the crops. This project does not include the rehabilitation of prison livestock production, which had also been important in earlier years.

A-9. Rehabilitation of the cashew nut industry
(estimated cost: $1.5 million)

102. Commercial cashew nut production began in the 1970s in the Teso and Bukedi districts as a second cash crop (in addition to cotton) in the annual-crop zone. A nucleus farm and an outgrower scheme had been started and a processing plant almost completed at Soroti. In order to reactivate and complete the project it is necessary to provide agricultural supplies and to reactivate extension and marketing services, to complete construction of the processing units and to bring in the final items of machinery required (some machinery is available but not yet installed).

A-10. Cocoa development
(estimated cost: $1 million)

103. Commercial cocoa production began in 1973, with a view to diversifying agricultural exports and reducing over-dependence on coffee. Although the present acreage could produce some 5,000 tonnes, production is now only one quarter of this. The programme includes disease control measures, completion of the nursery and handling facilities, and cost of transport equipment. This is the first phase of a five-year programme costing $2.4 million.

A-11. Rehabilitation of services to the traditional pastoral sector
(estimated cost: $3.9 million)

104. Many services for small-scale livestock owners urgently need to be re-established. The main needs are in connexion with watering points (tanks and dams), cattle crushes and dips for veterinary treatment, rehabilitation of veterinary centres, establishment of livestock markets and quarantine services, and training facilities for livestock owners. Extension services are receiving some support from EEC.

A-12. Re-establishment of tsetse control
(estimated cost: $8.5 million)

105. About a quarter of Uganda's land area, most of which is potentially productive, is considered to be infested with tsetse fly. Due to lack of tsetse control in recent years, animal and human trypanosomiasis is showing an alarming resurgence. The re-establishment of control and eradication programmes is of

highest priority. IFAD and EEC have given some support, but funding is required for drugs, insecticides, bush-clearing equipment and supplies, vehicles and spare parts, and other materials.

A-13. Rinderpest/contagious bovine pleuro-pneumonia programme
(estimated cost: $13.6 million)

106. The control programme for rinderpest and contagious bovine pleuro-pneumonia has been neglected in recent years, particularly during and immediately after the liberation war, and serious outbreaks occurred in 1980-1981. A revitalized disease control programme is of high priority. This is the first phase of a programme whose total cost will be $34 million over the next five years.

A-14. Tick control programme
(estimated cost: $11.3 million)

107. A consultant is at present studying a renewed tick control programme and the estimated cost above is for two years of the programme; the cost for five years is estimated at $28.3 million.

A-15. Mobile disease control units
(estimated cost: $7.8 million)

108. This project would complement and strengthen other animal disease control activities. It is felt that mobile units are particularly suitable for the remote areas in the north and east where the largest concentrations of cattle are found and where the population is heavily dependent on livestock.

A-16. Rehabilitation of the poultry industry
(estimated cost: $2.1 million)

109. This programme includes the rehabilitation of hatcheries, poultry farms, feed production, and the importation of parent stock, drugs, vaccines, and other inputs. Some support is being given by EEC; the cost above represents additional requirements.

A-17. Emergency assistance to artisanal fishermen
(estimated cost: $0.3 million)

110. This project will provide urgently needed fishing gear and tools until the fish-net factory can again become operational.

A-18. Workshops for vehicles for co-operatives
(estimated cost: $7.1 million)

111. The Uganda Co-operative Transport Union has a central workshop near Kampala and regional workshops at Soroti, Gulu and Mbarara, to serve the vehicles of the various co-operative organizations. These workshops require rehabilitation and equipment.

A-19. Rehabilitation of rural co-operative stores and silos and Produce Marketing Board stores
(estimated cost: $11 million)

112. The Produce Marketing Board has a network of stores at Kampala, Tororo, Gulu and Kasese with a total capacity of 40,000 tonnes and several small-scale mills. These stores and mills need repairs costing some $11 million. In addition, rural co-operative stores suffered considerable damage during the liberation war and there is now an acute shortage of safe storage for produce and supplies; the cost of rehabilitating these stores is under study.

A-20. Afforestation programme
(estimated cost: $2.6 million)

113. The Government wishes to reactivate the afforestation programme, to provide woodlots for small farmers and to begin work on developing a seedling bank suited to local needs. The cost represents the initial work of a medium-term programme.

A-21. Rehabilitation of Budongo veneer and plywood factory and Kiira plywood factory (Jinja)
(estimated cost: $10.2 million)

114. The Budongo and Kiira factories require extensive rehabilitation and replacement of old or missing machinery, and an adequate stock of spare parts.

A-22. Rehabilitation of heavy machinery unit (Ministry of Animal Industry and Fisheries)
(estimated cost: $8.9 million)

115. This is a central unit servicing the various activities of the Ministry. The existing machinery needs rehabilitation and spare parts, the workshop needs new tools and equipment, a maintenance unit needs to be established and additional heavy machinery needs to be acquired.

A-23. Horticultural development
(estimated cost: $1.5 million)

116. The Horticultural Development Centre needs to be rehabilitated and a feasibility study to determine the scope for short-term and medium-term horticultural production needs to be carried out; meanwhile, supplies and extension services are required.

A-24. Rehabilitation of agricultural research
(estimated cost: $1.9 million)

117. Uganda has 3 principal research stations - at Kawanda, Namulonge, and Serere - 7 substations, and 60 experimental trial centres. Following recent dislocations and shortages, the research effort has collapsed. The cost above relates only to a minimal programme (varietal trials, an ongoing seed project and co-operation with international research centres).

A-25. Centre for visual aids and extension materials
(estimated cost: $1.3 million)

118. This project is required for the rehabilitation of extension services for agriculture and animal husbandry. The Centre needs rehabilitation, printing presses and spares, materials and technical assistance.

A-26. Manufacture of agricultural equipment (Soroti)
(estimated cost: $2.7 million)

119. The facility at Soroti producing prototypes of farm implements (including ox-drawn implements) was previously supported by a UNDP/UNIDO project. The centre needs materials and spare parts in order to resume operations.

A-27. Rehabilitation of dairy production and milk-processing
(estimated cost: $22.4 million)

120. The project will assist with the re-establishment of dairy farms, artificial insemination services, milk-processing plants, collection centres and extension services to the private sector.

A-28. Commercial ranching programme
(estimated cost: $22.6 million)

121. This project covers the rehabilitation of seven departmental and private ranches established under an earlier ranching scheme, and includes restocking of cattle, which were looted during and after the liberation war.

A-29. Rehabilitation of the apiary industry
(estimated cost: $0.7 million)

122. This project includes the completion of apiaries, training, and improvements in marketing.

A-30. Fish handling and quality control
(estimated cost: $1.8 million)

123. This project covers the establishment of a laboratory and training in the maintenance of public health standards in the handling and distribution of fish. It includes the provision of five ice plants, with spares, to permit transportation of fresh fish to markets.

