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PROJECT PERFORMANCE ASSESSMENT REPORT

UGANDA

POVERTY REDUCTION SUPPORT CREDITS 5-7
(IDA-41420 & IDA- IDA-H1990, IDA-H1990, TF-55172, IDA-42960, IDA-44310)

POVERTY REDUCTION SUPPORT CREDITS 8-9
(IDA-48140, IDA-50610)

JUNE 29, 2015

IEG Public Sector Evaluation
Independent Evaluation Group

Currency Equivalents (annual averages)

Currency Unit = Ugandan Shillings (UGX)

2006	US$1.00	UGX 1,831
2007	US$1.00	UGX 1,724
2008	US$1.00	UGX 1720
2009	US$1.00	UGX 2030
2010	US$1.00	UGX 2178
2011	US$1.00	UGX 2523
2012	US$1.00	UGX 2505
2013	US$1.00	UGX 2580

Abbreviations and Acronyms

AG Auditor General
ANC Antenatal care
BS Budget Support
CAADP Comprehensive Africa Agriculture Development Programme
CAS Country Assistance Strategy
CBMS Community Based Maintenance Systems
CBO Community Based Organization
CEDAW Convention on the Elimination of all forms of Discrimination against Women
CEM Country Economic Memorandum
CPIA Country Policy and Institutional Assessment
CRB Credit Reference Bureau
DHS Demographic and Health Survey
DP Development Partners
DPOs Development Policy Operations
DSIP Development Strategy and Investment Plan
DTM Data Tracking Mechanism
DWD Directorate of Water Development
DWO District Water Officer
DWSDCG District Water and Sanitation Development Conditional Grant
EPRC Economic Policy Research Center
ESSP Education Sector Strategic Plan
ESW Economic Sector Work
FAO Food and Agriculture Organization of the United Nations
FY Fiscal Year
GAVI Global Alliance for Vaccines and Immunisation
GDP Gross Domestic Product
GoU Government of Uganda
HIV Human Immunodeficiency Virus
HIV/AIDS Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome
HLAM High Level Action Matrix
HMIS Health Management Information System
HSSIP Health Sector Strategic and Investment Plan
ICR Implementation Completion Report
IDA International Development Association
IEG Independent Evaluation Group
IEGPS IEG Public Sector Evaluation
IFMIS Integrated Financial Management Information System
IGG Inspector Government General
IMF International Monetary Fund
IMR Infant Mortality Rate
JAF Joint Action Forum
JARD Joint Annual Review of Decentralisation
JBS Joint Budget Support
JBSF Joint Budget Support Framework
M&E Monitoring & Evaluation
MAAIF Ministry of Agriculture, Animal Industry and Fisheries
MDA Ministries, Departments, and Agencies
MDG Millennium Development Goals
MoES Ministry of Education and Sports
MOF Ministry of Finance
MOFPED Ministry of Finance, Planning and Economic Development
MoH Ministry of Health
MoLG Ministry of Local Government
MoPS Ministry of Public Service
MoU Memorandum of Understanding
MTEF Medium-Term Expenditure Framework
MTR Mid-Term Review

MTTI Ministry of Tourism, Trade and Industry
NAADS National Agricultural Advisory Services: NAADS
NARO National Agricultural Research Organisation
NDP National Development Plan
NGO Non-Government Organization
NMR Neonatal Mortality Rate
O&M Operations & Maintenance
OAG Office of the Auditor General
OPCS Operations Policy and Country Services
PAF Poverty Action Fund
PD Program Document
PEAP Poverty Eradication Action Plan
PEFA Public Expenditure and Financial Accountability
PER Public Expenditure Review
PFAA Public Finance and Accountability Act
PFM Public Financial Management
PLE Primary Leaving Examinations
PM Prime Minister
PMA Plan for Modernisation of Agriculture
PPAR Project Performance Assessment Report
PPDA Public Procurement and Disposal Act
PRSC Poverty Reduction Strategy Credit
SPFP Special Programme Food security Production
SPR Sector Performance Report
SSA Sub-Saharan Africa
TA Technical Assistance
TASU Technical and Administrative Support Unit
UBOS Uganda Bureau of Statistics
UFMR Under-Five Mortality Rates
UNRA Uganda National Roads Authority
UPE Universal Primary Education
USE Uganda Securities Exchange
WB World Bank
WESPR Water and Environment Annual Performance report
WfP Water for Production
WSDF Water and Sanitation Development Facility

Fiscal Year

Government: FY 05-FY 13

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Contents

This report was prepared by Zeljko Bogetic and Moritz Piatti, who assessed the project during November 2014-April 2015. The report was peer reviewed by Pradeep Mitra and panel reviewed by Robert M. Lacey. Aline Dukuze provided administrative support.

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Acknowledgements

The core evaluation team consisted of Zeljko Bogetic, lead economist and task manager, Moritz Piatti, evaluation officer, IEGPS2, and Alastair Sussock, consultant based in Uganda. Mark Sundberg, Manager, IEGPS2 and Nick York, Acting Director, IEGPS provided managerial guidance and invaluable advice.

The evaluation benefitted from the broader context and insights from a parallel, joint IEG-EC evaluation of the Uganda joint budget support by all donors during the period 2004-13. This joint report was also led by the PPAR team with Zeljko Bogetic leading the joint team. Notwithstanding the synergies, the two report are separate and complementary. While the PPAR report focuses on the standard PPAR evaluation of the Bank's PRSCs, the joint budget support report, by design, treats all budget support by all donors as one large financing, coordinating, and reform and results product.

Invaluable support from the World Bank's country office and staff is gratefully acknowledged, especially from Ahmadou Mustapha Ndiaye, former country manager; Christina Malmberg Calvo, current country manager; Jean-Pascal Nganou, senior economist; Anton Dobronogov, senior economist; Barbara Magezi, senior public sector specialist, and Harriet Kiwanuka, program assistant, and other Bank specialists, is greatly acknowledged.

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design of the surveys of joint budget support, and Pia Schneider and Erik Bloom (IEGPS2) on an early analysis of health and education.

The evaluation was carried during the period November 2014 to April 2015. This included a two week mission in November 2014 during which the team held extensive discussions and consultations with the development stakeholders, including main government agencies, donors (EC, DFID, Ireland, and others), and representatives of the civil society. The team also made field visits to secondary towns to collect new data and discuss relevant issues with service providers in local government administration, public financial management, education and health.

Principal Ratings

Poverty Reduction Support Credit 5-7

	ICR*	ICR Review*	PPAR
Outcome	Moderately Satisfactory	Moderately Satisfactory	Moderately Unsatisfactory
Risk to Development Outcome	Significant	Moderate	High
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	Moderately Unsatisfactory
Borrower Performance	Moderately Satisfactory	Moderately Satisfactory	Moderately Unsatisfactory

* The Implementation Completion Report (ICR) is a self-evaluation by the responsible Bank department. The ICR Review is an intermediate IEGWB product that seeks to independently verify the findings of the ICR.

Poverty Reduction Support Credit 8-9

	ICR*	ICR Review*	PPAR
Outcome	Moderately Satisfactory	Moderately Satisfactory	Moderately Satisfactory
Risk to Development Outcome	Moderate	Moderate	High
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	Moderately Satisfactory
Borrower Performance	Moderately Satisfactory	Moderately Satisfactory	Moderately Satisfactory

* The Implementation Completion Report (ICR) is a self-evaluation by the responsible Bank department. The ICR Review is an intermediate IEGWB product that seeks to independently verify the findings of the ICR.

