

UGANDA COUNTRY PORTFOLIO PERFORMANCE REVIEW (CPPR)

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Government of Uganda



THE WORLD BANK

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The Uganda FY13 CPPR was prepared by Fred Twesiime, Ministry of Finance, Planning and Economic Development and on the Bank side, Howard Centenary (Senior Procurement Specialist), Dan Mambule Mwanje, and Mary Babirye with inputs from Sakm Hye (AFCTZ), Grace Nakuya (AFTPC), Paul Kamuchwezi, Edwin Moguche (AFTFM) and the respective Task Team Leaders.

OBJECTIVES OF FY13 CPPR

The main objectives of the FY13 CPPR1 are to:

1. Review progress in implementation of Projects;
2. Discuss challenges to timely and effective project implementation
3. Agree on targeted measures to accelerate project implementation.

PORTFOLIO COMPOSITION AND QUALITY

1. The sector distribution below illustrates the alignment with GoU's emphasis on infrastructure development, with 51% of funds allocated to energy, urban development and transport.
2. As of March 2013, the World Bank portfolio in Uganda consists of 17 operations with a net commitment amount of US\$1,505 million. This includes two GEF projects and the guarantee for the Private Power Generation (Bujagali) Project but excludes the regional projects portfolio of \$94 million. In addition, there is a Poverty Reduction Support Credit (PRSC-9) for US\$100 million was approved in February, 2012 which is yet to disburse.

¹ The most recent Country Portfolio Performance Report (CPPR) was undertaken in April 2012. Responding to a request from Ministry of Finance, Planning and Economic Development (MoFPED) the Bank team has updated the 2012 CPPR documents based on a desk review of Aide Memoires, Implementation Status Reports and input from Task Team Leaders and the fiduciary teams.

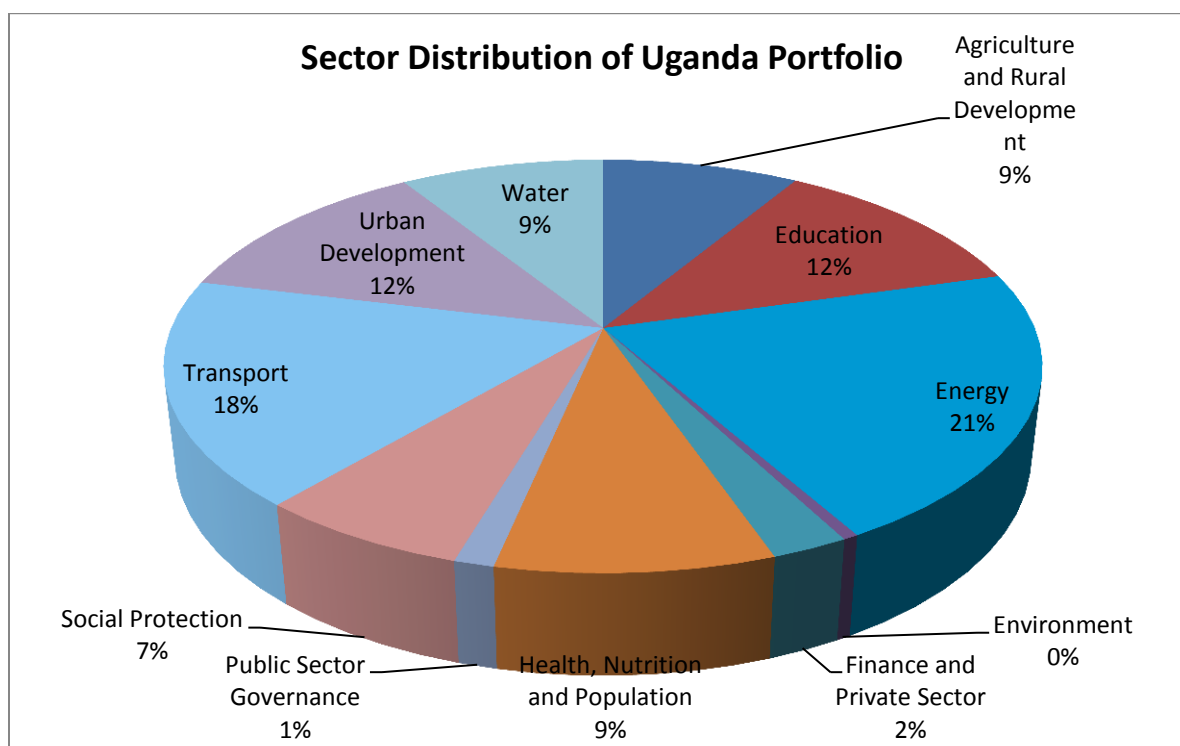


Table 1: Portfolio Indicators

Portfolio	FY08	FY09	FY10	FY11	FY12	FY13
Number of Projects	20	20	21	22	17	17
Net Commitment (US\$)	1,339	1,513	1,635	1,760	1,312	1505
Disbursement Ratio ² (%)	27.7	29.9	31.2	15.1	18.6	13.7
Actual Problem Project (#)	5	2	3	3	1	1
Commitments At Risk (US\$ m)	326	210	380	380	37	354
Commitments At Risk (%)	26.6	15	25	25.4	2.8	24
Total Undisbursed Balance ³	902	853	941	965	1,029	956
Proportion of net commitments that is undisbursed	67%	56%	58%	55%	78%	64% ⁴

² The disbursement ratio is calculated as FY disbursements divided by the undisbursed balance at the beginning of the FY. The FY13 rate is the one to date but the expected rate at the end of the year is approx. 20%.

³ Defined as Total Commitment minus Disbursed to Date.

⁴ 54% if \$150m Municipality Infrastructure project is excluded given it was only approved by the Bank Board on March 28, 2013

RECENT PORTFOLIO DEVELOPMENTS

3. It is worth noting the following developments in the Uganda portfolio in last two years:
 - a. The disbursement ratio has improved over last year but is still below the 5 year average historical performance of ratios between 25% and 30%,
 - b. the number of projects rated Moderately Satisfactory has reduced from 70% in April 2012 to 41% currently
 - c. the proportion of net commitments that is undisbursed has reduced.

4. The current disbursement ratio of 13.7% is higher than the April 2012 ratio of 8.4% and slightly above the Bank average of 13.4%. However it is slightly below the current regional average of 14.0%. Uganda ranks 24th (out of 39) in the region in terms of FY13 disbursements to date – this is up from 32nd place last year but still below 16th place three years ago.

5. Combined, these indicate some improvements in the portfolio in the last 2 years and although performance is still below 5 years’ historical performance and some serious issues remain in project implementation.

Table 2: Ongoing Bank Lending Portfolio

Sector	Approval	Project Name	Amount (US\$m)	Amt Disbursed	Latest DO	Latest IP
ARD	2008	Program for Ctrl of Avian Influenza	10.0	7.1	MS	MS
	2010	Ag Tech & Advisory Services SIL	120.0	20.7	MS	MS
ED	2006	Millennium Science Initiative	30.0	32.1	S	MS
	2009	Post Primary Education & Training APL-1	150.0	101.4	MS	MS
EMT	2009	Energy for Rural Transformation APL2	75.0	45.9	MS	MS
	2009	GEF Energy for Rural Transf. APL2	9.0	4.6	MS	S
	2011	Electricity Sector Development Project	120.0	0.0	S	S
ENV	2010	SLM Country Program GEF (SIP)	7.2	0.0	MS	MS
FPD	2001	Privatisation & Utility Sec Reform	36.4	31.3	MS	MS
HE	2010	Health Syst. Strength. Project	130.0	41.8	MS	S
PS	2006	Public Service Perform Enhancement Project	18.8	10.8	MS	MS
SP	2009	2 nd Northern Uganda Social Action Fund SAF (NUSAF2)	100.0	60.7	S	S
TR	2010	Transport Sector Development Project	265.0	37.4	MS	S

Sector	Approval	Project Name	Amount (US\$m)	Amt Disbursed	Latest DO	Latest IP
UD	2008	Kampala Institutional & Infrastructure Dev Prj (FY08)	33.6	22.5	S	S
	2013	Support to Municipal Infrastructure Development	150.0	0.0	S	S
WAT	2012	UG-Water Management & Dev. Project	135.0	0.0	MS	MS
Total			1,390.0	416.2		

- Currently, one project is rated as an actual problem project.⁵ The **PRSC-9** is rated Moderately Unsatisfactory Project Development Objective (DO) rating, PRSC-9 is yet to disburse. There are three projects i.e. NUSAF II, Kampala Institutional & Infrastructure Development Project and Electricity Sector Development Project identified as potential problem projects in the Uganda Portfolio.
- The portfolio also includes five regional projects listed below. The regional portfolio has experienced similar effectiveness delays as the Uganda projects and this has meant that the Uganda component of these projects begins about 1 year later than the other countries.