A-31. Rehabilitation of forest management
(estimated cost: $3.4 million)

124. It is intended to continue the work of an earlier UNDP/FAO project, with emphasis on forest inventory, management and planning.

A-32. Rehabilitation of forestry training
(estimated cost: $7.8 million)

125. This programme comprises the rehabilitation of and assistance to the Forestry Department of Makerere University ($4.2 million), in-service training of forestry department personnel ($0.2 million) and the rehabilitation of Nyabyeya Forestry College, which is the only institution training technical personnel ($3.4 million).

A-33. Rehabilitation of the pig industry
(estimated cost: $8 million)

126. This project comprises the rehabilitation and restocking of the departmental pig farms, the rehabilitation of small-scale feed mills, improvement of the breeding stock and the establishment of a 100-sow breeding unit.

A-34. Rehabilitation of fisheries extension services
(estimated cost: $1.3 million)

127. The fisheries extension services are without the means to carry out their functions and need boats, tools, vehicles, spares, training aids, and equipment for workshops.

A-35. Rehabilitation of the Fisheries Training Institute
(estimated cost: $1.7 million)

128. The Fisheries Training Institute is moribund; it requires training materials and equipment, and teaching and library supplies.

A-36. Fishery research
(estimated cost: $5.1 million)

129. Research activities are needed for planning future development. The cost includes $1.9 million for the ex-regional Uganda Fresh Water Research Organization.

A-37. Ex-regional sorghum and millet research
(estimated cost: $1.6 million)

130. The Research Centre at Serere requires apparatus, laboratory consumables, maintenance and repair equipment, workshop equipment, cold-storage facilities, and vehicles in order to continue research activities (many of which were carried out using the facilities in Kenya prior to the dissolution of the East African Community).

A-38. Rehabilitation of other ex-regional research centres
(estimated cost: $1 million)

131. In addition to the Serere station, there are four other research centres where activities have nearly ceased owing to lack of laboratory equipment and consumables

such as chemicals and reagents. These centres are: the Uganda Virus Research Institute ($0.5 million), the Tuberculosis Investigation Centre ($0.1 million), the Uganda Trypanosomiasis Research Centre ($0.3 million) and the Sugar Cane Disease Testing and Breeding Unit ($0.1 million).

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<u>Other projects not yet costed</u>

132. Several important project had not been costed at the time of the mission's visit. These are:

(a) Rice development;
(b) Maize development;
(c) Rehabilitation of animal husbandry training institutions;
(d) Additional rehabilitation and reconstruction of coffee factories and warehouses;
(e) Additional rehabilitation of cotton ginneries and sheds;
(f) Training of staff for co-operatives;
(g) National food plan;
(h) Development of community fishing centres.

2. <u>Industry</u>

I-1. <u>Rehabilitation of East African Glass Works</u>
(estimated cost: $5 million)

133. Since this facility closed in 1974, both bottles, tumblers, and plastic bottle crates have been imported as finished products.

I-2. <u>Raw materials for the Uganda Fish-net Manufacturers Ltd.</u>
(estimated cost: $2 million)

134. Production reached 550,000 fish-nets per annum in the period 1973-1975, but the factory is not operating due to lack of imported materials. The estimated cost covers imports of materials for two years.

I-3. <u>Nyanza Textile Industries Ltd.</u>
(estimated cost: $10.5 million)

135. This is Uganda's largest textile mill, with a capacity of 36 million metres per annum. While the plant has suffered no direct damage, there is a backlog of machinery repair and replacement needs.

I-4. <u>United Garment Industries Ltd.</u>
(estimated cost: $6 million)

136. This factory has a capacity of 2.3 million garments and knitwear articles per annum. During the liberation war, equipment was damaged and spare parts and inventory were looted.

I-5. Uganda Bata Shoe Co. Ltd.
(estimated cost: $40 million)

137. This enterprise has a capacity of 4 million pairs of shoes per annum but in 1981 produced only 600,000 pairs. The factory is dependent on the recovery of the local tanning and cotton industries. As these recover, production levels can increase if some machinery rehabilitation is undertaken (about $10 million) and foreign exchange is available for imported materials ($30 million per year at full capacity).

I-6. Dunlop East Africa Ltd.
(estimted cost: $10.8 million)

138. This factory, which has been closed for the past year owing to lack of raw materials, has an installed capacity per annum of the following: 1 million bicycle tyres, 1.4 million bicycle tubes, 118,000 litres of adhesive. It also produces rubber solutions. The estimated cost covers imports of raw materials for two years ($9.3 million), and repair and replacement of machinery and retraining ($1.5 million).

I-7. General Equipment (U) Ltd.
(estimated cost: $3.4 million)

139. This company operates a tyre retreading factory. Some obsolete machinery which produces substandard retreads needs to be replaced; the plant could then quickly reach an annual output of 75,000 small tyres and 25,000 large tyres.

I-8. Vita Foam (U) Ltd. (Jinja)
(estimated cost: $6 million)

140. This is a foam mattress factory with a capacity of 6.7 million pieces per annum. The estimated cost is for imports to produce 2 million pieces a year over the next two years.

I-9. Uganda Metal Products and Enamelling Company (TUMPECO) Ltd.
(estimated cost: $4.1 million)

141. This company has the following annual production capacity: 36,000 beds, 36,000 spring mattresses, 15,000 pieces of steel furniture and hospital equipment, 3.6 million pieces of enamelware, and 30,000 pairs of vehicle number plates. Owing to a shortage of imported materials, only a limited number of beds and number plates are at present being produced. Of the estimated cost, $3.7 million represents imports of materials for two years.

I-10. Associated Match Co. Ltd. (Jinja)
(estimated cost: $2.7 million)

142. This is the only match factory in Uganda, with a capacity of 60,000 cartons per annum. Owing to a lack of imported materials (chemicals, paper and spare

parts), it is now operating at 15 per cent of capacity. Vehicles to bring logs to the factory are also needed.

I-11. United Carbide Ltd.
(estimated cost: $1 million)

143. This facility manufactures dry-cell batteries. Some machinery replacement is necessary, and imported raw materials for two years will cost $0.8 million.

I-12. Madhvani Soap Industries (Kakira)
(estimated cost: $5.3 million)

144. This factory has a capacity of 3,600 tonnes of laundry soap and 1,400 tonnes of toilet soap per annun, but production in 1979-1980 was only 24 tonnes of laundry soap. The estimated cost includes spare parts and an initial stock of imported raw materials.