Key Staff Responsible

Poverty Reduction Support Credit 5

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Source: PD and ICR.

Poverty Reduction Support Credit 6

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Source: PD and ICR.

Poverty Reduction Support Credit 7

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Source: PD and ICR.

Poverty Reduction Support Credit 8

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Source: PD and ICR.

Poverty Reduction Support Credit 9

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Source: PD and ICR.

IEG Mission: Improving World Bank Group development results through excellence in evaluation.

About this Report

The Independent Evaluation Group assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank's self-evaluation process and to verify that the Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEG annually assesses 20-25 percent of the Bank's lending operations through field work. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons.

To prepare a Project Performance Assessment Report (PPAR), IEG staff examine project files and other documents, visit the borrowing country to discuss the operation with the government, and other in-country stakeholders, and interview Bank staff and other donor agency staff both at headquarters and in local offices as appropriate.

Each PPAR is subject to internal IEG peer review, Panel review, and management approval. Once cleared internally, the PPAR is commented on by the responsible Bank department. The PPAR is also sent to the borrower for review. IEG incorporates both Bank and borrower comments as appropriate, and the borrowers' comments are attached to the document that is sent to the Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

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Risk to Development Outcome: The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). *Possible ratings for Risk to Development Outcome:* High, Significant, Moderate, Negligible to Low, Not Evaluable.

Bank Performance: The extent to which services provided by the Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan/credit closing, toward the achievement of development outcomes. The rating has two dimensions: quality at entry and quality of supervision. *Possible ratings for Bank Performance:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Borrower Performance: The extent to which the borrower (including the government and implementing agency or agencies) ensured quality of preparation and implementation, and complied with covenants and agreements, toward the achievement of development outcomes. The rating has two dimensions: government performance and implementing agency(ies) performance. *Possible ratings for Borrower Performance:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Preface

This Project Performance Assessment Report evaluates two series of PRSCs to Uganda, PRSC5-7 and PRSC8-9, which were approved and closed during the periods January 2006 to November 2009 (PRSC5-7) and September 2010 – June 2013 (PRSC8-9) respectively. The overarching objective of the first series was to support the implementation of the government's third Poverty Eradication Action Plan (PEAP). The two objectives of the second series were improved access to, and greater value for money in, public services. The total amount disbursed for the first PRSC5-7 series was $462 million ($137 million for PRSC5, $125 for PRSC6, and $200 million for PRSC7). PRSC5 was approved on January 17, 2006 and PRSC7, the last in the series, closed on November 30, 2009. The amount disbursed for the second PRSC8-9 series was $200 million ($100 million each operation). Because of delays in reform implementation and a corruption scandal involving diversion of bilateral donor resources, approval of PRSC9 was delayed. In this context, in 2013, the Bank decided not to continue the series with the originally planned PRSC10.

This report presents findings based on a review of the Project Appraisal Documents, the Implementation Completion and Results Reports, Implementation Completion and Results Reviews, aides-memoires, IMF and World Bank reports, and other relevant materials. An IEG mission visited Uganda between November 1-14, 2014 to interview government officials, the staff of non-governmental organizations, project staff, donor representatives, and other stakeholders (see Annex C for list of persons interviewed). The mission also visited and interviewed officials in two provinces. Bank staff members, donor representatives, and other information providers were also interviewed at headquarters and by telephone. This work was carried out in parallel with, and benefited from, the joint IEG-EC evaluation of joint budget support by all donors to Uganda during the period 2004-13 (IEG-EC, 2015).

The assessment aims to verify whether the operations achieved their intended outcomes. The report provides additional evidence and analysis of relevant and comparative data for a more complete picture of the outcomes and factors that influenced them. By covering the period between 2006 and 2013, it offers an opportunity for broader lessons and a longer time perspective, as well as reflection on the evolution of the Bank support and long-term factors that drove outcomes. Finally, the report draws lessons that are intended to inform future operations of this nature in Uganda and other low-income countries.

Following standard IEG procedures, a copy of the draft Project Performance Assessment Report (PPAR) was sent to the Borrower for comments. No comments were received.

Summary

This Project Performance Assessment Report evaluates five PRSC operations clustered in two series of PRSCs to Uganda, PRSC5-7 and PRSC8-9. The operations were approved and closed during the periods January 2006 to November 2009 (PRSC5-7) and September 2010 – June 2013 (PRSC8-9), respectively.

The evaluation benefitted from the broader context and insights from a parallel, joint IEG-EC evaluation of the Uganda joint budget support by all donors during the period 2004-13. This joint report was also led by the PPAR team. The synergies notwithstanding, the two report are separate and complementary. While the joint budget support report, by design, treats all budget support by all donors as one large financing, coordinating, and reform and results product, the PPAR provides standard IEG assessment using IEG objectives based methodology focused on the specific objectives under the World Bank supported programs.

The longer-term perspective that this PPAR takes is part of the IEG effort to gain greater insights into the impact of budget support in countries with significant levels and duration of development policy operations (DPO) support.

Four specific issues during the decade 2004-13 are important in understanding the broader development context and background, relevant for this assessment.

First, economic and social outcomes, overall, show substantial gains in income growth and poverty reduction and access to basic public services. But these gains are increasingly under threat because of weakening growth since 2009, slowing poverty reduction, low domestic revenue mobilization, and high population growth in the context of low agricultural productivity.

Second, Uganda had built—through previous PRCS and donor engagement—a sound and extensive development planning framework around the Poverty Eradication Action Plan and National Development Plan. Donors, including the Bank through PRSCs, have provided coordinated, substantial support to the government's priorities through the Joint Budget Support Framework (JBSF). There was considerable mutual trust between the donors and the government, reflected in large budget support levels, until about 2007/8 (IEG-EC 2015).

Third, sometime during the period of the first series under evaluation, PRSC5-7 (2006-09), the government's priorities shifted from the elimination of extreme poverty towards the productive sectors and infrastructure (IEG-EC 2015). This led to a gradual change in emphasis from the priorities of bilateral donors, who continued to support the social sectors and emphasize poverty-related issues. As a result of a confluence of factors including somewhat diverging government's and donors' priorities, some corruption episodes, and the much tighter budget environment for donor governments, Uganda faced substantially reduced volumes of budget support in recent years. However, the Bank supported this shift in government's priorities based on considerable analytical work (World Bank 2007) and the Bank strategy, which supported infrastructure primarily through investment projects.

Fourth, the low domestic revenue mobilization throughout the period of assessment has resulted in pressures on public expenditures, including for basic social services. This has been complicated by the policy of proliferation of districts without corresponding increase in local revenue and implementation capacity. These developments threaten to unwind hard won gains on access to basic social services achieved in previous years.

Against this backdrop, the PRSC series were highly aligned to the government's priorities and designed to support the government's Poverty Eradication Action Plan (PEAP) and the subsequent National Development Plan (NDP). The Bank played a key role in donor coordination and harmonization, which resulted in 2008 in the Joint Budget Support Framework (JBSF) bringing together all budget support donors under a single donor umbrella and monitoring and assessment framework. The implementation was annually assessed and monitored through the Joint Assessment Framework (JAF).

On the positive side, the PRSCs helped finance Uganda's budget within this broader budget support framework and shared priorities, contributing to macroeconomic stability and to maintaining public spending on basic social services (education, health, and water and sanitation) that otherwise would not have been possible given the low domestic revenue mobilization. The Bank also maintained broad and high-level policy dialogue with the government. The PRSCs also benefitted from considerable analytical work focused on growth and public expenditures, which informed the design of both series. And PRSCs supported institutional strengthening in the areas of public financial management, and upstream governance institutions and contributed to some gains in access to education and health, and, especially, sector policy dialogue, institutions, and access to water and sanitation services.

