



## 1. Project Data

Project ID P111633	Project Name UG-SEC N-Uganda SAF (NUSAF2) (FY09)		
Country Uganda	Practice Area(Lead) Social Protection & Labor		
L/C/TF Number(s) IDA-46260,TF-99381	Closing Date (Original) 31-Aug-2014	Total Project Cost (USD) 100,000,000.00	
Bank Approval Date 28-May-2009	Closing Date (Actual) 29-Feb-2016		
	IBRD/IDA (USD)	Grants (USD)	
Original Commitment	100,000,000.00	35,205,360.00	
Revised Commitment	100,000,000.00	35,173,595.84	
Actual	103,377,306.26	35,173,595.84	
Sector(s) Social Protection(45%):Other Agriculture, Fishing and Forestry(20%):Other Industry, Trade and Services(20%):Public Administration - Social Protection(15%)			
Theme(s) Other rural development(30%):Rural services and infrastructure(30%):Improving labor markets(20%):Social Safety Nets/Social Assistance & Social Care Services(20%)			
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## 2. Project Objectives and Components

### a. Objectives

According to the Financing Agreement, the Project Development Objective (PDO) *was to support the Recipient's effort to improve access of Beneficiary Households in Northern Uganda to income earning opportunities and better basic socioeconomic services.*

The Project Appraisal Document (PAD) had substantially the same PDO: *to improve access of beneficiary households in Northern Uganda to income earning opportunities and better socio-economic services.*

One key outcome target, the number of person-days of work, was revised significantly downward at an August 2014 restructuring. Because almost all (94.1%) of Bank funds had been disbursed at this point, and in line with the ICR (p. 15), a split rating is not performed here.



Achievement is assessed against the original target.

- b. Were the project objectives/key associated outcome targets revised during implementation?

No

- c. Components

The project had three components:

**Component 1: Livelihood investment support** (estimated cost at appraisal US\$ 60 million; actual cost US\$ 52.8 million). The component had two sub-components:

**1 A public works program (PWP)** to provide temporary employment and increase community socio-economic assets. The PWP was to support labor-intensive interventions providing poor households with additional income to respond to increasing food prices and to smooth consumption during the annual dry season.

**2 A household income support program (HISP)** to increase productive assets and income-generating activities among participating poor households, and in the process improve their incomes. In addition, the HISP was to aim at developing skills for the creation of opportunities for self-employment within communities. Building on existing community groups, interested poor would also be encouraged to join such groups in accessing income-generating opportunities. Participating households were also to be encouraged to look after extremely vulnerable individuals in the community.

**Component 2: Community infrastructure rehabilitation** (estimated cost at appraisal US\$ 30 million; actual cost US\$ 29.04 million). The component was to improve access to basic socio-economic services through rehabilitation and improvement of existing community infrastructure. With the return of peace in Northern Uganda and internally displaced persons moving back to their villages, community infrastructure was in urgent need of rehabilitation, as well as complementary investments to maintain and improve basic services.

**Component 3: Institutional development** (estimated cost at appraisal US\$ 10 million; actual cost \$ 8.8 million). The component was to finance activities at the national, district, sub-county and community levels aimed at improving efficiency, effectiveness, accountability and transparency in the use of project resources. It had two sub-components:

**1 Project implementation support** that included support to the Prime Minister's Office (OPM) for overall project coordination and accountability of project resources by means of a technical support team; consultations with project beneficiaries, including training in project management skills; communications initiatives to inform and educate stakeholders on their respective roles in the development process; community monitoring and evaluation of project implementation, including the development of a management information system; and poverty monitoring analysis.

**2 A transparency, accountability and anti-corruption program (TAAC).** The project was to serve as an entry point to the development of improved systems for use by communities, local authorities and others with a mandate to promote improved governance in development. Specific measures were to include collaboration with anti-corruption agencies, the institution of social accountability committees at the community level, strengthening of information, education and communication (IEC) messages, and promotion of gender mainstreaming in all project activities. To ensure independence, this sub-component was to be implemented by the Office of Inspectorate of Government (IG).

- d. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project cost. The original cost estimate was US\$ 100 million. The actual project cost was US\$ 103 million, including US\$ 12.36 million of contingencies.