I-13. Uganda Feeds Ltd. (Jinja)
(estimated cost: $3.4 million)

145. Domestic demand for animal feed is estimated at 70,000 tonnes per annum, which this feed mill can meet when operating at full capacity. However, owing to shortages of imported materials, production has never exceeded 30,000 tonnes a year. $3.2 million of the estimated cost is for two years' imports, and the balance is for machinery repair and technical assistance.

I-14. Rehabilitation of Madhvani Sugar Ltd. (Kakira)
(estimated cost: $12.1 million)

146. It is planned to raise the daily cane-crushing capacity from 1,500 tonnes to 6,000 tonnes. $7 million has already been spent, and the additional funds are for machinery replacement and spare parts, rehabilitation of the irrigation system, other field equipment, cane transport equipment and workers' housing and facilities.

I-15. Rehabilitation of Print Pak Uganda Ltd.
(estimated cost: $5.4 million)

147. This plant has an installed capacity of 1,000 tonnes per annum of wrapping and packaging material, but at present operates at 10 per cent of capacity owing to a lack of imported raw materials. Spares and tools($0.9 million)are needed, and raw materials for two years amounting to $4.5 million.

I-16. Hima Cement Works
(estimated cost: $7.7 million)

148. The original cement production line, with a capacity of 100,000 tonnes per annum, is out of service and requires rehabilitation. A second production line, with a capacity of 200,000 tonnes per annum, is on site but has not yet been

commissioned. Quarry machinery needs repair and technical assistance is required in the start-up period. Imported materials are also needed for asbestos pipe and sheet production.

I-17. Uganda Baati Ltd. (Kampala)
(estimated cost: $13.4 million)

149. This factory has an annual capacity of 9,000 tonnes of corrugated iron sheeting and 720 tonnes of aluminium hollow ware. Production in recent years has been at 3 to 5 per cent of capacity on both lines. Some minor machinery rehabilitation is necessary, but the costing largely reflects imports of raw material requirements for two years.

I-18. Tororo Steel Works Ltd.
(estimated cost: $10.9 million)

150. This factory has a capacity of 4,500 tonnes per annum of corrugated and flat galvanized sheeting. Considerable machinery rehabilitation and imports of raw materials for two years are needed.

I-19. Ugma Engineering Corporation Ltd. (Lugazi)
(estimated cost: $10.3 million)

151. This company operates a foundry and engineering works, producing structural iron and steel, agricultural implements, heavy industrial machinery, tanks, vehicle bodies and cast-iron products. Extensive rehabilitation of equipment is needed, including factory repairs and quality control instrumentation. The estimated cost includes imports of raw materials for two years, amounting to $3.5 million.

I-20. Sembule Steel Mills Ltd.
(estimated cost: $1.2 million)

152. This mill has an annual capacity of 500 tonnes of barbed wire, 1,000 tonnes of wire nails, 800 tonnes of roofing nails and 300 tonnes of fencing nails. The costing represents imports of materials for two years.

I-21. Sanyu Tissue Uganda Ltd.
(estimated cost: $4.6 million)

153. This company, which produces toilet paper, lacks imported raw material. To produce 12 million rolls per annum, some machinery rehabilitation is necessary; imported raw materials for two years will cost $4 million.

I-22. Uganda Breweries Ltd.
(estimated cost: $17 million)

154. The factory has a bottling capacity of 10,000 cases per day and a brewing capacity of 20,000 cases per day, but present output is only 5,000 cases. Output of 20,000 cases per day can be achieved with the replacement of the present

bottling line and the purchase of distribution vehicles. Imports constitute 90 per cent of the cost of inputs and the costing includes $10 million for imports of raw material for two years.

I-23. Rehabilitation of Lake Victoria Bottling Company
(estimated cost: $16.5 million)

155. This soft-drink plant is at present closed down. It has an installed capacity of 6,000 crates per day. A second production line with the capacity of 12,000 crates per day has been delivered but not installed. When both lines are operational, the plant will meet approximately one third of the estimated demand for soft drinks. The costing includes $15 million for imported raw materials for two years.

I-24. Uganda Spinning Mill Ltd. (Lira)
(estimated cost: $4.3 million)

156. This plant has the capacity to process 20,000 bales of cotton (into 3,600 tonnes of yarn) annually. It is operating at less than one third capacity. As cotton production increases, machinery rehabilitation will be necessary in order to raise processing capacity.

I-25. African Textile Mills Ltd. (Mbale)
(estimated cost: $7.3 million)

157. This mill had an output of 2.7 million metres of cloth in 1980, representing less than 30 per cent of capacity utilization. Obsolescent equipment needs to be replaced and other rehabilitation measures need to be undertaken in order to raise output.

I-26. Pamba Textiles Ltd. (Jinja)
(estimated cost: $10.5 million)

158. This mill is at present producing some 5 million metres of cloth per annum, one third of its capacity. The installations were extensively damaged and looted during the liberation war, and considerable equipment replacement and rehabilitation are needed.

I-27. Associated Battery Manufacturers Ltd.
(estimated cost: $2 million)

159. This is the only battery manufacturer in Uganda, with a capacity of 50,000 batteries per annum. The costing largely reflects imports of materials for two years.

I-28. Emco Oil Refineries
(estimated cost: $3.6 million)

160. The expellers at this vegetable-oil refinery need rehabilitation and the boilers need replacing. Increase in production depends on the recovery of oil-seed production (principally cotton seed).

I-29. Uganda Leather and Tanning Industries Ltd. (Jinja)
(estimated cost: $3.6 million)

161. This factory has the capacity to process 750 hides and 1,500 skins per day. As raw material availability increases, $3.1 million will be required over two years for imported materials and spare parts; technical assistance will also be needed.

I-30. Tororo Industrial Chemicals and Fertilizers (TICAF) Ltd.
(estimated cost: $4.3 million)

162. This company manufactures single superphosphate fertilizer, using imported sulphur. In the mid-1970s, about 90 per cent of the production of some 30,000 tonnes per annum was exported to Kenya and the United Republic of Tanzania. The factory is now closed owing to a lack of spare parts. As project M-2 comes on stream, sulphur will be supplied from Kilembe.

I-31. Rehabilitation of Nile Breweries Ltd.
(estimated cost: $11.6 million)

163. Present production is about 1,500 cases per day and capacity is 6,000 cases. A new bottling line is on site, but costs will be incurred to bring it into production. Distribution vehicles are also needed. The estimates include $7 million for imports of raw material for two years.

I-32. Sugar Corporation of Uganda Ltd.
(estimated cost: $29 million)

164. This factory needs comprehensive rehabilitation and field equipment. It is hoped to increase production from 3,500 tonnes of refined sugar in 1980 to some 46,000 tonnes in 1983. The estimated cost covers foreign exchange needs only.