But in their drive to extend budget support focused primarily on social sector expenditures, the Bank and the other budget support donors missed a major opportunity to help significantly increase domestic revenue mobilization, which would have made these gains more sustainable. In the event, as the donor budget support began to decline in 2009 and then came to an abrupt halt in 2012 as a result of a corruption episode with bilateral donor funds, low domestic government revenues—at 13 percent of GDP—increasingly put pressure on public expenditures on basic social services. As a result, these services became underfunded and outcomes began to suffer in education and, especially, health. Even in water and sanitation—a comparative sector success story—acute underfunding is threatening to reverse past gains in access, especially in the most vulnerable rural areas. Also, despite policy announcements towards a greater role for women, there remain significant gender inequities in access and quality of basic social services and other gender indicators. The government's policy of proliferation of districts without corresponding increases in local revenue base and capacity undermined service delivery.

The reasons behind these developments were complex and intertwined. Clearly contributing was the policy of low revenue mobilization, which is a result of extensive tax exemptions to the private sector, patronage, and vested interests as well a culture of non-compliance. The prospect of oil revenues in the future may have weakened incentives to broaden the tax base and increase revenues today. But the donors' and the Bank's substantial budget support which was extended without hard conditionality to increase government revenues also contributed to low revenues and attendant pressures on social expenditures and outcomes. At the same time, rapid population growth—among the highest in the world—has continued to fuel demand for basic services. Weak local capacity and local revenue base, which did not receive sufficient attention in the policy frameworks, undermined local service delivery and results.

For reasons elaborated below, the design and results of PRSC5-7 fell short of expectations. But the Bank has learned and incorporated important lessons from the PRSC5-7 series into the PRSC8-9. This learning from the past has been a key distinguishing feature between the two series. As a result, PRSC8-9 featured better design and outcomes, even though the overall environment for budget support, and the relations with the donors, became more difficult.

Against this broad overview, the following is the summary of the main conclusions of the PPAR assessment with respect to its key components: relevance of objectives and design, achievement, the Bank's and the borrower's performance, and M&E.

The overarching objective of the first series PRSC5-7—to support the implementation of the government's third Poverty Eradication Action Plan (PEAP)—is too broad and general to permit evaluation. Ten specific objectives are derived from the PRSC7 policy matrices: (i) reducing the fiscal deficit; (ii) increasing private competitiveness by reducing the cost of doing business and improving the financial sector; (iii) increasing agricultural production and efficiency by improving resource allocation, improving supply and security of water, and improved marketing information to farmers; (iv) strengthening public financial management and procurement at central and local government level; (v) reducing corruption; (vi) improved public sector performance through better use of public service workers and pension reform and improved management (vii) strengthening local government system for service delivery; (viii) a better educated society; (ix) healthier Ugandans; and (x) improved access to safe water and sanitation. The objectives of the second PRSC8-9 series—improved access to, and greater value for money in, public services—were pursued through a cluster of reforms in public expenditure management, public financial management and public service management that improve service delivery (cluster 1) and health, education, water and sanitation, and roads transport (cluster 2).

The relevance of objectives was substantial for the first series and high for the second. Objectives were closely aligned with the Bank's strategic documents at closure. Considerable analytical work informed formulation of objectives and design of both series, especially the Uganda Country Economic Memorandum (CEM) of 2007 and the Uganda Public Expenditure Review (PER) of the same year.

Relevance of design of the first series PRSC5-7 is rated negligible. The ten specific objectives covered too many sectors and were too numerous. The results framework was weak because many indicators were qualitative and difficult to evaluate and relate to objectives. PRSC8-9 design is rated substantial. The program documents demonstrate learning from past experience. Prior actions and results indicators were fewer, more concrete, and better aligned with program objectives.

Achievement of objectives of the first PRSC5-7 series was modest. It was adversely affected by design weaknesses. Assessment by each of ten specific objectives show significant shortcomings in each policy area. For example, regarding the objective of reducing the fiscal deficit, there are no corresponding, credible policy actions other than the execution of the budget. Also, despite the low revenue-to-GDP ratio of 12 percent, no actions were proposed on the revenue side. The human development objectives of a better educated society, healthier Ugandans, and improved access to safe water and sanitation, are too general and neither they nor related policy actions establish a concrete, credible chain of attribution.

Achievement of the first objective of PRSC8-9—improved access to public services is rated modest. Gains were made in access to health, education, and water and sanitation, and can be attributed to the series. But these gains in access were hampered by underfunding of basic services in the context of reduced overall aid flows and low domestic revenue mobilization. Achievement of the second objective—greater value for money in public services—is rated substantial. Achievements were made in the areas of budget credibility, public financial management (PFM), procurement and audits, upstream governance and accountability, and strengthening local government systems, although less so in public sector management.

Bank performance is rated moderately unsatisfactory for the PRSC5-7 series because of significant shortcomings in quality at entry, including inadequate design and project preparation. These factors outweigh strong policy dialogue and coordination and harmonization with other development partners within the context of the Joint Budget Support (JBSF) framework. In the PRSC8-9 series, Bank performance is rated moderately satisfactory. The lessons from the previous series had been learned. There was greater achievement of objectives despite a difficult economic environment, deteriorating donor relations (reflected in declining aid levels), and the cancellation of PRSC10.

Borrower performance is rated moderately unsatisfactory for the first series but moderately satisfactory for the second. During the first series, the government performed broadly well on macroeconomic policies, public financial management and strengthening of upstream governance and accountability institutions, and on some metrics of access in education and water and sanitation. But this was outweighed by large and destabilizing supplemental budgets, especially during pre-election periods, which undermined credibility and worsened the composition of public expenditure, thereby compromising service delivery. The government pursued a policy of district proliferation and post-primary education expansion without adequate local capacity building, or the institutional and budgetary resources required for such initiatives. Moreover, development partners were not consulted. For the second PRSC8-9 series, the government performed better in a difficult economic and donor relations environment.

The M&E framework in the PERC5-7 series was weak, and essentially non-existent in the first operation (PRSC5). It was rated negligible. Objectives were too numerous and vague. The choice of indicators was poor—often qualitative—and did not permit measurement of progress towards the achievement of objectives. Baseline values were frequently missing. The second PRSC series featured a better M&E framework, closely related to the National Development Plan (NDP). It was rated substantial. It was part of an intensively negotiated donors' annual Joint Assessment Framework (JAF), which had government, Bank and other development partner buy-in. It featured much clearer objectives, prior actions and indicators and better linkages among them.

Lessons

- Six main lessons emerge from this assessment.
- Lack of clear, concrete objectives impedes both implementation and evaluation of DPOs. Framing objectives in terms of broad support of government policies (as in PRSC5-7) is best avoided.
- Focus and selectivity in policy areas is critical to DPO implementation and outcomes. The Bank, the donors, and the government have jointly adopted an overly ambitious and extensive policy agenda under the PRSC5-7, which diluted focus and undermined effectiveness in implementation.
- Adequate consideration of political economy factors in the design of major reforms are essential requisites of the design of a successful DPO series. For example, the failure to increase revenue mobilization over a long period of time was directly related to the political economy of political patronage and large, entrenched tax exemptions and culture of non-compliance. Another example is the relatively strong upstream governance institutions but weak enforcement, including for offenses by government officials. Lack of policy focus on these areas undermined the quality of PRSC design and their implementation and outcomes.
- Pressures to extend budget support within the broader donor support framework without hard conditionality to raise domestic revenues can undermine incentives for domestic revenue mobilization. This, in turn, can undercut macroeconomic adjustment needed for sustainable fiscal policy as well as the adequacy of funding for basic services.
- Implementation and evaluation are also facilitated when objectives are tightly linked to prior actions and there is a measurable and relevant results framework, with unambiguous outcome indicators and targets incorporating an explicit and convincing theory of change.
- DPOs strongly benefit from active incorporation of lessons from the past operations and from knowledge products (such as CEMs and PERs).