Table 3: Ongoing Regional Lending Portfolio

Project	Approval date	Revised Closing Date	Total Net Comm Amt	National Comm Amt	Tot Disb of National	IP	DO
East Africa Trade and Transport Facilitation Project	01/24/06	09/30/14	229.02	26.4	8.1	MS	MS
Lake Victoria II APL 1 (SIP)	03/03/09	06/30/13	7.0	-	5.5	MS	MS
Lake Victoria II APL 1	03/03/09	06/30/13	90.0	27.5	9.6	MS	MS
East Africa Public Health Laboratory Networking Project	05/25/10	03/30/16	63.33	10.1	1.5	MS	S
Eastern Africa Agricultural Productivity Project APL 1A	6/11/09	06/30/15	90.0	30.0	8.0	MS	S

⁵ Problem Projects are defined as Project Development Objective and Implementation Progress rated as **Moderately Unsatisfactory or below** on the following scale: Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, and Highly Unsatisfactory.

PROJECT DESIGN AND PROJECT MANAGEMENT

8. Poor project management has caused delays due to insufficient coordination and supervision of technical and procurement staff and poor work planning resulting in procurement needs not identified by the user departments on time and hence starting the procurement process late. This is common for projects with multiple implementing agencies. Most Project Procurement Staff are also not sufficiently supervised, leading to non-adherence to procurement plans. Also, due to insufficient oversight, the quality of documents is often sub-standard and subject to multiple reviews by the Bank.
9. Delayed implementation of agreed risk mitigation and capacity strengthening measures is common across projects and contributes to slow implementation progress. While many of the measures are agreed at project design, government teams are hesitant to implement them citing the presence of adequate in-house capacity which continues to prove inadequate.
10. Inadequate Project management skills is a challenge for many projects with Coordinators appointed mainly on the basis of their seniority in government with no consideration of project management skills and experience or assessment and rationalization of other existing workload.
11. Inadequate and untimely financing project preparation has meant that some of the preparation is not properly completed and is therefore transferred to the first 1-2 years of project implementation e.g. for KCCA, with the planned future investment for Kampala infrastructure, project preparation studies should already be underway but funds are not yet available.
12. Inadequate project designs e.g. by not fully costing important aspects of the project creates a downstream need for restructuring of projects to scale down activities or require additional financing for the elements not costed.
13. Understaffing in implementing agencies results in project activities not being given sufficient attention at the initiation and evaluation stages where support from technical staff is required. Use of government systems does not preclude hiring consultants to assist in the day-to-day work (such as have been done under KIIDP). Ministries such as Water and Environment have also successfully used trainees to enhance internal staffing levels.

Recommendations:

- Ministry of Finance and World Bank should assess the planned projects under preparation 1 year in advance to identify project preparation financing needs so that Government can prioritize and provide financing on time.
- **Realistically** assess staffing requirements and implementation capacity during project design phase and appraisal.

- Thoroughly assess potential project coordinators for both technical and managerial (planning) skills while also assessing and rationalizing existing workload. Invest substantially in Project Management training and mentoring.
- Utilizing the same project management units and/or the same fiduciary staff for national and regional projects in the same sector has strengthened linkages and bolstered ownership. This should be scaled up.
- Consider including successful project management and implementation in the performance agreements of Permanent Secretaries

PROCUREMENT

14. Several projects have experienced significant procurement delays. Issues identified include: (a) inadequate proficiency in IDA financed procurement management of PDU and Technical Staff in projects, (b) delays in evaluation of up to one year; (c) insufficient technical skills; (d) inadequate contract management; (e) lack of follow up of project activities by Ministry/IA management; (f) delays in Solicitor General clearance of Contracts; (g) payment delays; and (h) weak contract management.
- Weak Project Management and oversight in implementing agencies means that procurement and contract management are not adequately supervised and major delays are experienced without notice. As a result procurement takes more than twice the scheduled time. Even where delays and implementation challenges are identified and mitigation measures agreed, there is slow implementation of these measures, further compounding the delays.
 - Major delays experienced in civil works with many contracts completed substantially behind schedule and with cost overruns. This arises partially from (i) inadequate supervision of contractors and consultants, (ii) non-enforcement of penalties for delayed completion (iii) inadequate sanctioning of contractors and consultants for poor performance and (iv) inadequate review of the adequacy of designs resulting in downstream contract variations and contract performance delays.
 - The requirement for the Ministry of Works to oversee civil works procurement and implementation in non-traditionally infrastructure sectors like Public Service, Agriculture and Energy contributes to delays, given that the Ministry of Works staff are already overstretched with their own existing projects.
 - Project procurement staff often lack sufficient knowledge and experience in procurement. This is especially so as more projects are being mainstreamed and procurement staff are newly exposed to complex procurement. As a result, bidding documents, evaluation reports and contracts have to be repeatedly revised before they can be cleared by the Bank, which causes delays. In addition, a number of the Procurement and Disposal units (PDUs) are inadequately staffed to handle the additional work load for projects.

- Lack of sufficient technical personnel and skills (e.g. engineering), especially on projects with major infrastructure components, leads to delays in procurement. This expertise is necessary in the identification of needs and design of specifications and preparation of terms of reference which are prerequisites for the procurement process to start. They are also vital in subsequent evaluation of bids/proposals and contract management. Closely related to this is understaffing of IAs resulting in the available staff being unable to participate in evaluation of bids/proposals or supervision of Consultants/Contractors in a timely manner due to a heavy workload leading to delays.
- Delays in Solicitor General clearance of contracts with an average response time of 41 days in approving contracts, leading to delayed contract signature, and implementation. These delays also create opportunities for rent seeking as some Accounting officers have resorted to requesting bidders to follow up approval of contracts in the Solicitor General's office.
- The reluctance of Government entities to commence the procurement process prior to project effectiveness results in procurement delays. Projects that have been able to do advance procurement for key contracts prior to effectiveness have enabled contracts critical for project implementation to be signed in a timely manner, for example under TSDP UNRA contracts for civil works and Construction supervision for Gulu-Atiak and Vurra-Oraba allowing early contract and project implementation.
- Slow implementation of risk mitigation measures identified at project design result in delayed procurement and implementation. This is especially so for those measures requiring hiring of consultants to support implementation.

Recommendations:

- **Project Supervision needs to be strengthened with performance evaluation of project managers and coordinators.** Specifically, coordinators need to be held accountable for supervising procurement (included in their ToR) as a key performance indicator. Coordinators should monitor procurement on a monthly basis including both ongoing procurement and contracts under supervision, and report project progress to Management at least on a quarterly basis
- **Ensure that sufficient technical skills and staff are available to support project implementation and that procurement and key technical staff are hired at the time of Negotiations.** This is especially so for projects that are being implemented in non-infrastructure sectors that involve major infrastructure contracts. It is insufficient to rely only on cross ministry support to provide technical expertise. Such projects should also hire Project Managers with engineering backgrounds to oversee such infrastructure contracts. This would also strengthen contract management with effective supervision of consultants.
- Procurement workshops are being organized by Country Office procurement staff in advance of project launch to address skills gaps and build the required capacity.

- **Increase in the thresholds for Solicitor General's clearance of contracts** from the current Shs. 50 million to at least Shs. 400 million in line with the proposed thresholds for competitive bidding. The current thresholds were established in 1999 and have remained unchanged despite significant improvements in procurement. **Increasing the threshold to Shs. 400 million would reduce the number of contracts reviewed annually by 63% from approximately 338 to 124 contracts but this represents only a 3% reduction by value of 39 billion⁶. From a risk management perspective, this would allow the Solicitor General to devote sufficient time to reviewing 124 contracts above Shs. 400 million each to safeguard 1.28 trillion.**

FINANCIAL MANAGEMENT

15. Financial management issues can be summarized as follows:

- High and increasing incidence of ineligible expenditure across projects arising especially from diversion of funds, fraudulent expenditure, ineligible allowances and procurement outside procurement plans which have to be reimbursed by government e.g. 0.4 million for NAADS under ATAAS, \$ 0.3 million for MoWE under LVEMP II, US\$ US\$ 3,222 for NARO under EAAPP and potentially \$2 million under UPPET, \$0.2 million for MoH under UHSSP, \$0.13 million for MAAIF under EAAPP, \$21,000 for MoH under EAPHLNP and \$15,000 for MoLG under ERT-II.
- Weak internal controls especially in decentralized activities especially in Local Governments and agencies leading to long outstanding advances, poor accountabilities and ineligible allowances.
- General weaknesses in internal audit functions in MDAs, especially including projects in their annual audit work plans and non-implementation of audit plans. Independence of Internal Audit is compromised by continued use of pre-audit despite international shift to risk based auditing and involvement of some Internal Auditors in malpractices.
- Despite these general weaknesses, some good practices are emerging through involvement of internal audit in systematic risk based auditing in the Ministry of Education and Sports and the Ministry of Health.
- Delayed processing of payments to contractors/suppliers with many payments taking over 90 days which is increasing the cost of doing business with government and increased project costs. Delayed payments also create opportunities for corruption
- There is weak enforcement on the accounting for staff advances with some overdue for more than 18 months; LVEMP II (UGX 558,766,490), UHSSP (UGX 212,451,800), EAPHLNP (UGX 58,099,786) and EAAPP - MAAIF (UGX 268,920,440)