Other projects not yet costed

165. Several important project had not been costed at the time of the mission's visit. These are:

(a) East African Steel Products Ltd.;
(b) Steel Manufacturers of East Africa Ltd.;
(c) Brothers Soap Industries Ltd.;
(d) National Sugar Works Ltd. (Kinyala);
(e) Family Sawmillers Ltd.;
(f) Jinja Sawmills and Woodworks Ltd.;
(g) Lugogo Woodworks;
(h) Unique Quarries Ltd.;
(i) Kyanja Stone Quarry Ltd.;
(j) Mobile Quarry Ltd.;
(k) Study of rehabilitation of the National Tobacco Corporation;
(l) Consultants to review Lake Katwe salt project.

3. Transport and communications

T-1. Modernization of railway signalling and telecommunications systems (estimated cost: $17 million)

166. The existing signalling and telecommunication systems are inadequate to handle even the present traffic. They are only obsolete (spares cannot be readily obtained), but also unreliable and therefore unsafe. To reduce accidents and to increase traffic density, new signalling and telecommunication systems and technical assistance are required.

T-2. Rail transit sheds and container terminals (estimated cost: $2 million)

167. The transit sheds at Kampala, Kasese, and Tororo are inadequate for handling the anticipated domestic, international and transit tonnage increases. Three cranes capable of handling 40-foot standard containers are also needed.

T-3. Reactivation of Uganda Railways' mechanical handling equipment section (estimated cost: $3 million)

168. The mechanical handling equipment at the disposal of Uganda Railways is obsolete or out-of-service (e.g., there are not breakdown cranes to free blocked lines, especially serious for a single-track system). Six mobile cranes with a capacity of 6 to 7 tonnes, six 3-tonne forklifts and one 80-tonne breakdown crane are required.

T-4. Renewal, improvement and upgrading of railway tracks (estimated cost: $26 million)

169. Over 70 per cent of the railway tracks have been in use for over 50 years, and there are a variety of non-standardized fittings - most of which are out of production, rendering replacement and repair difficult. Moreover, much of the track is not suitable for modern locomotives. The costing relates to two years of a five-year programme.

T-5. Road works support services (estimated cost: $7.6 million)

170. Assistance is needed to establish resealing and regravelling units and a workshop for the repair and overhaul of caterpillars, graders and other heavy road machinery. It is also necessary to re-equip most workshops and road maintenance work units.

T-6. Kampala-Masaka road (estimated cost: $12 million)

171. The 70-kilometre Kampala-Masaka road, which has seriously deteriorated with over-use and neglect, forms part of the international road linking Uganda with the

United Republic of Tanzania, Rwanda, Burundi, and eastern Zaire. Technical studies and tender documents are in an advanced stage of preparation.

T-7. Ishaka-Katunguru-Kasese road
(estimated cost: $10.5 million)

172. This is a 100-kilometre road linking Rwanda and eastern Zaire to Uganda and is particularly important because Kasese is the rail head for transshipment of rail freight. The road passes through rich agricultural areas.

T-8. Masaka-Lyantonde road
(estimated cost: $11.3 million)

173. This road is part of the inter-state road linking Rwanda, eastern Zaire, Uganda and Kenya. It has deteriorated badly and needs repair.

T-9. Lyantonda-Mbarara-Ntungamo-Rubare road
(estimated cost: $27.5 million)

174. This is an important stretch of the road link with the three hinterland countries and passes through rich agricultural areas. A project description has been prepared.

T-10. Ntungamo-Kakitumba road
(estimated cost: $24 million)

175. This is the last segment of an international route to Rwanda and passes through rich agricultural areas.

T-11. Ishaka-Ntungamo road
(estimated cost: $24 million)

176. This road improvement project links the two international roads (see projects T-7 to T-10) which serve the three hinterland countries. A project description has been prepared.

T-12. Rehabilitation of rural roads
(estimated cost: $8.9 million)

177. The 32 district authorities are responsible for some 20,000 kilometres of rural feeder roads. Some 100 back-tipper trucks ($2.8 million), 32 graders ($3.1 million), 32 excavators ($1.5 million) and rehabilitation of the 32 district workshops ($1.5 million) are needed.

T-13. Kampala road rehabilitation
(estimated cost: $67.8 million)

178. Kampala has 266 kilometres of tarmac roads and 700 kilometres of laterite (murram) roads. This road system has deteriorated badly, and the total cost of repair is estimated at $167.5 million plus $0.8 million for machinery. The estimated cost above is an estimate for the next two years only.

T-14. Other national road projects
(estimated cost: $220.5 million)

179. There are two groups of road projects involving sectional repairs, regravelling, resealing, and repair of broken edges. Detailed engineering designs have already been prepared for most of the sections. The above estimated cost represents the expenditure for two years of a long-term programme.

T-15. Procurement of railway rolling-stock
(estimated cost: $80 million)

180. While Uganda Railways' 48 locomotives are considered adequate for existing traffic, the country does not possess sufficient wagons to meet the projected growth. Passenger coaches are also needed. In total, 1,485 wagons and 93 coaches are required over four years; the estimated cost above is for about half of this number.

T-16. Establishment of a flight information region (FIR) for Uganda
(estimated cost: $15 million)

181. Uganda is not able to meet International Civil Aviation Organization (ICAO) requirements. Connexions with Dar es Salaam, Kigali, Kinshasa and Khartoum by speech and radio teletype circuits are required. It is necessary to acquire telecommunication equipment, navigational aids and technical radar and assistance with installation.

T-17. Rehabilitation of radio and television studios
(estimated cost: $2.1 million)

182. Radio Uganda provides programmes in 18 languages from a master studio at Kampala. Only one channel is operational, and none of the five regional studios are in working order. It is necessary to rehabilitate the studios and repair or replace old equipment. Television studio facilities also need rehabilitation.

T-18. Telecommunication projects
(estimated cost: $6.7 million)

183. The Uganda Posts and Telecommunications requires assistance for various short-term telecommunication projects. Many of these relate to restoring services to the 1971 standard, with some facilities added to improve efficiency. The projects include a processing plant to treat poles for cable lines ($450,000).

T-19. Uganda Times
(estimated cost: $2 million)

184. The Uganda Times currently distributes only 10,000 copies daily. The assistance requested includes replacement of obsolete equipment, repair and parts but excludes the cost of newsprint (at the projected circulation level some 3,000 tonnes will be required per annum).

T-20. Railway repair and manufacturing workshops
(estimated cost: $68 million)

185. A locomotive workshop is under construction at Nalukolongo but adequate maintenance and fuelling stations are needed at Kampala, Jinja, Tororo, Gulu, Kasese and Soroti. The workshop needs to be equipped with facilities for repairing diesel locomotives and rolling-stock. Requirements include machinery and equipment and spares for locomotives, carriages and wagons.