Caroline Heider
Director-General
Evaluation

1. Background

1.1 Four issues during the decade 2004-13 are important in understanding the broader development context relevant for this assessment: (i) the longer-term evolution of economic and social outcomes, (ii) Uganda's development planning framework and the shift in government priorities, (iii) donor relations, and the reduced volumes of donor budget support in recent years, and (iv) the government's failure to significantly increase government revenues, which led to pressures on basic public services in the context of reduced aid flows. These issues define the overall environment in which PRSC5-7 and 8-9 were implemented.

1.2 Uganda experienced average annual economic growth of 7 percent over the 2004-13 decade, resulting in steady gains in per capita income, despite rapid population growth (3.3 percent per year). Poverty was reduced, although poverty and vulnerability remain high. Access to basic education, health, and water and sanitation increased, especially in the first part of this period. Since 2009, however, growth has declined to an annual average of 5.9 percent. Domestic revenue mobilization, at about 13 percent of GDP, remains low despite declining external support. There is a danger that hard-won gains in poverty reduction and service delivery may be lost.

1.3 The framework that guided policy between 1998 and 2010 has been the Poverty Eradication Action Plan (PEAP). In 2010, policy changed when the Government developed an ambitious new vision for the development of the country, aiming to achieve middle-income status within 30 years. The National Development Plan 2010-2015 entails a significant shift in emphasis towards economic infrastructure, linked to the discovery of oil, gas and minerals. Social services, which were the long-standing focus of the Government's policies and external donor support, assumed a lesser priority.

1.4 Uganda has traditionally received large amounts of international aid in the form of budget support. Since 2008, this aid was coordinated and harmonized within the Joint Budget Support (JBS) Framework, of which the Bank's PRSCs were a key part. Of the twelve budget partners, the World Bank was the biggest contributor followed by the United Kingdom (UK) and the European Union (EU). The PRSC5-7 and 8-9—subject of this assessment—provided a combined total of $662 million during this period. However, donor budget support decreased substantially from a high of almost US$700million in FY06/07 to well below US$100 million as of FY12/13. Several corruption episodes had eroded mutual trust and the Government's policy priorities after 2010 diverged from those of many donors. The World Bank was one of the few external partners to align its strategy to the Government's by financing infrastructure while providing reduced volumes of budget support.

1.5 Chapters 2 and 3 assess, respectively, the PRSC 5-7 and the PRSC8-9 series. Annexes provide detail on administrative aspects of the series, and additional program, statistical and survey information.

2. Poverty Reduction Support Credit 5 -7

Relevance

Objectives

2.1 The overarching objective of the first series PRSC5-7 -- to support the implementation of the government's third Poverty Eradication Action Plan (PEAP) – is too broad to permit evaluation. For evaluation purposes, ten objectives were derived from the policy matrices: (i) reducing the fiscal deficit; (ii) increasing private competitiveness by reducing the cost of doing business and improving the financial sector; (iii) increasing agricultural production and efficiency by improving resource allocation, improving supply and security of water, and improved marketing information to farmers; (iv) strengthening public financial management and procurement at central and local government level; (v) reducing corruption; (vi) improved public sector performance through better use of public service workers and pension reform and improved management (vii) strengthening local government system for service delivery; (viii) a better educated society; (ix) healthier Ugandans; and (x) improved access to safe water and sanitation.

2.2 Relevance of objectives is rated Substantial. The ten key engagement areas correspond to the PEAP pillars of economic management and to the theme of "growth, employment, and socio-economic transformation for prosperity" in the National Development Plan (NDP pp.38).

2.3 Unsurprisingly given their breadth, the objectives were highly relevant to country conditions. The objectives were also substantially relevant to the Bank strategy. The FY06-09 CAS had a joint part (with other donors) and Bank Group-specific part joint with the IFC. It was one of the first joint assistance strategies elaborated, and was built around the same 5 pillars as the PEAP.

Design

2.4 Relevance of design is rated modest. The objectives, spread across ten sectors, were too broad, too numerous, and over-ambitious.

2.5 The ten specific objectives that were derived from the policy matrices covered too many sectors and were too numerous. As a result, the design was overly complex. Further, the results framework, and logical chain linking policy areas, and prior actions to the outcomes is weak, and indicators do not adequately reflect progress against the objectives (a more substantive discussion of the quality of indicators can be found under M&E). This is especially the case for PRSC5-6. An attempt was made in PRSC7 to increase the number and concreteness of actions to ensure a better match with objectives, but the links remained weak and a larger number of actions in PRSC7 diluted priorities. Further the quality of prior actions was lacking in terms of the necessary institutional depth, and measurability.

2.6 For example, regarding the reduction of the fiscal deficit, there are no corresponding, credible policy actions, other than the execution of the budget and the Medium Term Expenditure Framework (MTEF), which are specifically aimed at achieving the objective of deficit reduction. Despite noting very low revenue-to-GDP ratio of 12 percent, the Project Document proposes no actions on the revenue side. On the expenditure side, there are no credible actions for reducing public expenditures, especially with regard to public administration and security and defense, which had proved difficult to control. It is unclear whether expenditure led consolidation was appropriate in the environment of extremely low revenues.

2.7 The policy agenda regarding increased private competitiveness, is vague and difficult to relate to the intended outcomes. There are, for instance, no actions that would credibly translate into increased access to credit. Also, in PRSC6, the main prior action is "make satisfactory progress on agreed key investment climate undertakings identified in the PEAP." It is difficult to judge the achievement of this objective in view of ambiguity on what key investment climate undertakings are and what is deemed "satisfactory progress". Finally, it is difficult to discern a clear, concrete, and logical chain of attribution between the objective of increased competitiveness and the vague actions across operations in this series. For example, for PRSC6, the Government committed to a coordinated approach to improve the investment climate, and to make satisfactory progress on agreed key investment climate undertakings identified in the PEAP. Similarly, in PRSC7, a prior action reads that the Government prioritized and fulfilled the key investment climate and competitiveness undertakings identified in the PEAP.

2.8 Prior actions were completed. But questions remain about their strength, relevance to the objective, their institutional depth, the attribution chain, and the links between outcome indicators and the objective. The focus of most prior actions was primarily on upstream and institutional and pre-legislative actions ('undertakings') rather than execution and ultimate completion of reforms. Therefore, the conditionality related to private sector competitiveness may not have been strong enough to support the Government in implementing reforms and pushing forward the competitiveness agenda.

2.9 While increasing agricultural production and efficiency is a relevant objective of critical importance to household incomes and poverty, there are no outcome or intermediate outcome indicators related to the objective. The same prior action remains throughout the PRSC series -- "satisfactory implementation of the core undertakings of the joint plan for modernization of agriculture (PMA) annual review." Because these annual reviews cover a range of activities, there is lack of prioritization and selectivity in the choice of prior actions. In addition, PRSC7, includes the incorporation of findings of the agricultural public expenditure review into the Ministry of Agriculture, Animal Industry and Fisheries Strategic Development and Investment Plan (MAAIF-SDIP). This action, also, is too broad and difficult to assess. PRSC7 features two additional prior actions, "finalize and submit draft water for production policy," and "prepare sustainable market information systems framework." However, there were no corresponding indicators or targets related to these actions.