⁶ Based on a sample of contracts from 77 MDAs from July 2011 to March 2012

- Use of foreign confirming/negotiating bank for local letters of credit resulting in avoidable delays with local suppliers required to send their delivery documents outside the country for confirmation.
- Slow implementation of activities which lead to inactive designated accounts for over a year in many entities.
- Some of the audit reports delay because presented in unacceptable format and content to the Auditor General. There is need for the Accountant General to harmonize the content and format for the preparations of financial statements for all Bank financed projects
- Challenges with the E-signature and web-based submission of Withdrawal Applications and in some cases, lack of reliable internet connectivity with associated accessories to facilitate e-submissions of withdrawal applications.
- Staffing arrangements with mainstreaming of FM functions, inadequate accounting systems, staff turnover/transfers.
- Late submission of audit reports due to delayed drafting of Accounts, late start of field work and finalization of Management Letters. As of March 31, 2013, audit reports for NUSAF2, Avian Flu, UHSSP, EAAPP, LVEMP and ATAAS had not been submitted, 3 months overdue

Recommendations

- Weaknesses in internal controls of Local Governments and internal audit functions are more systemic and require **a progressive government-wide risk based approach** which is being introduced. Future projects to consider exclusion of Local Governments with inadequate controls until they put in place adequate controls.
- As part of the overall PFM reform program and in line with international standards, the Internal Audit department under the Ministry of Finance should spearhead an immediate transition from pre-audit to post audit following a risk based approach.
- World Bank will continue providing targeted fiduciary training to strengthen capacities across implementing MDAs to ensure that the training content addresses key needs. Progress in key areas will be monitored and followed up in the Quarterly Project Coordinator's Forum.
- Projects with inadequate staffing should hire consultant staff to fill FM capacity gaps identified in MDAs.
- The Office of Auditor General (OAG) should continuously improve timeliness of audits by timely appointment of auditors and eventual submission of audit reports.

EFFECTIVENESS DELAYS

16. Persistent delays in declaring effectiveness is negatively impacting achievement of results across the portfolio as implementation delays often reduces the relevance and appropriateness of project design. The impacts of the delays can be documented by:

- Projects needing restructuring to scale down activities or requiring Additional Financing to cover cost overruns due to price increases during the long effectiveness delay.
- Projects needing to restructure or scale down project activities due to changes in relevance of components or insufficient funds due to price increases, and
- Extension of closing dates to accommodate late project start.

Recommendations:

- Following the example of the Municipality Infrastructure project which obtained Parliamentary approval before the loan was approved by the World Bank, the government should scale up this practice across all new projects .
- Further streamline the process for obtaining Legal Opinions to further reduce the effectiveness delays.

GOVERNANCE ISSUES

17. There have been both documented fraud and allegations of corruption and mismanagement under several Bank-financed projects over the last year. These cases have been referred to the Integrity Vice Presidency (INT), the independent arm which reports directly to the Bank's President and are under investigation. Enhanced governance and anti-corruption measures are being built into several operations to improve transparency.

Recommendations:

- Project Coordinators should provide better oversight to avoid misuse of funds.
- The recommendations from the ongoing INT investigations are being used to design a targeted action plan across the portfolio.

ENVIRONMENTAL AND SOCIAL SAFEGUARDS

18. Environmental and social safeguards function has been supported through an outsourcing model recommended by Bank Management and similar to that employed by FM and procurement teams. For operations with normal level of safeguards risk, safeguards support -- both for environmental and social safeguards - is being provided by short term local consultants under the guidance of Bank safeguards staff. For operations with elevated levels of safeguards risks and for operations under preparation -- safeguards support is provided by Bank safeguards specialists.

19. To review efficacy of the model, a safeguards portfolio review to assess environmental and social risks is recommended. The last one was undertaken in late FY09. Correspondingly, safeguards clinics for safeguards practitioners and project staff were

organized in in the last 2 years to increase the capacity of staff in Ministries and project implementation units to plan for and monitor Environmental Impact Assessments and Resettlement Action Plans.

Recommendations:

- Closer attention to safeguards – both by Project Coordinators and safeguards staff on the projects.
- Carry out new portfolio safeguards review.
- Review adequacy of safeguards staffing and arrangements for use of safeguards consultants based on TTL feedback.

INDIVIDUAL PROJECT DISCUSSION MATRICES

**PROGRAM FOR PREPAREDNESS AND CONTROL OF AVIAN
INFLUENZA**

Dates		Data			
Closing Date/ Age	No. of Extensions	IDA Amount (US\$ m)	Total disbursed to date (US\$ m/%)	Average annual disbursements to close by current closing date (US\$)	GoU (US\$m)
30 June 2013	1	10 2 Global TF Grant	US\$ 7.1 million (71%)	US 3.01 million	

Rating	
Project Development Objectives	Moderately Satisfactory
Implementation Progress	Moderately Satisfactory

Project Development Objective

To substantially reduce the threat posed to the poultry industry and humans in Uganda by HPAI infection and other zoonoses and to prepare for, control and respond effectively to future AHI pandemics and other infectious disease emergencies in livestock and humans. To achieve this, support will be provided in three main areas; (i) preparedness and prevention, (ii) outbreak response and recovery, and (iii) coordination, monitoring and evaluation.

Overall Status and Implementation Progress

- Preparedness and response is being achieved through:
 - ✓ Upgrading of laboratories and diagnostic competence at both MAAIF and UVRI to BSL 3, expected to be completed by June 30, 2013. Construction is currently at an advanced stage.
 - ✓ Acquisition of diagnostic capacity for HPAI in 93% of targeted veterinary facilities at high risk districts,
 - ✓ A total of 5 (100%) quarantine centers and 40 checkpoints (89%) have been renovated and operationalized
 - ✓ Cumulatively, 95% of the districts have trained District Rapid Response Teams
- Outbreak response and recovery is being achieved through:
 - ✓ All of annual suspected Highly Pathogenic Avian Influenza (HPAI) cases in poultry are reported and fully investigated (both laboratory and field) in ten high risk districts; surpassing target of 80%, from zero baseline
 - ✓ All of the 112 districts, (100%) districts have adequate GPS equipment and 60 of the 112 districts have transport facilities for HPAI control
 - ✓ 97% of all districts have sufficient stocks of Personal Protective Equipment (PPE), disinfection units, burdizzos, and asphyxiation systems
 - ✓ Three Highly Pathogenic Avian Influenza (HPAI) protocols, SOPs, and case definitions have been reviewed, printed and distributed.
- Coordination, monitoring and evaluation capacity being attained through:

- ✓ All districts are now linked to an incident command system established within the National Veterinary System (NVS) for the management of logistics at all levels
- ✓ All of 112 districts are able to report data on influenza-like illness using the weekly Integrated District Reporting System (IDRS) surpassing a target of 50 districts

Issues

- Delayed completion of the procurement for civil works leading to late start of work on all the sites with possible failure to complete contracts by project end date.
- 75% disbursed with 86% of the project period having lapsed. The low disbursement and even lower burn rate present a risk of not utilizing all of the project funds in the current project period

Proposed Actions

- Project to provide time bound work plan for accelerated project implementation to enable absorption of funds by project end date
- Increased rate of project supervision to ensure timely interventions in the event of any delays in civil works contracts to enable timely completion.