Project Financing. The Bank provided US\$ 100 million in IDA credit, ultimately spending US\$ 103 million, reflecting exchange rate adjustments. The PAD states that the UK Department for International Development worked with the Bank on project preparation and agreed to co-finance it, but exact amounts were not yet specified. At closing, DfID had contributed US\$ 35.17 million in the form of a trust fund to support infrastructure in health and education.



Borrower contribution. There was no Borrower contribution.

Dates: The project was approved on May 28, 2009 with an original Closing Date of August 31, 2014. A Level II restructuring was undertaken in August 2014, involving a one-year extension of the Closing Date to complete ongoing project activities. At the same time, previously unallocated resources were allocated to the project components, and one key outcome target was revised. The Closing Date was further extended in August 2015, to February 29, 2016, to allow completion of ongoing sub-projects.

### 3. Relevance of Objectives & Design

#### a. Relevance of Objectives

The objectives are relevant to the changing situation in Uganda, and in particular Northern Uganda, where civil conflict (between the Government and the Lord's Resistance Army) had come to an end. The focus of Government policy, as well as Bank strategy, became one of improving economic livelihoods and social cohesion, while reinserting the internally displaced into the community. The project followed an initial Social Action Fund that had pointed to the need for stronger community involvement in reconstruction. This approach supported the Government's development program at the time, which emphasized the rebuilding and empowering of communities. This approach, reflected in the project's objectives, remains relevant in the latest policy orientation, although there also is a strong move towards more robust development and growth policies. The same is the case with the Bank's current Country Partnership Framework (2016-2021), which is patterned on the Government's development plan.

Rating  
Substantial

#### b. Relevance of Design

Project design directly addressed the two project objectives: public works schemes were to provide (temporary) income earning opportunities and build socio-economic infrastructure, while the household income support program was to improve access to more permanent income-earning opportunities. A demand-driven community development (CD) approach was chosen to implement the project. The public works sub-component contained a number of design features that would contribute to low uptake of public works during implementation: the menu was limited to roads, budget ceilings for sub-projects were too low, there was insufficient understanding of processes by field-level facilitators, and permanent income-earning opportunities would prove to be more attractive. These design features would be partly addressed during implementation, and with an 18-month extension of the project Closing Date.

Rating  
Modest

### 4. Achievement of Objectives (Efficacy)

#### Objective 1

Objective  
Improved access to income earning opportunities

Rationale

**Outputs:** Income earning opportunities were generated by participation in public works schemes and in the household income support



program. A total of 794 public works schemes were completed, compared to a target of 891 schemes. This generated 1.4 million person-days of work against an original target of 5.5 million, and a total income of US\$ 5.4 billion for 55,500 beneficiaries. Household income support programs totaled 7,192 sub-projects against a target of 7,236 sub-projects. The support programs were valued at US\$ 78.4 billion.

**Outcomes:** The project used two key indicators to measure outcomes: the first indicator measured participation in public works, and the second measured increase in income of targeted households. The data for participation in public works is indicated above as part of outputs (55,500 beneficiaries earning US\$ 97,000 each; no baselines or targets had been set). With regard to the second indicator, the project had anticipated a 30 percent increase in income between 2009 and 2016; in fact, beneficiaries' incomes increased by 84 percent in real terms (taking inflation into account). The target had been set 30 percent above a baseline of US\$ 93,401 per household, i.e. at US\$ 121,421. Instead, it increased by 236 percent from the baseline, reaching US\$ 286,183 (not taking inflation into account). While the ICR does not explicitly state this, the income effect plausibly is a combination of wages from public works and household asset building from savings/investment activities, mainly linked to participation in public works.

Although the increase in income per beneficiary household exceeded targets, the absolute number of income-generating schemes and person-days of work made available fell short. This low uptake of public works schemes is likely due to the design factors cited in Section 3b.

Rating  
Modest

## Objective 2

Objective  
Improved access to better basic socioeconomic services

### Rationale

**Outputs:** 2,553 community infrastructure sub-projects were completed, surpassing the target of 1,915 sub-projects. 54 percent were education sub-projects, 27 percent water sub-projects, and 18 percent health sub-projects. Other infrastructure was completed through the public works scheme noted under the first objective.

