

**POTENTIAL OF PUBLIC – PRIVATE PARTNERSHIPS IN  
ROAD INFRASTRUCTURE DEVELOPMENT IN UGANDA**

**A DISSERTATION SUBMITTED BY  
ANDREW FESTUS KAGODA  
B.Sc. Eng. (Civil), MUK**

**IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE  
AWARD OF THE DEGREE OF MASTER OF ENGINEERING OF  
MAKERERE UNIVERSITY**

**MAKERERE UNIVERSITY  
KAMPALA, UGANDA**

**SEPTEMBER 2005**

## **ABSTRACT**

Lack of sufficient public funding to adequately develop and maintain the country's road network is one reason why the government of Uganda is studying the prospect of using private finance initiatives as a way of bridging the funding gap. Several forms of Public – Private Partnerships (PPPs) already exist in other sectors within the country but no such initiatives are yet in place in the roads sub-sector in Uganda. Benefits attributed to the use of PPPs include acceleration of infrastructure provision, faster implementation, reduced whole life costs, better allocation of risk, better incentives to perform, improved quality of service, generation of additional revenues, and enhanced public management.

The objective of this study was to delineate the concept of PPPs, identify prerequisites for their successful implementation in the road sector in Uganda, analyse the extent to which the success factors are in place, and to make recommendations for the successful implementation of the PPP framework in the road sector in Uganda. The study was a desk study that involved assessment of the roads sub-sector performance, the private sector capacity and the country framework/attractiveness to the private sector using interviews with selected experts and official reports available at government ministries and departments. A case study of a hypothetical project, Kampala (Kibuye) – Entebbe (Airport) Road II, was also used to investigate the financial viability of the PPP framework from a Project Finance point of view, using a toolkit developed by the World Bank. The study identified five success prerequisites for a PPP policy and scored their existence in Uganda at 72% on a measurement scale developed. The case study showed a positive project Net Present Value (NPV) and acceptable project economics ratios, from which could be concluded therefore, that some roads within the national road network have relatively high potential for success as Design, Build, Finance and Operate (DBFO) projects.

Recommendations made from the study included: broadening of private sector participation in road infrastructure maintenance and development towards the PPP framework; deliberate domestic private sector capacity building; establishment of PPP policy and concession specific laws; creation of a government department for PPPs; and conducting appropriate personnel training and fact-finding tours.

**Key Words:** PPPs, Road Infrastructure, Project Finance, Success Factors, Potential