AGRICULTURAL TECHNOLOGY AND AGRIBUSINESS ADVISORY SERVICES

Dates		Data			
Closing Date/ Age	No. of Extensions	IDA Amount (US\$ m)	Total disbursed to date (US\$ m/%)	Average annual disbursements to close by current closing date (US\$)	GoU (US\$m)
6/30/15 1.6 years	0	120	20.7 17.2%	36.2	

Rating	
Project Development Objectives	Moderately Unsatisfactory
Implementation Progress	Moderately Unsatisfactory

Project Development Objective

The Project Development Objective is to increase agricultural productivity and commercialization of participating rural households by transforming and improving the performance of agricultural technology development and advisory service systems in Uganda

Overall Status and Implementation Progress: Moderately Unsatisfactory

Issues/Challenges:

- Inadequate investment in farmer institutional development, that is vital for project implementation
- Provision of input handouts is derailing project implementation and should be terminated as it is causing the formation of opportunistic and smaller farmer groups leading to elite capture, and dissatisfaction of the majority of farmers.
- Agricultural research is still not fully responding to farmer needs with ongoing research projects not aligned with the challenges faced by farmers and their needs. Research outputs are also not being disseminated adequately to the farmers.
- There is parallel systems for extension/advisory service provision in most districts resulting in inefficiencies are lack of clarity in provision of services to farmers
- No reporting / monitoring of results by NARO and NAADS to date due to Non operationalization of Monitoring and Evaluation framework for the project
- High level of Ineligible expenditures by both NAADS and NARO arising from expenditures outside the agreed procurement plans and work plans
- The pace of implementation of the Governance and Anticorruption action plan and environmental safeguards is very slow for the desired effects
- Inadequate capacity of the NAADS Secretariat to oversee the implementation of the

program

Proposed Actions

- Farmer institutional development should be restored by investing substantially in healthy farmer group formation and development, and farmer groups to play greater role in both technology dissemination and advisory service provision
- Re-orient the provision of market-oriented enterprise promotion grant to the group, and readjust procurement guidelines to enable acquisition of new/improved technologies
- Re-orient the food security grant to target poor households and not to individuals, and facilitate their participation
- MAAIF, NAADS and local governments to integrate the remaining public extension officers at sub-county into NAADS the NAADS framework for advisory services/extension delivery to farmers
- NARO needs to strengthen its system to respond to farmer needs and ensure that the research outputs are disseminated to farmers
- NARO and NAADS to urgently finalize and operationalize the M&E framework (including individual outputs)
- NARO and NAADS to consult closely with Ministry of Finance for introduction of a Research Code to accommodate relevant budget lines, and harmonize their budgeting and budget lines
- Government should refund ineligible expenditure and NARO/NAADS should spend as per agreed work plans and procurement plans

MILLENNIUM SCIENCE INITIATIVE

Dates		Data			
Closing Date/ Age	No. of Extensions	IDA Amount (US\$m)	Total disbursed to date (US\$m/%)	Average annual disbursements to close by current closing date	GoU (US\$m)
6/30/13 5.10 years	2	30	32 100%		3.35

Rating	
Project Development Objective	S
Implementation Progress	MS

Project Development Objective

To assist Ugandan universities and research institutes to produce more and better qualified science and engineering graduates, and higher quality and more relevant research, and for firms to utilize these outputs to improve productivity for the sake of enhancing Science & Technology-led growth.

Component 1: Support for competitively awarded grants US\$16.69 million

Component 2: Outreach, institutional strengthening, M&E, policy studies US\$16.69 million

Overall Status and Implementation Progress

- 720 researchers are active, against a baseline of 261 and a target of 522 as of 30-Nov-2012
- 35% of the STE graduates (diploma or degree) are employed in firms and they are active in technology development/evaluation, against about 5% baseline and exceeding 25% target as of 31-May-2012
- 35% of the researchers publish in the international peer-reviewed journals, against baseline 2% and a target of 4% as of 15-Jan-2013

The client needs responsiveness satisfaction reduced from 39.3 to 37.4 for the Uganda National Council of Science and Technology (UNCST) and from 34.2 to 74.2 for Uganda Industrial Research Institute (UIRI), as of 30-Nov-2012

Issues

- There are no major outstanding issues

UGANDA POST PRIMARY EDUCATION AND TRAINING PROJECT

Dates		Data			
Closing Date/Age	No. of Extensions	IDA Amount (US\$m)	Total disbursed to date (US\$/%)	Average annual disbursements to close by current closing date (US\$)	GoU (US\$m)
07/31/14 3.8 years	1	150	67.5% 101.38m	33.3m	

Rating	Now
Project Development Objectives	MS
Implementation Progress	MS

Project Development Objective

To (a) improve access to post-primary education, (b) improve the quality of post-primary education and training; and (c) improve efficiency in the delivery of post-primary education.

Component 1: Increase access to education (infrastructure): US\$92 million

Component 2: Increase quality of education: US\$48 million

Component 3: Enhance enabling environment: US\$10 million

Overall Status and Implementation Progress (Baseline figures were for 2008)

The Project shows mixed results against the PDO indicators. It has significant progress against the intermediate performance indicators :

- Student to textbook ratio at 3:1 against a target of 4:1 as of 31-May-2012
- Student to classroom ratio at 44:1 an improvement compared to a baseline of 64.1 as of 31-May-2012
- Student to teacher ratio (science subjects together with hard to reach and hard to stay areas) from baseline 27:1 to 33:1 as of 30-Nov-2012

The Project has achieved two of the five triggers required to graduate to Phase II of the APL is on track to meet the remaining triggers

The Project has had no positive impact on learning outcomes. In fact, learning outcomes have declined in all three subjects measured. Although these indicators were included in the results framework, NO end targets to measure progress and the PAD noted that targets were not set because the Project in its 1st phase (as a 3 phase APL) was unlikely to make an impact on learning outcomes due to its short duration but the indicator was included to ensure that the overall program continues to focus on their improvement in subsequent phases. The Project is under restructuring that will rationalize the PDO indicators.

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Issues

General Implementation:

- Major challenges in implementation due to capacity constraints and overall coordination especially for activities that require cross-departmental implementation resulting in delays especially for civil works. Decisions on how to remedy identified challenges take long to be effected.

Procurement:

- Substantial procurement delays resulting in implementation delays. E.g. Specifically procurement of consultants for training of Phase II schools and audit of Phases I and II procurement resulted in overall delays of over 9 months. Major outstanding procurements are (i) the UNEB printer; (ii) second batch of textbooks; (iii) the storage facilities for the textbooks; and (iv) Procurement audit.
- Provision of furniture in the schools continue to be a challenge for Phase I schools due to the escalation of costs, even after a 30% increase in furniture prices for the respective contractors.

Financial Management:

- Slow accountability of returns from schools partly due to slow progress of the civil works and funds misuse.
- Major Delays in processing payments at the Ministry [e.g. there have been delays of up to 6 months in payment of supervision firms and complaints received from several suppliers].
- Diversion of funds at school level resulting in a potential ineligible expenditure of approximately \$2 million

Proposed/ongoing remedial actions.

- Strengthening the Construction Management Unit (CMU) to supervise ongoing civil works including the Technical Supervision Firms (TSFs). Four consultants (1 architect, 2 civil engineers and 1 quantity surveyor have been recruited) and logistical support provided.
- Monthly project progress review meetings chaired by the PS to strengthen the project coordination function and ease decision making on agreed remedial actions.
- Initiation of contracts termination processes for 167 schools for which contractors cannot supply furniture after an increase of 30% to the original furniture costs; consistent with established procedures.
- Timely decisive action against head teachers involved in malpractices. Interdiction of 52 head teachers that had reportedly diverted project funds, and to date, project funds have been recovered from 23 (44%) of the head teachers; and requirement for schools to account for project funds on a monthly basis. Uganda Police has also been approached for possible criminal investigation and prosecution of implicated head teachers.
- Strengthening the Procurement and Accounts Units with additional personnel to

enable timely completion of procurement processes and payments to schools respectively. Greater focus to be on utilization of project inputs such as textbooks and science kits to check the declines in learning outcomes.

ENERGY FOR RURAL TRANSFORMATION APL 2

Dates		Data			
Closing/Age	No. of Extensions	IDA Amount (US\$m)	Total disbursed to date (US\$/%)	Average annual disbursements to close by current closing date (US\$m)	GoU (US\$m)
06/30/2013 3.7 years	Under consideration	75.0 (IDA) 9.0 (GEF)	44.9m 4.56m		

Rating	
Project Development Objectives	Moderately Satisfactory
Implementation Progress	Moderately Satisfactory

Project Development Objective

IDA-To increase access to energy and information and communication technologies (ICTs) in rural Uganda.

The project is the second in a 3-Phase Adaptable Policy Loan – ERT I closed on February 28, 2009.

Component 1: Rural Energy Infrastructure: US\$41.0 million (IDA) plus US\$5.7 million (GEF)

Component 2: ICT: US\$8.0 million (IDA)

Component 3: Energy Development, Cross Sectoral Links and Impact Monitoring: US\$26.0 million plus US\$3.3 million (GEF)

Overall Status and Implementation Progress: The progress below indicate the status as of the December 2012 (mid FY13) against revised targets for end FY13

- 4% of the rural population has access to electricity; against a target of 4.5%.
- 81% of the geographical area has access to modern ICT services; this is against a target of 82%.
- 350,700 tons of CO2 emissions were reduced/avoided as a result of the project against a proposed revised target of 356,700 tons.
- Through finances made available for feasibility studies, 10.4 MW of additional power from renewable resources has been generated against a proposed revised target of 15.4 MW.
- 151,000 households remains connected through the extended grid; against a revised target of 260,000. So far, no connections have been made under the Project. However; with the approval of finances from GPOBA and expected availability of finances from Additional Financing, access is expected to improve significantly in the near future.
- 4,700 households remain connected against a target of 4,700
- 16,300 households are using Solar PV systems; against a target of 16,000

households; the additional number of households supported by the Project is now 4,300.

