



THE REPUBLIC OF UGANDA

Our Ref.....**HQT/90/02/2017**

INSPECTORATE OF GOVERNMENT

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INSPECTORAT
OF GOVERNMENT

11th April 2019

The Managing Director
Civil Aviation Authority
ENTEBBE

ALLEGED MISMANAGEMENT OF CIVIL AVIATION AUTHORITY BY THE MANAGEMENT

The Inspectorate of Government received a complaint that Management of Civil Aviation Authority failed to put in place consultants to supervise the on-going works on the expansion of Entebbe International Airport, mismanaged the contract for the Airport expansion and irregularly closed M/s Air Uganda without consulting other stakeholders.

Investigations into the above allegations established that:

- 1.1 The contract for upgrading and expansion of Entebbe International Airport is a 'Finance, Design and Build' contract, where the contractor was appointed to design the project, carry out construction, as well as look for funds to execute it. This was in accordance with section 88E of the PPDA Act, 2003 & Reg. 36 (2b) of the PPDA Regulations, 2014 on scope of contracts for works.
- 1.2 Two Addenda were entered into and both of them were found to favour the contractor and eliminated any opportunity to get an independent opinion to guide and advise CAA on works on the main project.
- 1.3 In a feasibility report prepared by the contractor, the total amount for the project was USD 324,479,000. This was split into two phases of USD 200,000,000 and USD 124,479,000, respectively. However, on signing the preliminary agreement, the amount for both phases was raised to USD 325,000,000, giving a difference of USD 521,000 without any justification.
- 1.4 CAA signed a contract with CCCCL for the Expansion of Entebbe International Airport before they cleared the site of encumbrances.