**Outcomes:** The project used four key indicators to measure achievement of this objective, three that measured access, and one that measured beneficiary satisfaction. Targets in measuring access included changes in (i) gross enrollments in primary education, which rose from a baseline of 60 percent in 2009 to 127 percent in 2016, exceeding the target of 63 percent; (ii) population with access to all-season roads, which rose from a baseline of 49 percent to 94 percent, exceeding the target of 63 percent; and (iii) population with access to improved safe water sources, which rose from a baseline of 49 percent to 76 percent, exceeding the target of 68 percent. Health sub-projects mainly improved staff accommodation by adding 443 staff houses and 34 out-patient departments to existing health facilities. While population numbers in catchment areas for these facilities are not available, it is reasonable to assume, on the basis of other similar experiences, that they may have a significant impact on service delivery in their catchment areas. The level of satisfaction of the targeted population with the quality of basic socioeconomic services increased from a baseline of 73 percent to 85 percent, almost achieving the target of 90 percent.

Rating  
Substantial

## 5. Efficiency

The PAD, based on the livelihood support and public works programs, and with solid assumptions and sensitivity analysis, estimates a net



present value (NPV) of US\$ 28.9 million and economic rate of return (ERR) of 45 percent. The ICR carries out a similar economic and financial analysis of the project, focusing only on sub-projects that directly affected household and community incomes, that is, the Livelihood Investment Support component, which included most of the quantifiable elements of the project. Therefore, unlike the PAD, it did not include such elements as social infrastructure improvements. Here, assessments of investment and savings indicate asset accumulation and profit. The ERR was estimated at 29 percent with an NPV of US\$ 19.24 million. The economic efficiency was substantial, as the community-driven development (CDD) model was able to deliver basic infrastructure at a lower cost than other, similar, Government- or donor-financed programs (for example, a classroom block without an office cost, on average, US\$24,367 under the project, compared with US\$26,497 under other, comparable projects such as the Ministry of Education's School Facility Grant). The administrative costs of the project, at 16 percent, were within an acceptable range for CDD operations. Financial management and procurement were handled efficiently (see Section 11b)

Efficiency Rating  
Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	45.00	60.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	29.00	24.00 <input type="checkbox"/> Not Applicable

\* Refers to percent of total project cost for which ERR/FRR was calculated.

## 6. Outcome

Relevance of objectives is rated **substantial**. While creating income earning opportunities and providing socioeconomic services at local levels will remain relevant for a long time, both government policy and Bank strategy appear to be increasingly focusing on a more productive growth path, as reflected in policy documents. Relevance of design is rated **modest**, as the project's planned activities were logically and plausibly connected to achievement of intended outcomes, but there were design features that would contribute to low uptake of public works during implementation. Achievement the first objective to improve access to income-earning opportunities is rated **modest**, reflecting the effects of low participation in public works schemes on potential earnings. Achievement of the second objective to improve access to better basic socioeconomic services is rated **substantial** based on achievement of targets for access to primary education, roads, and safe water sources. Efficiency is rated **substantial**. Taken together, these ratings are indicative of moderate shortcomings in the project's preparation and implementation, and therefore an Outcome rating of **Moderately Satisfactory**.

a. Outcome Rating  
Moderately Satisfactory

## 7. Rationale for Risk to Development Outcome Rating

Project preparation anticipated a number of risks that appear not to have materialized, or have been less severe and successfully handled during implementation: renewed conflict in Northern Uganda, limited local government capacity, and corruption. It is unlikely, however, that these have disappeared as sources of concern, or risk, during the seven years of project implementation. Instead, it may be reasonable to assume that arrangements under the project were able to deal with most of them, especially the governance arrangements that went hand in hand with the mainstreaming of the CDD approach into central and local government processes. That should provide a basis for reducing the risk to the



development outcome, especially as there is a follow-up project.

- a. Risk to Development Outcome Rating  
Modest

## 8. Assessment of Bank Performance

a. Quality-at-Entry

The project was strategically relevant in addressing needs in Northern Uganda, which was coming out of a period of conflict and was lagging behind the rest of the country in development. The project drew on the lessons of an earlier one, in particular the need to integrate the CDD process, notably its participatory and planning features, with government structures. The risk analysis at the outset also drew on the previous project, and mitigating measures did succeed in containing risks. In particular, the introduction of a transparency, accountability and anti-corruption component provided an institutional mechanism for promoting better local governance. This was subsequently recognized as an important means to reduce fraud and corruption during implementation (ICR, p. 6). Collaboration with the UK Department for International Development (DfID) was to provide timely support during implementation in analyzing shortfalls in public works performance, and in providing an alternative means of monitoring implementation. More emphasis could have been placed on preparing the ground for mainstreaming the CDD process, a shortcoming that was reflected in a slow project start, especially in weaker areas. This would ultimately contribute to extending the Closing Date. Greater attention also could have been paid to the preparation of the public works schemes, as noted in Sections 3 and 4; the issue that arose – lower-than-expected demand for work – impacted project efficacy.