- Capacity of solar PV systems sold so far by private companies supported by the project is estimated to have increased from 1,400 kW to 1,738 kW (i.e., by 338 kW); this is against a target of 1750 kW (or a target increase of 350 kW).
- Total number Community Information centers (CICs) in un-served and underserved areas still remain at 1,533; the revised target has been set at 1,533.
- Health Centers with access to electricity in 24 districts is as follows: HC-II 43.8%, HC-III 75.3% and HC-IV 66%; against respective targets of HC-II 48%, HC-III 78% and HC-IV 70%
- Number of level four health centers (HC-IV) that have computers and Internet access is zero; against a target of 30; this is expected to improve shortly.
- 974 rural schools have access to electricity; against a target of 1,074 - the project has financed access to 100 schools against a target of 200
- 21 water supply schemes now have access to electricity; against a target of 28
- 0.4% of local governments have active engagement in renewable energy or energy efficiency investments; against a target of 5%
- 133 large agri-Business/Farms have access to electricity; no addition has been made so far against a target of 142
- An additional financing is being prepared to enable the government meet the financing gap that would permit the project meet its development objective.

Issues

- Very slow progress on \$8 million ICT component with no major outputs to date
- Delays due to inadequate capacity, internal processes such as tender evaluation and contracts committee approval have affected completion of most of the other outputs including: grid extensions, internet broadband, new community information centers, photovoltaic market targeted approach and others.
- In view of the financing gap encountered in providing consumer connections, the target set for increasing connections and access will not be met. As a result of this, the Government has sought an extension of the closing date and additional financing to address the issues.

Proposed Actions

- Extend project closing date to a minimum of 18 months to enable completion of most of the activities
- Close components that are not progressing and direct funds to alternative activities.
- Expedite the approval of the Rural Electrification Strategy Plan (RESP) 2010-2021.

ELECTRICITY SECTOR DEVELOPMENT PROJECT

Dates		Data			
Closing/Age	No. of Extensions	IDA Amount (US\$m)	Total disbursed to date (US\$/%)	Average annual disbursements to close by current closing date (US\$m)	GoU (US\$m)
02/28/17	0	120	0.0%		

Rating	
Project Development Objectives	Moderately Satisfactory
Implementation Progress	Moderately Satisfactory

Project Development Objective

To improve the reliability of and increase the access to electricity supply in the southwest region of Uganda.

Overall Status and Implementation Progress

- The project became effective on October 23, 2012.
- All safeguard documents for the project have been disclosed both in-country and in the Bank.
- Procurement processes for activities under the project are in various stages and being monitored. Some of the contracts will soon be finalized and disbursement is expected to pick up after that.
- Bidding Document for Kawanda Masaka transmission line now being reviewed by IDA
- Transfer of funds to the respective Designated Accounts is in progress

Issues

- Bidding document for the Kawanda-Masaka transmission line is under review at the office of the Regional Procurement Manager, Africa Region.
- Overall slow progress in conducting procurement for UETCL and MEMD driven by limited oversight on procurement in both agencies and slow approval processes

Proposed Actions

- Bank to finalise review of Bidding Document for transmission line
- Strengthen coordination arrangements in both Ministry of Energy and UETCL and closely monitor procurement progress

HEALTH SYSTEMS STRENGTHENING PROJECT

Dates		Data			
Closing/Age	No. of Extensions	IDA Amount (US\$m)	Total disbursed to date (US\$m)	Annual disbursements to close by current closing date (US\$m)	GoU (US\$m)
07/31/2015 2.2 years	0	130	\$41.8 7.5%	\$50.5	

Rating	Now
Project Development Objectives	MS
Implementation Progress	S

Project Development Objective

To deliver the Uganda National Minimum Health Care Package (UNMHCP) to Ugandans, with a focus on maternal health, newborn care and family planning. This will be through improving human resources for health, physical health infrastructure, and management, leadership and accountability for health service delivery.

Overall Status and Implementation Progress

The project only became effective in February 2011 and so far has realized the following results:

- Supported the standardization of designs for all levels of public health care facilities at Health Centers II, III and IV for use in renovation and construction.
- Helped design and finalize the Client Charters for the ministry of health applicable for different levels of health care to enable the public be informed of available services and channels for handling different issues
- Supported the Ministry of Health in the professionalization of management of health facilities. Job profiles for facility managers have been developed. For regional referral hospitals the positions of directors have been established and filled. The government is in process of creating positions of managers for general hospitals and health centers. A total of 98 managers are undergoing training in Uganda Martyrs University and upon completion will be appointed as managers. Supported the MoH in partnership with other DPs to roll out the Human Resources for Health Management Information System in 70 districts linked to the MOH headquarters, the Public Service Commission and the (health) professional councils.
- Supported the Ministry to develop standard designs for all levels of health facilities and to procure medical equipment and general purpose vehicles and to develop an ambulance strategy.
- Introduction and promotion of the use long term contraception methods;

mentoring of health workers in the insertion of implants and use of manual vacuum aspirators; and revitalization of maternal and peri-natal death review audits. In addition, the project supported the Ministry to establish a distribution system for RH commodities in the private sector.

- 93 of the Health personnel have received management training at Nkozi Univeristy; from zero baselines, surpassing target 30.
- 58% of the approved positions have been filled with qualified health workers; baseline 56% against a target of 65%.
- Health facilities' drug availability improved significantly, from 43% to 70%; surpassing a target
- 25% of Hospitals and Health Center IV are offering comprehensive emergency obstetric care; baseline 20%, meeting the target 25%
- 70 Units of drug orders are processed timely by National Medical Stores; baseline 55 against target 80.
- 25% Health Center IV performed Caesarian Sections; from baseline 14, against a target of 35%
- 31% of Hospitals are conducting maternal and perinatal death audits; baseline 5%, surpassing the target of 6%
-

Issues/Challenges

General:

- Inadequate financing to cover the originally planned 46 health facilities rehabilitation with available funding only able to cover up to 13 health facilities
- Inadequate staffing at the Human Resource Division and Reproductive Health Division
- Inadequate bandwidth to support interconnectivity between districts, health facilities and the center for the ICT in the districts
- Slow pace in revitalization of maternal and peri-natal death reviews
- Process to mentor providers in the lower level facilities in the use of MVA kits and insertion of implants has stalled

Procurement:

- Procurements of the following consultancies: health sub district concept; hospital accreditation; development of hospital plans; client satisfaction study; prescription habit by health workers; disposal of pharmaceutical waste; and communication strategy need to be expedited
- Clearance by the Solicitor General of the MoU between MoH and UHMG for the new supply chain management arrangements

Financial Management:

- The Ministry has to date not submitted the Internal Audit reports to IDA as required by the Financing Agreement

Proposed Actions

- Consider additional financing for the additional hospitals
- MoH to fill vacant positions in the Reproductive Health Division and define and implement strategy for delivering the reproductive health activities
- MoH to seek for support beyond the project resources and use opportunity of rolling out the HRHMIS to train personnel officers and designated personnel staff
- MoH to respond to the Solicitor General, to revise the guidelines for the operation of the new SCM system and to submit the MoU to the Bank for review and clearance
- MoH to consider developing a strategy to scale up revitalization of the maternal and peri natal death review committees as matter of priority
- MoH to prepare a simple strategy to mentor providers in the use of MVA kits and scale up provision of long term and permanent methods of FP
- Recruit Accounts Assistant

PUBLIC SERVICE PERFORMANCE ENHANCEMENT PROJECT

Dates		Data			
Closing/Age	No. of Extensions	IDA Amount (US\$m)	Total disbursed to date (US\$)	Average annual disbursements to close by current closing date (US\$m)	GoU (US\$m)
06/30/13 4.5 years		18.8	10.8 57.4%	10.6	

Rating	Now
Project Development Objectives	MS
Implementation Progress	MS

Project Development Objective

To support: (i) the transformation of the public service so that it is affordable, efficient and accountable for the use of public resources and service delivery; and (ii) improvement of the policy, institutional and regulatory environment in targeted areas for sustainable growth and service delivery.