2.10 On strengthening public financial management (PFM) and procurement at central and local level there are a number of concrete and relevant actions geared towards improving public financial management (e.g., improving budget reporting, payroll audits, a public procurement law, and organizational structure for the Accountant General's office enabling implementation of an Integrated Financial Management Information System). These actions are well designed, contribute to the PFM reform agenda, and relate to the objectives.

2.11 On reducing corruption, the program includes important actions on the upstream side of the accountability chain. Examples include "the satisfactory implementation of undertakings agreed by the joint government development partners' review of the national anti-corruption action plan", "preparation of the audit bill", and "having the bill ready for cabinet". The design of prior actions, such as "the satisfactory implementation of undertakings" was, however, not concrete or measurable. Further, "preparation of the audit bill", and "having the bill ready for cabinet" are important steps, but insufficient as prior actions since they do not require government to present the bill to parliament. There were few actions addressing the downstream of the accountability chain such as improved capacity for enforcement of the bill, introduction of more credible penalties, reduction of the case backlog of Inspectorate General of Government (IGG).

2.12 For the objective improving public sector performance through better use of public sector workers and pension reform and improved management, PRSC5-7 did not have any indicators nor results framework. Prior actions were process-type upstream measures focusing on revisions of documents for public service reform. They also lacked concreteness and measurability (e.g., satisfactory progress in implementing the new phase of the Public Service Reform program). Other actions lacked any claim to critical importance, for example "the submission of an inception report for a study." Also, implementing the Public Service Reform Program in PRSC6 and PRSC7 appears, to an extent, duplicative. This raises questions about relevance and commitment to the achievement of objectives. There were no actions with respect to the objective of pension reform.

2.13 Strengthening local government systems for service delivery has featured throughout all PRSC series in Uganda. However, there are no indicators related to the objective in the policy matrices, and there are no concrete policy actions in support of this objective in PRSC5. Actions in PRSC6 are more concrete including "to identify alternative source of revenue for local government to replace funds from the graduation tax.[1]"This abolition took place by presidential decree directly in the context of the elections without clear economic justification or consultation with the stakeholders. The prior actions here de facto supported this abolition by focusing on compensatory measures, and not reversing this measure. The latter could have helped preserve past gains in fiscal autonomy for local governments as well as their capacity for local service delivery. The prior action of "satisfactory progress in core undertakings of the Joint

[1] The graduated tax was a direct tax levied on property, which provided a large share of local Government revenues (about 60-70 percent). In 2005, however, in the context of pre-election campaign, the Government abruptly abolished the graduated tax. As no replacement revenues for local governments were put in place, this substantially inhibited local governments' ability to finance recurrent expenditures, including for basic social services.

Annual Review for Decentralization" in PRSC7 is, again, overly vague, not measurable, and does not hold stakeholders accountable.

2.14 Regarding the human development objectives of a **better educated society, healthier Ugandans, and improved access to safe water and sanitation**, the results chain lacks plausible policy actions. The prior action of "satisfactory implementation of the sector review" in all three sectors across the series is weak and not conductive to a credible chain of results. While sector reviews were important mechanism for government and stakeholder consultation and coordination, the use of their implementation as prior actions makes the outcome of the series subject to a complex process of assessment of entire sector policy. As such, they cover a much wider set of sector activities than those covered by the outcome indicators, which focus only on primary education or immunization.

Implementation of PRSC5-7

2.15 The PRSC5-7 series was designed to support the Government's PEAP and thus finance priority programs for poverty reduction and growth. The PRSCs were set up under the umbrella of the Uganda Joint Assistance Strategy, and fully adopted the PEAP objectives and results framework. This PRSC financing modality was chosen as it was perceived to be the best vehicle for a system-wide reform process addressing crosscutting institutional issues while supporting the institutions and country systems. In the spirit of the 2005 Paris Declaration, the PRSC's were intended to foster the Bank's flexibility, alignment with country's priorities, donor harmonization, resource predictability, and country ownership.

2.16 The Bank extended these three operations between 2006 and 2009 through a loan/grant blend program (details on financing and dates is provided in table 1 below). The implementing agency for all was the Office of the Prime Minister (OPM). While there were no co-financers, budget support was provided in parallel by other development partners, such as the European Union, the UK's DfID, and Ireland. As the largest budget support donor, the Bank played a key role in coordinating with other donors and harmonizing its strategies and policy agendas. Table 2.1 provides main details on the dates and financing of the PRSCs5-7.

Table 2-1. Details on financing and dates of PRSC5-7

Operation	Proposed amount (millions of USD)	Actual amount	Approval date	Effectiveness date	Closing date	Implementing agency
PRSC5	150	137	01/17/2006	05/24/2006	11/30/2006	OPM/GOU
PRSC6	150	125	04/26/2007	06/14/2007	11/30/2008	OPM/GOU
PRSC7	150	200	05/06/2008	12/09/2008	11/30/2009	OPM/GOU

Source: World Bank's Business Intelligence database.

2.17 There were significant changes in disbursement amounts and tranches. The financing for PRSC 5 was reduced from US$150 million to 135 million, and PRSC6 was reduced from US$150 to 125 million in response to problems regarding budget execution. In particular, the agreed budget ceilings for public administration and defense spending were repeatedly and significantly overspent, thus breaking the agreed prior actions. PRSC 7 was originally designed as a single credit operation. But it was later divided into an exceptional, two-tranche operation, combined with an increase from US$150 to 200 million in total funding to US$200 million, thereby enabling two separate tranches of US$100 million each for FY2007/08 and FY2008/09, respectively.[2]

2.18 There were a number of delays in disbursements related to tardiness in meeting some prior actions. PRSC7 was not approved by the Government until December of 2008 (the Board date was May 2008). As a result, the US$100 million was not disbursed into the 2007/08 budget as originally planned but into the next one. Similarly, there were delays by the Government in submitting the proposed amendments to the Public Procurement and Disposal Act (PPDA) to Cabinet and the second tranche of PRSC 7 was consequently released only in September 2009, with almost a year of delay.

2.19 No safeguard policies were triggered by the operation. Based on the evaluation team's inspection of prior actions, no adverse distributional effects are anticipated from policies supported by the PRSC series. Further, the PRSC is not expected to result in major adverse, or irreversible, environmental impacts.[3]

Achievement of the Objectives (efficacy)

REDUCTION OF THE FISCAL DEFICIT: NEGLIGIBLE.

2.20 The outcome indicator for this objective was a reduction in the fiscal deficit (including grants), from 11.3 percent of GDP in 2004/5 to 8.2 percent in 2007/8 (PRSC policy matrix). This was to be achieved through a budget execution consistent with allocations (see Annex B for more detail on prior actions). The ICR (2011) reports that the fiscal deficit fell from 11.3 to 8.5 percent of GDP over the PSRC5-7 period.