Quality-at-Entry Rating  
Moderately Satisfactory

b. Quality of supervision

Supervision was undertaken by the Bank in close collaboration with the Government implementation team and development partners, notably DfID. The Bank team faced a number of challenges arising from quality at entry, notably slow project start-up and low public works take-up (see Section 3b). Those and other challenges were addressed (albeit with subsequent delays in project implementation), including addressing additional capacity building needs and the geographic expansion of the project from 40 to 55 districts, plus an extension of the project period.

Quality of Supervision Rating  
Satisfactory

Overall Bank Performance Rating  
Moderately Satisfactory

## 9. Assessment of Borrower Performance

a. Government Performance

The Government, through its Office of the Prime Minister (OPM), provided project leadership. It successfully managed the mainstreaming of participatory project planning processes into central and local Government planning systems. It established a project technical support team to handle the day-to-day management of project implementation; this team also successfully designed the follow-up project.

Government Performance Rating  
Satisfactory

b. Implementing Agency Performance

The technical support team in the OPM was the *de facto* project implementation agency. It proved to be strong in supporting local



governments in implementation, applying safeguards, and in monitoring project progress through quarterly progress reports, through a fixed assets register on details of assets, and on-time interim financial reports (see also Sections 11a and b).

Implementing Agency Performance Rating  
Satisfactory

Overall Borrower Performance Rating  
Satisfactory

## 10. M&E Design, Implementation, & Utilization

### a. M&E Design

Objectives were clearly defined, and indicators adequately reflected the objectives. All indicators were measurable, allowing determination of outcomes. An M&E strategy for information requirements on project processes, data collection, analysis, and reporting was in place. Roles and responsibilities were well defined. Information was incorporated into a district-level management information system. Arrangements for periodic evaluations, including community score cards, were put in place.

### b. M&E Implementation

District level planning officers were the main M&E implementing agents, reporting to the OPM. Templates were used to collect data at sub-project sites, compiled and submitted to the technical support team in the OPM on a monthly and quarterly basis. The data collection process was mainstreamed into the regular district data collection processes.

### c. M&E Utilization

The technical support team analyzed the data to monitor project progress through a series of output indicators. The team provided feedback to the district level, which in turn transmitted it to the community level. The information focused on activity and output indicators, as well as on measuring outcomes.

M&E Quality Rating  
Substantial

## 11. Other Issues

### a. Safeguards

The project was rated as environmental assessment category B. It triggered the following safeguard policies: OP 4.01 on Environmental Assessment, OP 4.09 on Pest Management, and OP 4.12 on Involuntary Resettlement. Pest Management was triggered because there was likely to be small-scale use of pesticides that could be applied for veterinary care of animals under the Household Investment Support component. To facilitate compliance with these safeguard policies in the context of a CDD operation with yet-to-be determined multiple sub-projects, an Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework were prepared and disclosed during project preparation, reflecting lessons from NUSAF 1 and input from stakeholders at different levels of the Government and communities. The ESMF included pesticide management measures to facilitate compliance with OP 4.09.

**Environmental safeguards.** During the early years of the project, the implementation of safeguards requirements faced challenges attributed to capacity constraints at the OPM and local government levels. Over the course of implementation, the project sought to address these constraints by: (a) recruiting a safeguards specialist at the OPM to guide local governments; and (b) conducting a capacity needs assessment. Based on the findings of the assessments, safeguards training was conducted for all relevant project staff, including at community levels. As a result, staff at district levels were able to screen subprojects and develop Environment and Social Management



Plans for all projects. Environment compliance certification was also observed, with most sub-projects being issued environmental restoration certificates.