1. Component 1: Public Service Reform Program US\$15 million
2. Component 2: Strategic Capacity Development US\$8 million

Overall Status and Implementation Progress

- Performance management system fully implemented in all targeted Ministries, Departments and Agencies and Local Governments (MDALG) as of 30-Jun-2012 for top and senior management; all targeted accounting officers, hospital directors and heads of schools have signed performance contracts, monitoring is ongoing.
- 90% of total establishment and wage bill has been captured in Integrated Personnel and Payroll System (IPPS) data base; from baseline 10% and against target 70%, however, data still needs reconciliation, validation and better configuration. This is ongoing and is scheduled to be finished by June 2013.
- Audit of pension payroll ongoing to be finalized in May 2013 to enable.
- Degree of discrepancy between number of staff paid through the payroll and number of actual staff, as revealed through inspections and payroll audits was at 10%.
- Design review, tender action and procurement of contractor for the proposed National Record Center and Archive (NRCA) building completed.
- Public Service White Paper on transformation of the service approved by Cabinet. Implementation to start next FY.
- Annual training of public officers on priority aspects of the public sector reform agenda commenced; induction phase of new staff ongoing. A total of 488 top and senior management officers trained.
- Leadership and Applied Change Management training ongoing by Civil Service

- College using caravan approach.
- Framework for implementation of the policy research, innovations, targeted capacity building for other areas outside the Leadership and Applied Change Management finalized, first innovations conference held in November 2012.
 - Designs and tender action for refurbishment of Civil service college premises completed and procurement of contractor commencing.
 - ROM/OOB framework implemented across Government.

Issues

General

- Project unable to complete all activities by closing date of June 30, 2013 and extension has been sought for 20 months.
- Continuous delays and effective utilization of the IPPS due to lack of Lack of quality control protocols and good project management.
- Overall slow implementation of the IPPS system with only the payroll module implemented and the other HR management functions not fully operationalized and rolled out

Procurement

- Procurement delays for key high value activities including procurement of contractor for the design review and supervision for the proposed CSC venue

Financial Management

- Timely submission of quarterly financial reports (required 45 days after end of the quarter)
- Reconciliation of project figures between the Ministry of Public Service and MoFPED
- Need for a streamlined fixed assets register for the Ministry incorporating project financed assets
- Major delays in payments

Proposed Actions

- Develop a marketing strategy and business plan including the proposed website for the CSC
- Enhance staff capacity under IPPS implementation and improve project management.
- Improve speed on high value procurement and enhance contract management.

NORTHERN UGANDA SOCIAL ACTION FUND PROJECT 2

Dates		Data			
Closing/Age	No. of Extensions	IDA Amount (US\$m)	Total disbursed to date (US\$)	Average annual disbursements to close by current closing date (US\$)	GoU (US\$m)
08/31/14 2.7 years		100	60.7 60.7%	26.6	3

Rating	
Project Development Objectives	MS
Implementation Progress	MS

Project Development Objective

To improve access of beneficiary households in Northern Uganda to income earning opportunities and better basic socio-economic services.

Component 1: Livelihood Investment Support (IDA-US\$60 million)

Component 2: Community Infrastructure Rehabilitation (IDA-US\$30 million)

Component 3: Institutional Development US\$10 million

Overall Status and Implementation Progress

- Project achieved 50% disbursement at mid term
- As at end of Feb 2013, a total of 6,094 sub projects had been funded in 5 disbursements to all districts except for the Karamoja region. Some of these sub projects have already been commissioned. Under House Investment Support Component, 4810 sub projects have been approved and funded i.e. 4,621 agriculture related sub projects, 137 Vocational skills training sub projects, 45 value addition and marketing sub projects and 7 Agro-forestry sub projects. Under Community Infrastructure, 701 teachers' staff houses, 62 health workers houses and 425 water sub projects have been funded. Public works program has a total of 96 sub projects funded.
- The implementation of the transparency Accountability and Anti-Corruption sub-Component of NUSAF is rated highly satisfactory and has been effective in mitigating F&C risks. The Bank has started supporting Inspectorate of Government on evaluating the Impact of this initiative and documenting lessons learnt for possible replication and future scale up.

Issues

- **Financial Management.** The following are the main issues; (a) There are substantial outstanding accountabilities (i.e. unaccounted fund in the amount of US\$ 17.7 million at county levels) that require intensive follow-up; (b) the June 2012 audit report for this project is not submitted to the Bank to date; (c) administrative budget over run - the project has utilized 100% of the admin cost and overshoot by USD

3m the amount allocated for the entire project implementation period while still 18 months remaining to the closing of the project.

Safeguards. Un satisfactory progress on the environmental and social safeguards.

- Weak Capacities of Local Governments. District and sub-county staffing levels in Northern Uganda local governments remains low. Of particular concern during the Northern Uganda reconstruction phase is the shortage of district engineer among other staff. The project has recruited 55 assistant engineers to ensure the quality of works supported by NUSAF.
- **Project audit.** The Project Audit for the financial year ended June 30, 2012, not yet submitted to the Bank.

Project completion. While the remaining period to the closing date of the project is only 18 months, only 44% of the started subprojects are reported as completed. specifically the implementation progress of the PW component is very slow.

Proposed Actions

- OPM/TST should pay special attention to ensure all districts account for the outstanding funds.
- Prepare a revised admin cost proposal focusing on efficiency and effectiveness
- Expedite the hiring of the environment and social safeguard Consultants and conduct detailed assessment on the compliance of relevant safeguard policies and prepare action plans to address the issues identified.
- Focus on completing ongoing projects instead of starting new ones
- Restructure the PW component of the project
- OPM to ensure timely audits.

TRANSPORT SECTOR DEVELOPMENT PROJECT

Dates		Data			
Closing Date/ Age	No. of Extensions	IDA Amount (US\$ m)	Total disbursed to date (US\$ m/%)	Average annual disbursements to close by current closing date (US\$ m)	GoU (US\$m)
6/30/16 2.9 Years	0	265	35.5 (13%)	82.5	

Rating	
Project Development Objectives	
Implementation Progress	

Project Development Objective

- To “improve the connectivity and efficiency of the transport sector through: (i) improved condition of national road network, (ii) improved capacity for road safety management; and (iii) improved transport sector and national road management”.

Overall Status and Implementation Progress

1. Component A (Upgrading and Rehabilitation of Roads):

- Status of Civil works for upgrading of various roads gravel to paved is as follows

Road	Commencement Date	Weighted Progress to Planned	Physical date vs
Vurra-Arua-Oraba	January 6, 2012	Actual: 22%, Planned:32%	
Gulu-Atiak roads	February 27, 2012	Actual: 12%, Planned:40%	
Kamwenge – Fort Portal Road	Bid Evaluation underway and currently at Post Qualification		

- Consultants’ contracts for the design of the Asset Management / rehabilitation for other critical are awaiting the clearance of the Solicitor General.

2. Component B (Enhanced Road Safety):

- The Draft Road Safety Policy and Strategy and Principles for drafting the National Road Safety Authority (NRSA) Bill reviewed by Cabinet Secretariat and clearance received from MoPS and Road Fund. Certificate of Financial Implications from MoFPED awaited.
- Contract for establishment of a crash database awaits Solicitor General clearance

since March 2013.

3. Component C (Preparation of Kampala Urban Transport Project):

5. Preparation of the detailed design of a pilot bus rapid transit (BRT) route underway since July 2012 and Feasibility and Transport Demand Study Report received.
6. The MoWT is to commence budgeting for compensation for the Right-Of- Way.
7. The BRT operations will require the establishment of a Metropolitan Area Transport Authority (MATA) and draft contract for consultant to support this is awaited.

4. Component D (Support to MOWT):

8. The MoWT has prepared the drafting Principles for Multi-sector Transport Regulatory Authority (MTRA).
9. Consultancy contracts for update of the National Transport Policy, Traffic and Road Safety Legislation and Inland Water Transport Legislation are in the final procurement stages. The contracts are expected to be signed in April and May, 2013.

5. Component E (TA support to UNRA):

10. TA – Procurement Consultant, Procurement Specialist, Communications Specialist and Ferry Services Adviser are on board.
11. Selection of TA to provide support in the Internal Audit Department, the technical departments and Axle Load Advisor are the negotiations stage. The contracts are expected to be signed in April, May and June, 2013.
12. Data collection on additional 10,000 km of formerly district roads, reclassified to national roads completed and Road Management System updated. Design preparation for the upgrading of five UNRA stations to regional offices to commence by end of April 2013.

Governance:

13. The Independent and Parallel Bid Evaluation (IPBE) services commenced in March 2013 and the results are very good.
14. Contract management System installed in July 2012.
15. UNRA has developed a Whistleblowing Disclosure Policy in line with the Whistleblowers Protection Act.
16. UNRA has also applied to join the CoST Initiative whose secretariat is in the United Kingdom.