T-21. Rehabilitation and improvement of Entebbe international airport
(estimated cost: $23.1 million)

186. Entebbe international airport was severely damaged during the liberation war and currently offers less than minimum facilities for safe and efficient passage. Requirements include aeronautical mobile services, radio navigational facilities and training. The terminal building requires repair, electrical and mechanical equipment and furnishings.

T-22. Rehabilitation of radio and television transmitters
(estimated cost: $16.9 million)

187. Radio and television transmitters were damaged during the liberation war. There is a shortage of spare parts and transmission of the current limited programmes is carried out by cannibalizing sets.

T-23. Establishment of a news collection service
(estimated cost: $8.8 million)

188. It is intended to establish a system of district news collection, initially in 20 administrative districts, using radio communications. Assistance is required for the purchase of radios, and for installations and vehicles.

T-24. Establishment of radio and television educational centres
(estimated cost: $17.5 million)

189. The Government wishes to establish television and radio educational centres throughout the country in an effort to provide popular education. Initially, there would be five radio receiving centres and a number of television outlets within the premises of established community centres. Radio receivers would also be made available for sale. The programme will begin with radio services only in the first year; the estimated cost above is for two years.

T-25. Establishment of an engineering base for Uganda Airlines
(estimated cost: $43 million)

190. Uganda Airlines does not have repair and maintenance facilities, and it has not been possible to undertake minimal servicing of aircraft for either the national fleet or foreign carriers. It is necessary to construct a hangar and suitably equip it to provide such services.

T-26. Support for the East African Flying School at Soroti
(estimated cost: $8 million)

191. The school was established to meet the regional needs of the East African Community and it received UNDP/ICAO assistance. While the Government hopes for the continuation of the project as a regional scheme, alternative financing would have to be sought should this fail to materialize.

T-27. Establishment of a film centre
(estimated cost: $2.8 million)

192. It is proposed to establish a film centre with a view to replacing imported films in television and theatres. The estimated cost above is for the first two years.

T-28. Tourism development
(estimated cost: $1.1 million)

193. Tourism promotional activities have completely broken down. Information material needs to be prepared and promotional activities initiated ($0.3 million). Ugandan personnel in the tourism sector need both in-service and overseas training ($0.8 million).

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Projects not yet costed

194. There are additional needs relating to air transportation (including expansion and training for Uganda Airlines, rehabilitation of up-country airfields, and meteorological services).

4. Public works

W-1. Urgent water and sewerage supplies
(estimated cost: $3.1 million)

195. Urgent needs include water treatment chemicals ($1.3 million), pump replacements ($0.9 million), transportation equipment, including mobile water-tankers and septic-tank emptiers ($0.4 million), building materials ($0.3 million), and hydraulic and meteorological equipment ($0.2 million).

W-2. Rehabilitation of rural water storage
(estimated cost: $6.4 million)

196. Some 900 rural water catchments exist; most of these are silted up and need new equipment and accessories.

W-3. Springs and wells
(estimated cost: $0.8 million)

197. There are 12,000 village wells and springs. Many of these need maintenance and some cisterns are also to be constructed. Over the next two years it is hoped to cover 2,400 wells and springs.

W-4. Micro-water supplies
(estimated cost: $3.2 million)

198. It is planned to provide rural areas with simple piped-water systems pumping supplies from reservoirs, boreholes or rivers to public stand-pipes. During the next two years it is proposed to complete 10 such installations.

W-5. Rural water supplies: boreholes
(estimated cost: $23.1 million)

199. The rotary drilling rigs at the disposal of the Government need to be replaced. New boreholes will need 1,000 hand-pumps, and 5,000 additional hand-pumps will be needed as replacement stocks for the next two years. In addition, 20 maintenance/service units, 5 civil construction units, camping equipment and transportation will be required.

W-6. Reconstruction of war-damaged towns
(estimated cost: $4 million)

200. The Ministry of Housing and Urban Development is confronted with the need to rebuild the towns of Mbarara, Masaka and Arua, which were destroyed during the liberation war. The estimate above reflects only the most urgent reconstruction supplies for the three towns in order to make them minimally habitable.

W-7. Strengthening the reconstruction capabilities of the Ministry of Housing and Urban Development
(estimated cost: $20.3 million)

201. There exists an enormous backlog of repair and maintenance needs in the urban housing stock and municipal infrastructures. Cement, constructional steel, galvanized sheeting, water and fuel tanks, pumps, pipe fittings, sanitary ware, construction equipment and tools, and surveying and drawing instruments are needed ($17.6 million). The production of clay-based building materials needs rehabilitation ($0.7 million), and a central woodworking shop is needed at Kampala ($2.1 million).

W-8. Assistance for urban projects
(estimated cost: $21.2 million)

202. Water and sanitation projects were started at Lira, Gulu, Kaberamaido and Kamuli in 1976. Some equipment was lost during the war and needs replacement. Similar construction, water and sanitation projects were started in 8 other centres (Pakwach, Katwe/Kabatoro, Luwero, Bushenyi, Kaboko, Nakapiripirit, Nebbi and Rakai) but were interrupted during the war. The Government plans to reconstruct the facilities in the above eight centres in three phases: phase one, immediate rehabilitation work with replacement of lost equipment; phase two, completion of civil works; phase three, work on reticulation systems not covered under phase two. The last phase ($7 million) is not included in the costing. Technical assistance for rehabilitation of the water supply system and planning is also needed ($3.3 million).

W-9. Rehabilitation of water supply and sewerage system at Kampala, Entebbe and Jinja
(estimated cost: $12.6 million)

203. Feasibility studies for the rehabilitation and expansion of these water supply and sewerage systems are being conducted by the World Bank. The needs of Jinja and Entebbe are being met with financing from the Islamic Development Bank. The estimated cost above is for a three-phase plan for Kampala.

W-10. Rehabilitation of water supplies and sewerage systems in other urban centres
(estimated cost: $0.5 million)

204. Rehabilitation work on water and sewerage systems is needed in 17 urban centres.

W-11. Restoration of tourist-oriented hotels and lodges
(estimated cost: $11.4 million)

205. This project is based on a recent report by the World Tourism Organization and includes the rehabilitation of three tourist-oriented hotels (at Entebbe, Kampala and Jinja) and four lodges in national parks and game reserves.

W-12. Operational and tourist vehicles for parks and game reserves
(estimated cost: $6 million)

206. The Ministry of Tourism and Wildlife needs a vehicle fleet for operations and for tourists (minibuses, pick-ups, delivery trucks, and estate cars).