**b. Fiduciary Compliance**

**Financial management.** At the national level, a customized financial tracker was developed to help districts track sub-projects and maintain accountability. The project budget process was mainstreamed into the Government's budgeting procedures under the OPM. The final project budgets were approved by the ministry and incorporated in the budget framework paper for submission to the Parliament. Budget implementation was monitored through quarterly progress reports. For fixed assets, the technical support team maintained a fixed assets register on details of the assets. The project prepared quarterly interim financial reports on time. The internal audit function was provided through the OPM and focused on pre-audits of transactions and verification of accountability. Financial monitoring of the project was also supported through an external audit function. At the time of project closure, the final World Bank Financial Management Review recommended a post-closing audit, due by end of August 2016.

**Procurement.** Procurement was implemented at three levels: the Central Government level by OPM; the local government level by districts; and the community level through community project management committees, assisted by Community Procurement Committees (CPCs). At the Central Government level, all procurements, mainly for consulting services, motor vehicles, and computer hardware and software, were done in accordance with the Public Procurement & Disposal of Public Assets Authority Act, 2003 and the IDA Guidelines for the Procurement of Goods, Works, and Services under IDA Loans 2009. Procurement procedures were generally of good quality, timely, and transparent. The OPM and the technical support team supported the districts and communities through training on community procurement procedures and records management. At the community level, procurement, largely related to community infrastructure and small livestock, was undertaken by the beneficiary communities.

**c. Unintended impacts (Positive or Negative)**

None reported.

**d. Other**

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## 12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	---
Risk to Development Outcome	Modest	Modest	---
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	---
Borrower Performance	Satisfactory	Satisfactory	---
Quality of ICR		Substantial	---

**Note**

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.

The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.





## 13. Lessons

Lessons are drawn from the ICR:

**Strengthening institutional capacity.** Anticorruption measures in a project can become models for broader social accountability. To ensure good governance and accountability for funds under this project, measures were taken to institutionalize the Transparency, Accountability and Anti-Corruption program at the community level. Establishing systems for immediate reporting of grievances were vital in minimizing misuse of subproject resources and also sparked demand for accountability in other social programs.

**Project implementation at the local level.** The use of participatory approaches to identify beneficiaries and community priorities empowers local people to articulate and share their own opinions, needs, problems, and abilities. In this project, participatory approaches enabled beneficiaries to influence decision-making processes for formulating and implementing subprojects to satisfy their needs. The close working relationship between the local government and the project technical support team and between the communities and the local governments improved the quality of infrastructure outputs at the local level. The mainstreaming of the project within local government strengthened the delivery of the project at the local level and provided space for communities and local authorities to work jointly in the delivery of the project at the community level.

**Savings and investment arrangements.** Where community groups are linked to savings and investment opportunities, they can develop into sustainable savings groups, further enhancing their access to financial services at the local level. Some community groups under the project are developing into village savings and loan associations and cooperatives. The benefits accruing to the individual members are motivating more people to join.

A number of additional impacts were recorded that also provide useful lessons:

- **Banking services and financial inclusion.** Social protection payment mechanisms can enhance financial inclusion by linking program beneficiaries to mainstream financial service providers and by increasing the development of financial infrastructure in previously underserved areas. Increasing the incomes of local households through regular social protection transfers can encourage the development of financial infrastructure.
- **Broader service delivery accountability.** As a result of specific social accountability mechanisms in a project, broader awareness about rights and responsibilities can be enhanced. While this was intended to be related to project-specific accountability and governance mechanisms, communities, beneficiaries, non-beneficiaries, and implementers began using similar structures and principles to lodge complaints about broader government and nongovernmental organization service delivery projects.
- **Well designed projects can leverage additional resources and innovation at the local community level.** Besides leveraging DfID funds, the project also drew other funds. Anecdotal evidence indicates additional resources being mobilized at the individual/community level. In some areas, where communities selected heifers as assets, other stakeholders such as Heifer International provided add-on services such as technical advice and guidance on how to maximize the productivity of the animals.

## 14. Assessment Recommended?

No

## 15. Comments on Quality of ICR

The ICR for the most part provides an adequate basis for assessing the project. On certain points it could have been more articulate, particularly on Government and implementing agency performance, and M&E. That said, the analysis is focused and concise, and the document is internally consistent and follows OPCS guidelines.

- a. Quality of ICR Rating  
Substantial