Issues

- Procurement of the contractor for the third civil works contractor has delayed due to misrepresentation of facts by contractors as discovered at the post-qualification stage. UNRA has now submitted a revised Bid Evaluation Report that was received on April 3, 2013, and is currently under review by IDA
- Slow procurement by MoWT means that Procurement for Components B and D have delayed considerably. Of six contracts that were to be signed by December 2012,

only four are at the draft stage. The processing commenced in 2011. Selection of consultant under MOWT on average takes two years while in UNRA it takes less than one year.

- The Financing and Grant Financing Agreements need amendment in order to allow the two agreements to be consistent.

Proposed Actions

- Review the Bid Evaluation Report for the procurement of the contractor for the third civil works contractor and send recommendation to RPM on the way forward by April 4, 2013.
- Continue to hold fortnightly meetings with the MoWT to ensure delivery under Components B and D have of the project.
- Amend the Financing and Grant Financing Agreements

KAMPALA INSTITUTIONAL & INFRASTRUCTURE DEVELOPMENT PROJECT

Dates		Data			
Closing/Age	No. of Extensions	IDA Amount (US\$m)	Total disbursed to date (US\$)	Average annual disbursements to close by current closing date (US\$m)	GoU (US\$m)
11/19/13 3.5 Years	3	33.6	22.5 (67%)		

Rating	
Project Development Objectives	Satisfactory
Implementation Progress	Moderately Satisfactory

Project Development Objective

To improve institutional efficiency of Kampala City Council through implementation of the Strategic Framework for Reform.

Component 1: Institutional Development US\$5.8 million

Component 2: City Wide Infrastructure and Services Improvement US\$28.5 million

Component 3: Project implementation, M&E US\$2.8 million

Overall Status and Implementation Progress

- Reduction of KCC's overdue liabilities at zero against the target of UGX0.5 Billion.
- Share of KCC own source revenue spent on service delivery increased from 18% to 67%, surpassing a target of 34%
- KCC's own source revenue increased from a baseline of UGX24.0b/- to UGX41.9 b/- surpassing the target of UGX33.5b/-
- Public satisfaction in works related to roads recorded at 29% against a target of 50%, drainage at 22% against a target of 80% and solid waste at 46% against target of 70%
- 9 km of gravel roads have been upgraded against a target of 12.89km.
- Percentage of property rate demand notes issued to property owners was achieved by 100%.
- Two annual citizen's Report Card has been completed and KCCA is utilizing the result to inform its service delivery strategy to the citizens.

- Road rehabilitation work is in progress

Issues

- Mainstreaming of the project into KCCA: Out of the 1,332 established post 399 were filled by end November 2012, representing 30% of the established post.
- Contractor performance: Performance of the contractors for the Lubigi channel is behind schedule because of inadequate working cash flow/capital of the contractor. The option of the Borrower opening an Escrow account to support purchase of materials is being considered to ensure timely completion of the civil works.
- Following request from Government, project closing date has been extended from December 31, 2012 to December 31, 2013.
- Need to audit the utilization of funds for the payment of resettlement associated costs given the complaints received.
- Some contractors who have fully performed their contracts but have an outstanding payments of 10% of the contract price that was to be paid from the counterpart funds.

Proposed Actions

- MOFPED should release the 10% counterpart funding to facilitate payment outstanding to some of the service providers.
- KCCA management to closely supervise the Lubigi contractor to ensure that the remaining civil works are completed within the proposed extension period of 12 months to December 31, 2013.
- Government should avail KCCA funds to enable advance preparation of engineering designs and bidding documents including the RAPs for those investments to be funded under KIIDP 2.

LAKE VICTORIA ENVIRONMENTAL MANAGEMENT PROJECT II

Dates		Data			
Closing/Age	No. of Extensions	IDA Amount (US\$m)	Total disbursed to date (US\$m)	Average annual disbursements to close by current closing date (US\$m)	GoU (US\$m)
06/30/13 3 years	0	90 (27.5 for Uganda)	3.6 13% (for Uganda)	59	7.8
Rating					
Project Development Objectives			MS		
Implementation Progress			MU		

Project Development Objective

The Project development/global environmental objectives (PDO/GEO) are to: (i) improve collaborative management of the trans-boundary natural resources of Lake Victoria basin for the shared benefits of the EAC Partner States; and (ii) reduce environmental degradation to improve the livelihoods of communities, which depend on the natural resources of Lake Victoria basin.

Component 1: Strengthening institutional capacity for managing shared water and fisheries resources (a total of US\$19.5 million; Uganda US\$3.3million).

Component 2: Point sources pollution control and prevention (a total of US\$33.8 million; Uganda US\$7.0million).

Component 3: Watershed management (US\$42.3 million; Uganda US\$11.0 million).

Component 4: Project coordination and management (US\$9.2 million; Uganda US\$ 2.1million).

Overall Status and Implementation Progress

- Progress on project implementation is still not Satisfactory although implementation has shown marked improvements under all four Components.
- Harmonized water policy and legal and institutional framework were approved by Regional policy Steering Committee of all participating countries
- Preparation of feasibility study and detailed designs for rehabilitation / expansion of Kirinya and Gaba waste water treatment systems underway but substantially behind schedule
- Upgrade of water quality labs at NWSC and MWE ongoing but slowed down by suspension of payments under the project
- Project Restructured and staff changes made to address some of the weaknesses leading to slow implementation and financial impropriety
- Action plan agreed with the Government to address financial impropriety under the project

Issues

- In-depth review identified fraud and ineligible expenditure of approximately US\$ 0.3 million leading to suspension of payments under the project
- Implementation is still slow and project is rated MU following the last Indepth FM Review.
- As a result disbursement under this project in Uganda was put on hold until GoU address all actions agreed to in the plan of Action. This has still not been achieved fully.

Proposed Actions

- Government should urgently finalize implementation of agreed action plan to address fiduciary concerns and improve project management in order to enable lifting of the suspension of payments and allow implementation to proceed
- Thereafter project should be closely monitored in order to speed up implementation
- Speed up recruitment of staff to support project implementation

EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT

Dates		Data			
Closing/Age	No. of Extensions	IDA Amount (US\$m)	Total disbursed to date (US\$) %	Average annual disbursements to close by current closing date (US\$m)	GoU (US\$m)
09/30/14 6.2 years	1	229.02 (26.4 for Uganda)	49% (Uganda 32%)	US\$9.03m	Nil

Rating	Now
Project Development Objectives	Regional: MS, Uganda: MS
Implementation Progress	Regional: MS, Uganda: MU

Project Development Objective

To (i) enhance efficiency of customs agencies' clearance processes, for the EAC Partner States participating in the East Africa Customs Union, to facilitate trade; (ii) improve efficiency and reliability of transport and logistics services along the key corridors; and (iii) enhance safety in identified areas and reduce the Recipient's fiscal transfers to railway institutions by rationalizing the work force on the Kenya-Uganda railway..

Component 1: EAC Customs Union Implementation: US\$15.84 million. (UG – 1.89m)

Component 2: Institutional support for transport facilitation: US\$10.3 million. (2.01m)

Component 3: Investment support for transport facilitation: US\$98.63 million. (UG – 18.5m)

Component 4: Support to railway concessioning: US\$4.19 million. (UG – 4.00)

Overall Status and Implementation Progress

- Regional Interconnection of ICT functions in all 4 participating countries: Through RADEX interconnection between Customers possible but not optimal as of Sep 30, 2012
- Customs procedures and documents simplified in accordance with WCO standards: Simplification in progress as of Sept 30, 2012
- Decrease in border crossing time: Sirari – 7.5 days; Malaba 7 hours
- Railway ICD in Uganda Contract awarded. ICD planned to be completed by end 2013
- Rehabilitation of MV Kaawa Wagon ferry which is completed and the vessel re-commissioned in August 2012

Issues

- Major Procurement delays for a key activities e.g after lengthy procurement process award of works contracts for One Stop Border Posts (OSBP) have been affected by complaints raised by bidders which may delay or derail construction of Malaba, Busia and Mutukula OSBP. If this is not resolved by end of April there is a risk that the contract cannot be fully financed by the Project given the time left.
- Progress for Katuna OSBP is hinged on decisions from Rwanda. Without Rwanda's agreement to proceed with their construction development on the Uganda side would be inappropriate as the development objective would not be met.

Proposed Action

1. GOU to resolve the impasse in respect of OSBP contracts taking into account time constraints.
2. GOU to complete actions leading to the formation of URAC
3. GOU to honor its commitment to implement the Resettlement Action Plan in respect of the railway encroachment.
4. Government needs to closely monitor ongoing implementation of works and installations.