2.21 However, there are several issues related to this result. First, the 11.3 percent baseline was defined in 2004/5; the actual, corrected deficit in 2004/5 was 8.5 percent of GDP (IMF Article IV consultations). The use of a baseline 3 percentage points of GDP

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[2] The Bank's reasoning behind this change, based on the staff interviews, was the following: (i) this would facilitate budget planning for FY2008/09 by improving the predictability of PRSC resources, and align the PRSC better with the new Joint Budget Support Framework (JBSF); and (ii) a two-tranche operation of US$100 million each rather than the previous US$150 million of annual support allowed the Bank to signal more clearly its discontent with relatively weak performance in public expenditure targets and a delay of the amendment of the Public Procurement and Disposal of Assets (PPDA) Act.

[3] This is in part due to the elusive nature of some of the prior actions such as satisfactory progress of the actions agreed in the join sector review. While institutional reforms to facilitate land titles as a means to strengthen the investment climate, and increased agricultural production (including fish exports) constitute a moderate risk no evidence of such surfaced during the field mission.

higher than the actual deficit appears to be due to reliance on the PEAP monitoring matrix as a source.

Table 2-2. Fiscal balance table (percent of GDP)

Balance (excluding grants)	**FY04**	**FY05 (baseline)**	**FY06**	**FY07**	**FY08 (target)**	**FY09**
Actual balance	-10.6	-8.5	-7.4	-5.6	-7.7	-4.8
Balance PRSC5		-11.3			-8.2	
Balance PRSC6			-7.5		-8.2	
Balance PRSC7				-8.6	-8.2	
IMF Article IV 2004 proj		-10	-8.5	-7.1	-6.8	

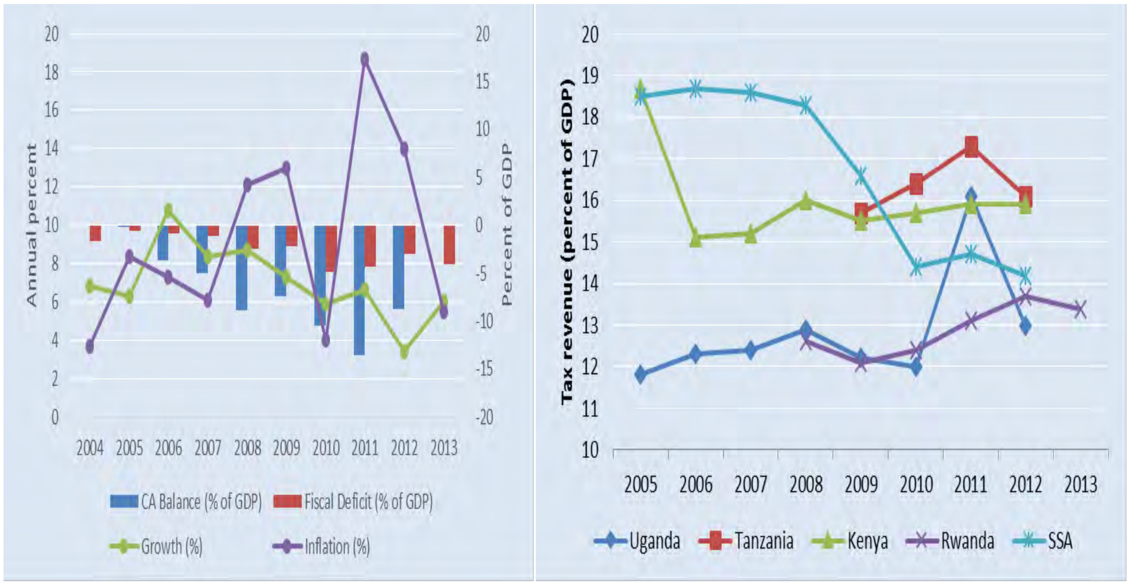
Source: IMF Article IV; PRSC PDs.

2.22 Second, the actual deficit in FY08, according to the Article IV consultations, was 7.7 percent of GDP, an improvement of 0.8 percentage points over FY05. The pace of deficit reduction was, therefore, modest. Other fiscal measures show a clear deterioration. As grants decreased, the fiscal deficit including grants increased from 0.6 to 4.9 percent GDP. The primary deficit (excluding debt servicing payments) increased from 2.1 to 6 percent of GDP. Thus little, if any, fiscal consolidation was achieved during the program period.

2.23 Third, budget execution was not consistent with allocations (a prior action for PRSC5-6). While contributions to the Poverty Action Fund were broadly protected and their execution appeared high, there were expenditure overruns in other areas, especially on public administration and defense and security. Public administration exceeded expenditure targets by 13, 18, and 14 percentage points for PRSCs 5, 6, and 7 respectively.

2.24 Fourth, the overall quality of fiscal consolidation was undermined by the low revenue-to-GDP ratio of about 12 percent of GDP compared to regional peers (see figure 2. 1).

Figure 2-1: Trends in fiscal deficit (Uganda) and tax revenue (Uganda and comparator countries)



Source: World Development Indicators.

INCREASED PRIVATE SECTOR COMPETITIVENESS. MODEST.

2.25 Prior actions were: (i) strengthening the coordinated approach to improve the investment climate, and satisfactory progress on agreed key investment climate undertakings identified in the PEAP, including necessary institutional reforms to facilitate access of businesses and potential investors, registration, land titles, and courts (PRSC6); and (ii) (a) prioritization and fulfillment of the key investment climate and competitiveness undertakings identified in the PEAP, including the approval by the Cabinet, and submission to the Legislative Assembly of, inter alia, the following draft bills, the Companies Bill and the Insolvency Bill; and obtained the Cabinet's approval of the Policy Paper on Regulations of Pension Reform system; and (b) submission of evidence that the above undertakings are being implemented.

2.26 The outcome indicators were: i) increased access to credit (PRSC5), and (ii) increased share of private investment in GDP (PRSC6). No indicator was specified in PRSC7. The only prior action in PRSC6 was to make satisfactory progress on agreed key investment climate undertakings identified in the PEAP. PRSC7 required (i) the Companies Bill and the Insolvency Bill approved by Cabinet and presented to Parliament; and (ii) the Policy Paper on Pension Reform approved by Cabinet. Prior actions by policy area are listed in more detail in Annex B.

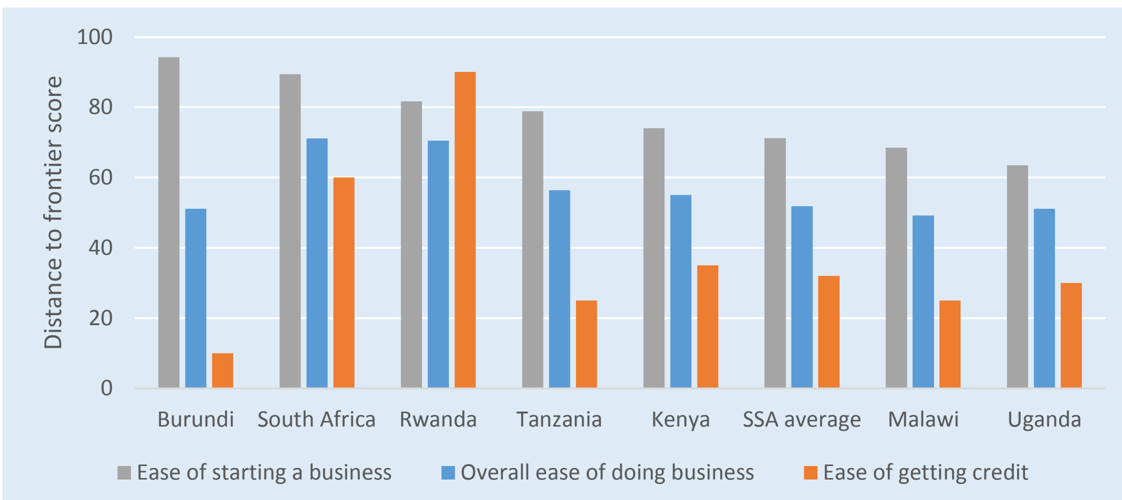
2.27 Attribution of these indicators to the objective of private sector competitiveness could be questioned. None of them is a direct or strong correlate of competitiveness. Access to credit reflects the efficiency and equity of access to the financial sector services. And an increased share of private investment reflects more cyclical, macroeconomic factors than longer-term productivity and competitiveness of the private sector per se.