W-13. Rehabilitation of national parks, game reserves and the Institute of Ecology (estimated cost: $2 million)

207. The national parks and game reserves need radio communications, road maintenance equipment and vehicles to ensure adequate park management and to control the serious poaching problem. The Institute of Ecology needs funds to re-establish its activities.

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Projects not yet costed

208. The following high-priority project is awaiting completion of a feasibility study and cost estimate:

Karamoja water project.

5. Mining and energy

M-1. Ayago hydroelectric scheme (estimated cost: $14 million)

209. The present electricity generating capacity of the Owen Falls plant is expected to be fully utilized by the mid-1980s, and it is therefore essential to start work now on additional stations which could begin operating at that time. Ayago (500 MW potential) is suitable for fast development, beginning with run-of-river installations (60-90 MW).

M-2. Cobalt recovery and associated industries (estimated cost: $1 million)

210. This programme involves setting up a cobalt recovery plant and a sulphuric acid plant for the processing of old tailings at Kilembe copper mine and the rehabilitation of superphosphate production at the Tororo Industrial Chemicals and Fertilizers (TICAF) plant near Tororo; the sulphuric acid from Kilembe would be used at the TICAF superphosphate plant (project I-30), which would also produce insecticides.

M-3. Petroleum exploration (estimated cost: $5.4 million)

211. There may be hydrocarbon deposits in north-central Uganda and in the Western Rift Valley. The estimated cost is for further investigations in these two areas over the next two years ($5 million in the north, $0.4 million in the Western Rift Valley).

M-4. Strengthening the Ministry of Lands, Mineral and Water Resources (estimated cost: $4.3 million)

212. This project will provide consulting services, training, equipment and supplies for the Department of Geological Survey and Mines and for the Water Development Department.

M-5. Assessment of Uganda's mineral potential
(estimated cost: $9 million)

213. The Government wishes to further investigate the country's mineral potential. There is also an outstanding balance owing to a foreign concern which recently conducted an aerial survey in south-western Uganda (cost $3.5 million).

M-6. Rehabilitation of Uganda Electricity Board distribution system
(estimated cost: $5.7 million)

214. Much of the present electricity distribution system needs considerable rehabilitation and other parts badly need maintenance and reinforcement. Discussions are under way with potential sources of funding.

M-7. Rural electrification
(estimated cost: $3 million)

215. As a first phase in a longer-term programme, it is proposed to construct transmission lines, with associated substations, to initially supply eight rural centres at present served by diesel generators. The estimate above is in addition to the $7.2 million already secured from the EEC for the programme.

M-8. Rehabilitation of small mines
(estimated cost: $2 million)

216. The small mines in Uganda (mainly tungsten, tin, colombo-tantalite) are not at present operating at any significant level of production. Some equipment replacement and initial operational supplies are needed.

M-9. Geothermal exploration
(estimated cost: $1.8 million)

217. Following investigations in the early 1970s, three areas were selected for further investigation for geothermal energy. The costing reflects work at the Katwe volcanic field up to the point of drilling for steam.

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Project not yet costed

218. The rehabilitation of the Kilembe Copper Mine (including the smelter at Jinja) is also necessary.

6. Social services

S-1. Urgent health supplies
(estimated cost: $13.7 million)

219. The Ministry of Health has drawn up a list of the most urgently required drugs ($10.5 million) and hospital supplies and medical equipment with spares ($3.2 million).

S-2. Textbooks and library books
(estimated cost: $8.2 million)

220. The costing reflects the requirements of some 5,000 primary schools with a total enrolment of 1.3 million, 177 secondary schools with 93,000 pupils and teacher training colleges and post-secondary institutions with some 12,200 students.

S-3. School equipment and supplies
(estimated cost: $2.1 million)

221. Sixteen administrative offices need to be provided with basic equipment and supplies and offices at 103 secondary schools urgently need furniture and equipment. The 5,000 primary schools and 177 secondary schools also lack basic office supplies.

S-4. Furniture for war-affected schools
(estimated cost: $4 million)

222. At least 213 primary schools, 52 secondary schools, 12 teacher training colleges and 8 technical institutions suffered damage and loss of furniture during the liberation war. Requirements include $0.1 million for technical assistance to survey the facilities.

S-5. Rehabilitation of post-primary institutions
(estimated cost: $4.6 million)

223. Because of destruction during the liberation war, two secondary schools, one technical school and three technical institutes need reconstruction and repair of buildings and replacement of equipment.

S-6. Preparation and production of textbooks
(estimated cost: $1.2 million)

224. Makerere University Press needs assistance in the form of printing equipment and reprographic materials ($1.1 million). The National Curriculum Development Centre (NCDC) is receiving assistance from the Canadian International Development Agency (CIDA) but, in addition, needs to complete its office building ($0.1 million).

S-7. Rehabilitation of health centres
(estimated cost: $12.8 million)

225. The rehabilitation of nine health centres will involve renovation and completion of facilities, supply of equipment, and essential drugs. Transport for non-ambulatory patients will also be essential in order to make services available to those in greatest need ($2 million). The project is the first phase of a longer-term programme costing $29 million.

S-8. Rehabilitation of dispensaries
(estimated cost: $4.9 million)

226. Fifty-seven dispensaries with maternity units will be rehabilitated, equipped, and stocked with essential drugs. The project is the first phase of a longer-term programme costing $12.3 million.

S-9. Rehabilitation of sub-dispensaries/health posts
(estimated cost: $23 million)

227. The project provides for the rehabilitation of 110 rural health centres and 350 dispensaries, sub-dispensaries and health posts. It is the first phase of a longer-term programme costing $52.5 million.

S-10. Rehabilitation of medical maintenance unit
(estimated cost: $1 million)

228. Considerable wastage has resulted from the Ministry's inability to maintain medical equipment, transport and other health supplies at a high level of readiness. The effective management of this project depends on the availability of a maintenance engineer under technical assistance.

S-11. Technical assistance in the health sector
(estimated cost: $0.4 million)

229. The following personnel are urgently needed:

(a) Health planning economist. The nucleus of a health plannning unit was initiated in 1978, and a Ugandan has recently completed training for this post. He needs technical assistance support.

(b) Medical equipment engineer. A considerable proportion of the currently non-functioning medical equipment is serviceable and a medical equipment engineer is needed to supervise the work of the medical equipment technicians trained by WHO.

(c) Hospital administrator. Mulago hospital has a special position as a national referral and teaching institution. A chief administrator of wide experience is urgently needed.

S-12. Blood transfusion services
(estimated cost: $0.1 million)

230. There is a lack of basic kits for blood collection and storage. The Central Blood Transfusion Unit has already been rehabilitated but similar facilities are needed in other population centres.