EAST AFRICA PUBLIC HEALTH LABORATORY NETWORKING PROJECT

Dates		Data			
Closing Date/ Age	No. of Extensions	IDA Amount (US\$ m)	Total disbursed to date (US\$ m/%)	Average annual disbursements to close by current closing date (US\$ m)	GoU (US\$m)
03/30/16	0	78.6 (5 countries) (10.1 for Uganda)	Uganda: 15%	Uganda: 2.9	0

Rating	Now
Project Development Objectives	S
Implementation Progress	MS

Project Development Objective

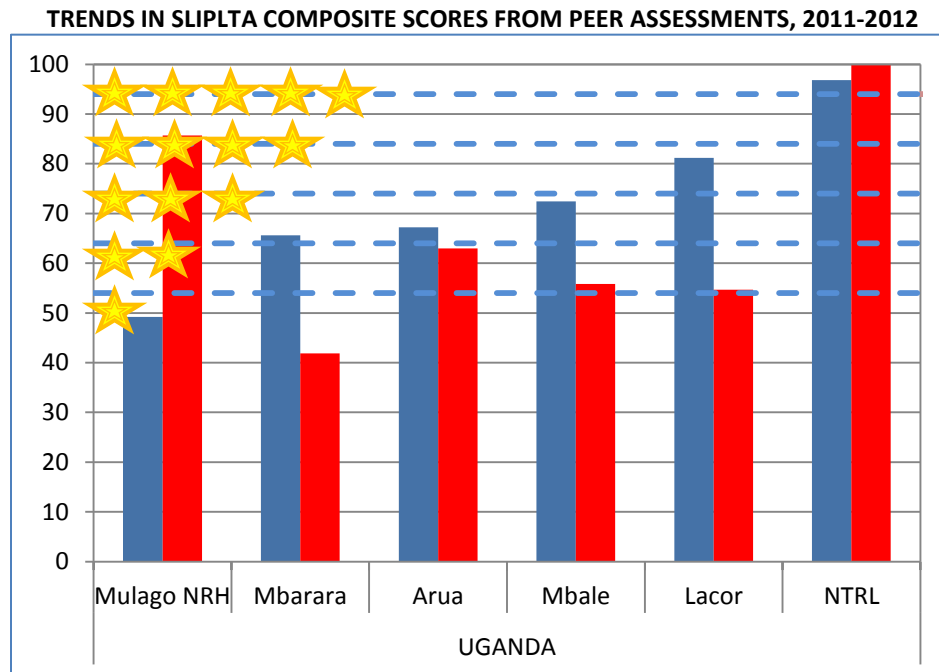
To establish a network of efficient, high quality, accessible public health laboratories for the diagnosis and surveillance of tuberculosis and other communicable diseases.

Overall Status and Implementation Progress

-Approved by the Bank's Board on May 25, 2010, the Uganda credit was declared effective on January 31, 2011. The project got off to a good start but implementation has become increasingly sluggish, as reflected in the relatively low disbursement rate. While there is good progress on most performance indicators the pace of implementation and disbursements are relatively slow. There is a need to strengthen institutional arrangements in order to accelerate implementation, and improve disbursement performance.

-At the national level, a number of notable achievements have been attained during the past two years: (i) enrolling all project-supported laboratories in a regionally recognized *Stepwise Laboratory Improvement Process Towards Accreditation (SLIPTA)*, which instills a culture of continuous quality improvements, and sets them on a path towards international standards; even though progress has been mixed (as seen from the figure below), there is strong leadership and commitment at these facilities, and a mentorship program is in place to support all sites to reach at least two stars (project goal); (ii) assisting the Uganda national TB laboratory to *successfully complete all requirements to become a WHO Supranational Reference Laboratory*, the second of its kind on the continent; (iii) *strengthening capacity to respond to disease outbreaks* as seen during recent Ebola and Marburg outbreaks when the country responded swiftly and collaboratively with officials from neighboring countries to contain the epidemics and minimize case fatality; (iv) completing a study on human resources issues related to laboratory personnel and *cascading training* to lower level facilities; and (v) designing a *well conceptualized web-portal*. Against these positive developments there have been *delays in channeling funds* to the satellite laboratories and *in procuring equipment, civil works, and consultancy services*.

There have also been cost overruns on the construction of a new NTRL which necessitated further revisions; and delays in taking timely decisions concerning the nature and scope of the civil works at the satellite laboratories.



-At the regional level, Uganda continues to provide *strong leadership in the Laboratory Networking and Accreditation Working Group* and is serving as a center of excellence. The country has hosted several regional meetings on accreditation, facilitated training and certification of regional assessors, and helped *lead two innovative multi-country peer assessments* of 32 laboratories in the 5 EAC member states. Ugandan participants are active on several regional working groups, including integrated surveillance, and capacity building and training, and ICT. The country has made timely transfers to the East, Central, Southern Africa Health Community which is coordinating the project. Uganda is well represented on the Project Steering Committee and Regional Advisory Panel.

Issues

- Institutional arrangements are weak and there is inadequate day-to-day implementation support to permit efficient use of project funds.
- Fiduciary arrangements are generally adequate but financial management compliance deteriorated recently, and overall procurement and FM workloads are not commensurate with the availability of human resources.

Proposed Actions

- *Reinforce the institutional arrangements* to ensure adequate day-to-day implementation capacity.
- *Bolster fiduciary capacity* to ensure adequate personnel for efficient management of

procurement and financial management processes, including timely submission of withdrawal applications.

- *Hold monthly review meetings* with the project management team to discuss implementation progress and identify remedial actions, ensuring the project remains on track.

EAST AFRICAN AGRICULTURE PRODUCTIVITY PROGRAM

Dates		Data			
Closing Date/ Age	No. of Extensions	IDA Amount (US\$ m)	Total disbursed to date (US\$ m/%)	Average annual disbursements to close by current closing date (US\$ m)	GoU (US\$m)
06/30/15 5.7 years	0	90 (30 for Uganda)	\$8.5m (28%)	\$9.0 million	

Rating	Now
Project Development Objectives	MS
Implementation Progress	MS

Project Development Objective

- The PDO is to: (i) enhance regional specialization in agricultural research; (ii) enhance regional collaboration in agricultural training and dissemination; and (iii) facilitate increased sharing of agricultural information, knowledge, and technology across national boundaries

Overall Status and Implementation Progress

- Implementation of EAAPP in Uganda** is gathering satisfactory momentum and several positive project outcomes have been realized towards the achievement of the PDO since the project became effective in November 2010. Based on MTR survey assessment, most of the Key Performance Indicators show good progress in reaching and/or exceeding the intended outcome targets. For instance,
 - compared to baseline year (2010), rate of adoption of new cassava, dairy, wheat and rice varieties has increased by 30, 39, 31.5 and 1 percent respectively.
 - Use of improved management practices for cassava, dairy, wheat and rice increased by 33, 23.8, 25, and 22 percent respectively.
 - The area under improved seed increased by 18 percent.
 - the proportion of farmers using improved varieties for all project commodities shows encouraging results, e.g. rice increased from 34 to 63 percent, wheat increased from 86.6 to 96.6 percent and 57 percent of dairy farmers use at least one improved pasture.
- In Uganda, EAAPP is being implemented** in a total of 59 districts⁷ spread over different agro-ecologies, including in 43 districts for cassava, 31 districts for rice, 13 districts for dairy and 5 districts for wheat research and development. A total of 12 entities⁸ drawn from the public sector are coordinating and/or facilitating implementation

⁷About 25 districts are covered by 2 or more priority commodities.

⁸NaCRRRI – Cassava RCoE, Bulindi ZARDI, Abi ZARDI, Mukono ZARDI, Nabuin ZARDI, Ngetta ZARDI, NaLIRRI, NARL

of EAAPP. The continuing improvement in the participation of NAADS in EAAPP implementation, and its lead role in training and dissemination is promising as it is critical in the achievements of the project's objective.

Issues

- **Low disbursement and burn rate:** presents a risk of not utilizing all the project funds within the current project period. The project has disbursed XDR 5,351,984.63 (US\$ 8,331,488.00) being 28.17% of the total credit of XDR 19,000,000 (US\$ 30,000,000) with more than 50% of project period having elapsed. Thus, disbursement and burn rate issues need closer attention.
- **Procurement Management:** There are key outstanding procurements which are substantially behind schedule, including the delivery of (i) the laboratory equipment, (ii) liquid nitrogen plant and (ii) the civil works.
- **Weak Coordination:** The capacity of the Project Coordination Unit to coordinate and support implementation across the 12 entities drawn from the public sector is proving weak, contributing to both delayed procurements and slow implementation

Proposed Actions

- To address low disbursement issues the project need to prepare a time bound work plan on how it intends to accelerate project implementation to absorb project funds before the closure period. The disbursement projection of the project, including possible reallocation, for the remaining implementation period of the project by category and component would be shared with the Bank for review and agreement.
- The project shall pay more attention to contract management specifically in ensuring that suppliers are supplying the goods as per the contracted specification.
- NARO management should provide more support and oversight to the PCU. The PSU should also get more on the ground to help unblock some of the administrative constraints in the different agencies.