2.28 The impact of the prior action requiring satisfactory progress on the investment climate for PRSC 6 cannot be measured. The Companies Bill and Insolvency Bill were approved by Cabinet, albeit after the PRSC series, and acted as precursors for the Companies Act of 2012, and Insolvency Act of 2011. Similarly, in 2008, the Cabinet approved a policy on pension regulation, which eventually came into effect in 2011.

2.29 Access to credit as measured by credit to the private sector as percent of GDP—a key performance indicator—increased from 7.1 in 2003/4 to 11.8 percent in 2008/9, exceeding the PRSC5 target of 10.4 percent. Private investment as a percentage of GDP increased from the baseline of 17 percent of GDP in 2004/5 to 19.1 percent in accordance with the target of 19 percent in 2008/9. However, as noted in the design section above, the indicators are only weakly related to the objectives and attribution to the series is unclear.

2.30 The competitiveness indicators of the Bank's Doing Business Reports provide a more comprehensive, and mixed, picture. The time required to start a business, dealing with construction permits, getting electricity, ease of registering property, getting credit, protection of minority investors, paying taxes, trade across borders, enforcing contracts and resolving insolvency are all meaningful dimensions that the PRSC series did not consider. The overall distance to frontier[4] has improved only slightly from 48.9 in 2010 to 51.1 in 2015 placing Uganda at rank 150 globally (see figure 2.2). Figures for earlier years are not available.[5] Starting a business has become easier in Uganda over the evaluation period. The distance to frontier improved from 52.8 in 2005 to 58.3 in 2010. The number of procedures remained the same at 18, but the number of days required to set up a business was reduced significantly from 34 to 25. In 2015, Uganda performs markedly worse than most of its neighboring peers in the ease of starting a business. Further, Uganda stands 131st in the ranking of 189 economies regarding ease of access to credit, which is a reflection of poor legal rights of borrowers and lenders, and limited depth of credit information, and coverage of credit bureau and credit registry. Here, Uganda performs on par with the SSA average but it lags far behind South Africa and Rwanda, for example.

Figure 2-2: Overall ease of doing business and ease of starting a business. Distance to frontier measure 2015.



Source: Doing Business 2015.

2.31 A key achievement under this objective was the establishment of the Credit Reference Bureau (CRB) in 2009 that provides borrower credit histories to banks, thus facilitating the lending process. The 2009 Mortgage Act supported the functioning of the growing real estate market by consolidating the law relating to mortgages; providing for the creation of mortgages; and providing for the duties of mortgagors and mortgagees

[4] The distance to frontier score assesses the absolute level of regulatory performance and how it improves over time. This measure shows the distance which represents the best performance observed on each of the indicators across all economies. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. For example, a score of 75 in DB 2014 means an economy was 25 percentage points away from the frontier constructed from the best performances across all economies and across time.

[5] While 2015 is significantly after project closure, it provides insight into Uganda's performance relative to its peers. Further, the laws supported under the PRSCs came into effect only in 2011-2012. The years prior to 2013 would thus not have adequately captured the Bank's contribution.

(Mortgage Act 2009). However, while the credit bureau was established, the “Getting Credit” World Bank Doing Business rankings do not show sustained improvement and as of 2014 Uganda is 125th in the world. This occurred despite credit to the private sector as a share of GDP increasing from 8.8% in 2006/07 to 11.8% in 2008/09. PRSC-supported efforts in improving the Doing Business rankings are not evident. There is no clear explanation of this result in project documents.

Increased and more efficient agricultural production. Negligible.

2.32 There were no outcome indicators associated with this objective. The objective was to be achieved through prior actions in the areas of resource allocation, supply and security of water, and improved marketing information to farmers. Details on prior actions are in Annex B.

2.33 There has been some progress in the policy reform supported by the PRSCs. In particular, the preparation of the Ministry of Agriculture’s Development Strategy and Investment Plan progressed. Stakeholders noted that the agriculture sector Public Expenditure Review informed the budget preparation process by–strengthening the analytical underpinning of the PRSCs and the strategic alignment of resources. In addition, in the extensive field interviews and visits, the IEG evaluation team found anecdotal evidence that the PRSCs contributed to increased awareness and access to agriculture technology.

2.34 However, support through the PRSC series to the National Agricultural Advisory Services (NAADS) was largely ineffectual in improving agriculture productivity. NAADs appears to have been captured by special interest groups, reflecting district-level political patronage rather than contributing to its original purpose. These challenges negatively affected the policy dialogue between donors and the Government.

2.35 Land reform objectives were hindered by political tensions and inaction in Parliament. The adoption of the Water for Production sector policy was continuously delayed due to challenges in cross-ministerial coordination and lack of clarity regarding roles and responsibilities. Further, stakeholders noted during the interviews that the lack of targeted surveys meant a particularly weak evidence base to inform policy.

2.36 Against this backdrop, several broader factors affected sector performance, which has been weak over the evaluation period. Although the agriculture sector employs a large proportion of workers (about 66 percent of the population6), it makes up a relatively small share of GDP (20-25 percent). The services sector has picked up the slack and increased its share of GDP from 45 to 53 in 2013. Industry continues to make up about a quarter of total economic activity (figure 2.3).

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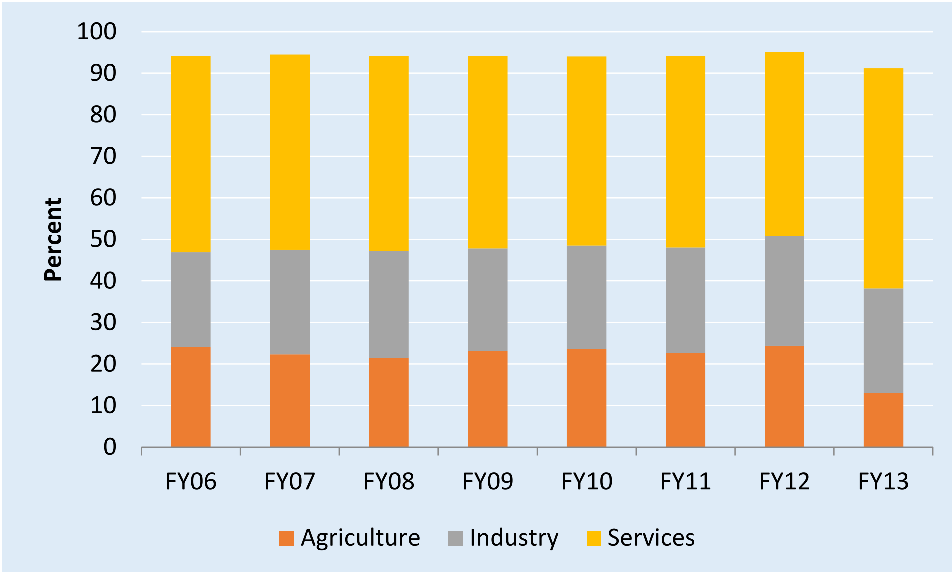
[6] 2006 national household survey.