S-13. School workshop tools and equipment
(estimated cost: $0.6 million)

231. Ten technical schools, five technical institutes and the Uganda Technical College, with a total enrolment of 4,000 students, urgently need workshop tools and equipment for the teaching of carpentry and joinery, brickwork, motor vehicles, electrical work, plumbing, machining, leather tanning and shoemaking, pottery, tailoring, painting and decorating and agricultural mechanics.

S-14. Science teaching equipment
(estimated cost: $4.9 million)

232. The 177 secondary schools and 33 primary teacher training colleges are in urgent need of adequate equipment for teaching science subjects.

S-15. <u>Audio-visual and broadcasting equipment and supplies</u>
<u>(estimated cost: $2.2 million)</u>

233. Primary and secondary schools as well as teacher training institutions need basic audio-visual aids to improve the quality of teaching. The School Broadcasting Unit needs equipment and supplies to enable it to continue to produce radio programmes at a reasonable level of quality.

S-16. <u>Storage and transport system, Ministry of Education</u>
<u>(estimated cost: $5.6 million)</u>

234. At present, the Ministry of Education has no facilities for adequate storage, distribution and delivery of school furniture, equipment, books and supplies. It needs to construct and equip a central warehouse ($3.7 million), obtain transport ($1.9 million), fuel for two years ($0.6 million) and technical assistance.

S-17. <u>Management of the rehabilitation and reconstruction programme in education</u>
<u>(estimated cost: $1.2 million)</u>

235. The Ministry of Education needs to enhance its capacity to plan and implement the extensive programme of rehabilitation and reconstruction of the education system. The requested assistance also includes transport and equipment.

S-18. <u>Rehabilitation of rural training centres</u>
<u>(estimated cost: $0.2 million)</u>

236. There is need to provide equipment and materials for, and undertake repair and reconstruction work on, the many rural training centres around the country which provide village communities with skills for social and economic development, including basic training in farming and literacy.

S-19. <u>Cottage and small-scale industries for widows</u>
(estimated cost: $0.8 million)

237. It is intended to set up cottage and small-scale industries to be operated by widows in 126 locations, involving some 1,000 widows at each. Activities would include livestock farming, poultry farming, handicrafts, tailoring, dressmaking and weaving. The assistance required for the project includes the provision of livestock and poultry, cloth and dyes, yarn, sewing machines and other accessories, looms, ox-ploughs, tractors, agricultural implements, seeds, fencing wire and technical assistance. It is hoped to establish six pilot centres in the next two years. The cost of three vehicles is included.

S-20. <u>Control of endemic diseases</u>
<u>(estimated cost: $0.3 million)</u>

238. The current resurgence of endemic diseases requires urgent action. To contain and control the situation, selective spraying, with laboratory support, will be intensified, and the Vector Control Division and the schistosomiasis control programme will be fully rehabilitated. Funds are required for the purchase of sprays and chemicals.

S-21. <u>Modernization of central public health laboratory (estimated cost: $3.2 million)</u>

239. The central public health reference laboratory needs to be rehabilitated in order to re-establish epidemiological surveillance and programmes to control and prevent communicable diseases.

S-22. <u>Installation of medical staff housing units (estimated cost: $2 million)</u>

240. The destruction, neglect and pillage associated with the liberation war has resulted in an acute shortage of general staff accommodation. As an interim measure for health staff, 50 prefabricated housing units were bought by the Ministry. These are awaiting transportation to the selected sites where foundations need to be constructed prior to their installation.

S-23. <u>Renewal of vehicle fleet of rural district councils (estimated cost: $5 million)</u>

241. The rural district authorities are responsible for local police services, health centres and dispensaries, some immunization programmes, primary school inspection and feeder roads. Revenue for these services is locally collected through head taxes and market fees and other licenses. In the absence of council vehicles, tax collection has not been taking place and therefore the normal services not provided; $2.5 million is needed for 4-wheel-drive vehicles. Some 70 general-purpose trucks are also needed ($2.5 million).

S-24. <u>Makerere University - rehabilitation of halls of residence (estimated cost: $0.8 million)</u>

242. There is a large backlog of maintenance repairs and replacement work in the eight halls of residence for 4,200 students.

S-25. <u>Makerere University - fellowships for graduate studies abroad (estimated cost: $1.6 million)</u>

243. The University lost much of its staff during the last decade. This is a programme to train 25 of the present 100 first-degree holders now serving as teaching assistants for higher academic responsibilities.

S-26. <u>Rehabilitation of health pilot projects (estimated cost: $0.4 million)</u>

244. The Government has proposed that, in support of the Primary Health Care Programme, 8 pilot projects (at Kayunga, Lutete, Lacor, Ibanda, Kasangati, Kitovu, Ngora and Busoga) be supplied with basic equipment and bicycles.

S-27. Rehabilitation of Mulago Hospital complex
(estimated cost: $17 million)

245. The rehabilitation of the national teaching hospital complex will initially include urgent repairs to the water and sewerage systems ($0.4 million), repair of the central sterilizing unit and operating theatres, and architectural and allied consultancies to prepare estimates for over-all rehabilitation. The project is the first phase of a longer-term programme costing $43 million.

S-28. Rehabilitation of up-country hospitals
(estimated cost: $2.3 million)

246. Rehabilitation of Mbale hospital ($1.9 million) and Kabale, Itozo, Kambuga and Kitagata hospitals ($0.4 million) is needed.

S-29. Improvement of communication systems in the Ministry of Health
(estimated cost: $0.3 million)

247. With effective communication systems, mortality can be significantly reduced in emergencies. The purchase and installation of three modern telephone switchboards for the National Hospital (Mulago), Butabika Hospital and the Ministry Headquarters at Entebbe, and the rehabilitation of radio-call services for up-country medical units are proposed for inclusion in the priority phase of this programme. The above estimate is for the switchboard only; the costs of the rehabilitation and additional installations for the radio-call service are not yet available.

S-30. Urban refuse collection
(estimated cost: $5.3 million)

248. Kampala needs 8 trucks and 100 containers for refuse collection ($0.8 million); 25 other urban councils need 50 refuse trucks ($4.5 million).

S-31. Food Relief Department
(estimated cost: $10.1 million)

249. The Food Relief Department needs to construct stores at Kampala (10,000 tonnes - $0.6 million), Tororo (20,000 tonnes - $1.2 million), Soroti (20,000 tonnes - $1.3 million), Gulu (20,000 tonnes - $1.5 million) and Karamoja (20,000 tonnes - $1.5 million). It also needs to construct and equip a vehicle repair workshop in Gulu ($1.7 million) and acquire 20 trucks ($1.2 million) and 5 landrovers ($0.1 million). Office accommodation at each of the stores needs to be erected ($1 million).

S-32. Expansion of primary teacher training
(estimated cost: $5.3 million)

250. The Government wishes to construct 10 new teacher training colleges to increase the supply of teachers for primary schools.

S-33. Expansion of secondary technical education
(estimated cost: $17.3 million)

251. This programme to expand general technical education involves constructing and equipping 14 new technical schools. As a first phase, 5 will be built.

S-34. Rehabilitation and expansion of library services
(estimated cost: $0.2 million)

252. Many of the existing facilities have been burned and looted, and library services, particularly in the rural areas, are non-existent.

S-35. Pre-investment studies in education
(estimated cost: $0.5 million)

253. Past events and the current situation in the country have prevented the undertaking of comprehensive studies in the field of education and training. Such studies are needed to provide a sound basis for planning.

S-36. Rehabilitation and expansion of the National Museum
(estimated cost: $0.5 million)

254. The lack of foreign exchange and materials during the last decade, and looting during the liberation war, have left the National Museum in a serious state of disrepair and without the necessary technical equipment and materials. This is leading to physical deterioration of the exhibited items, many of great value.

S-37. Development projects for women
(estimated cost: $0.1 million)

255. As Uganda emerges from a period of economic deterioration and war, the National Council of Women is seeking to strengthen the opportunities for women to participate in the rehabilitation and reconstruction of the country. An experienced consultant is needed to assist the National Council of Women in organizing grass-roots activities.

S-38. Kampiringisa boys' approved school
(estimated cost: $0.3 million)

256. At present, the school imparts vocational training to 180 destitute children. It is intended to expand the facility into a national institution. For this purpose, the school needs repair, equipment, agricultural implements (hoes, axes, pangas), supplies, 32 cattle, veterinary drugs, a tractor and a utility vehicle. The school's mixed farming undertakings, when rehabilitated, are projected to generate sales of some $0.2 million annually.

S-39. Youth Development Programme
(estimated cost: $1.8 million)

257. Training and development programmes for out-of-school youth have been incorporated into the national plan for rehabilitation, reconstruction and development in order to provide young people with the skills to participate effectively in community and national projects. Five training centres need assistance to provide training in agriculture, literacy, small-scale business and industrial trades and other fields.

S-40. Integrated basic education programme
(estimated cost: $1.5 million)

258. Progress in a programme to relate education, particularly at the primary level, to the needs of the local community was badly affected by the unstable situation in the country during the last few years. The Government plans to reactivate this programme, which is centered at a rural teacher training college.

S-41. Rehabilitation of Butabika National Psychiatric Hospital
(estimated cost; $8.8 million)

259. This involves the first stage of extensive rehabilitation work, costing $22 million over several years.

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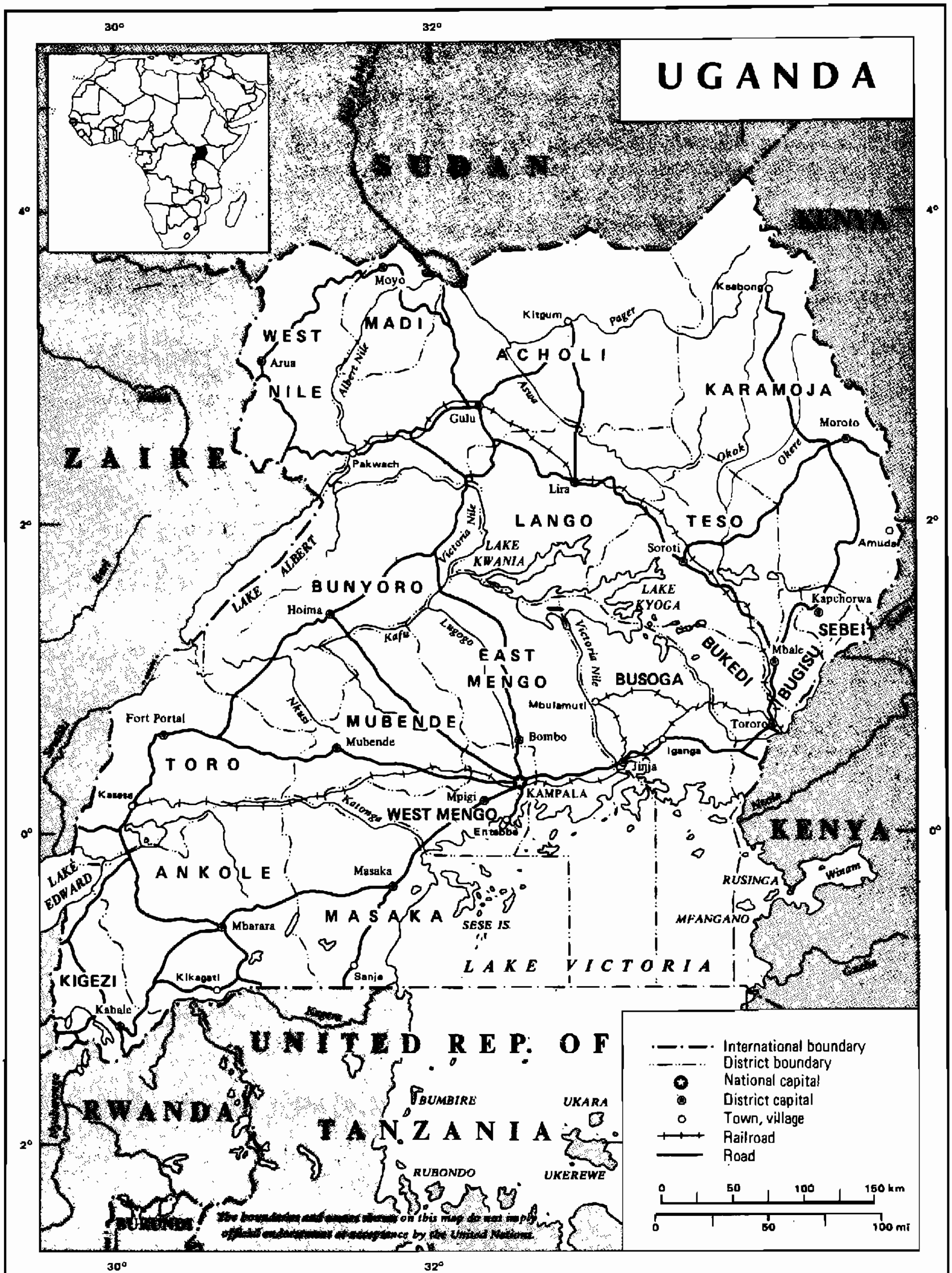
Project not yet costed

260. The rehabilitation of the Nsamizi Training Institute (training of social workers) is also necessary.



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