Figure 2-3. Share of sectors contributing to GDP



Source: World Development Indicators.

2.37 While there were increased agriculture and rural expenditure allocations, this did not lead to sustainable agricultural growth. Initial public expenditure allocations toward rural infrastructure such as irrigation, feeder roads, bridges, and markets for livestock and agricultural produce, diminished. There was also lack of support for the enabling environment for agriculture productivity. Public expenditure for agriculture is predominantly recurrent in nature, and in the form of subsidized inputs. In the geographic areas that depend heavily on local-level public service delivery, there remain significant shortcomings (World Bank 2010).

2.38 Real growth in the agriculture sector has been sluggish over the evaluation period, and the trend across the sub-sectors is declining. Further, there was substantial fluctuation, which is particularly important for price sensitive cash crops. Fisheries, in particular suffered from contraction during the PRSC5-7. Life stock and forestry remained comparatively stable at about 3 percent. The growth of food crops averaged out to zero over the ten years. By comparison, industry and services grew substantially faster, each averaging an impressive 7.5 percent over the same timeframe.

2.39 Importantly, this rate of growth has been below the population growth rate of about 3.2 percent, implying that per capita agricultural GDP has been declining. It is also lower than the 6 percent growth target for the agricultural sector set by African Governments under the Comprehensive African Agriculture Development Program.[7](CAADP).

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[7] The CAADP is Africa's policy framework for agricultural transformation, wealth creation, food security and nutrition, economic growth and prosperity for all. At the 2003 African Union

Table 2-3. Growth rates of agricultural sub sectors (2005-2013)

Sector (%)	2005	2006	2007	2008	2009	2010	2011	2012	2013
Agriculture	2.5	-1.8	1.7	2.2	2.4	2.1	1.0	-1.0	2.7
Cash crops	-21	-2.4	8.2	11.3	5.2	-3.0	8.6	-6.1	11.4
Food crops	3.8	-3.9	2.1	2.6	2.6	2.7	-1.3	-2.0	2.4
Livestock	0.2	3.0	3.0	3.0	3.0	3.0	3.0	2.9	3.6
Forestry	6.0	4.2	2.2	4.2	5.9	1.9	3.4	-0.4	2.1
Fishing	14.3	-3.0	-5.9	-9.6	-7.3	3.0	1.4	4.7	-3.0
Industry	16.5	6.4	8.0	8.8	0.5	8.0	9.2	3.6	5.1
Services	8.8	10.3	8.0	10.6	6.2	8.7	6.8	4.4	4.2

Source: Uganda Bureau of Statistics 2009; 2014.

2.40 In early years of the PRSC5-7, robust growth in agriculture was accompanied by significant poverty reduction.

STRENGTHENING PUBLIC FINANCIAL MANAGEMENT (PFM) AND PROCUREMENT AT CENTRAL AND LOCAL LEVELS. SUBSTANTIAL.

2.41 Prior actions included (i) agreement with the donors on MTEF and budget execution consistent with budget allocation (PRSC5, 6 and 7), (ii) revised Ministry of Finance draft audit bill (PRSC5), (iii) the audit bill ready for Cabinet (PRSC6), (iv) satisfactory progress on improvements in public procurement system (PRSC6). These actions in PRSC5 and 6 were broad, all-encompassing, and initiated important legislative action and the introduction of IFMIS (PRSC5). PRSC7, by contrast, included more and more specific measures regarding budget allocations, execution and reporting (e.g., Poverty Action Fund expenditures were to be at least 95 percent of approved budget; limitations on supplementary budget request; mandating quarterly budget execution reports, and publishing them within 30-day period).

2.42 Since 2004, Uganda has made major improvements in PFM, supported by the Joint Budget Support framework, which included PRSC support. The Public Finance and Accountability Act (PFAA) of 2003 and the Budget Act of 2001 provide the legal platform for the budget formulation process. The Budget Act of 2001 stipulated the information and timeline of information that the Government is required to present to parliament and its timeline. The PFAA provides the legal framework for the control and management of public resources, fiscal transparency, and accountability. Legislation and supporting circulars are comprehensive, although some ambiguity remains with regard to the roles and responsibilities in enforcing compliance. Progress has also been made with regard to budget classification, budget formulation, and minimizing deviations from the approved budget. An Oracle-based8 Integrated Financial Management Information System (IFMIS) was successfully established. The IEG mission was able to confirm that

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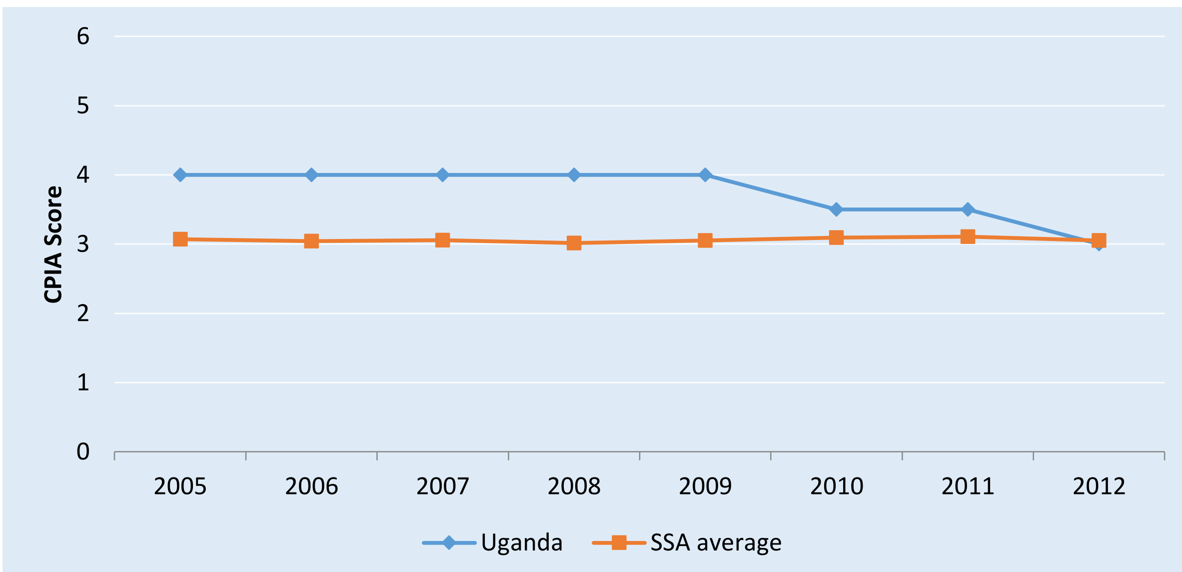
Summit it was first announced as an integral part of the New Partnership for Africa's Development (NEPAD).

[8] Oracle is the service provider for the system.

it is currently operating in all central government ministries and budgetary agencies, in the Office of the Auditor General, as well as in 36 districts and four municipalities. (Government of Uganda 2012). Consequently, for most of the period under review (2004/5 to 2009/10), Uganda has been rated above its Sub-Saharan African (SSA) peers by a number of PFM assessments[9].

2.43 However, since 2008/9 political pressures have compromised budget credibility, as reflected in the deterioration of the World Bank's Country Policy and Institutional Assessment10 (CPIA) rating on the quality of budgetary and financial management (figure 2.4), as well as the respective PEFA indicators (Figure 4). Credibility is undermined by increasing domestic supplier arrears, frequent resorting to supplementary budgets, and bypassing of internal controls in execution (World Bank 2014).

Figure 2-4: Uganda vs. Sub-Saharan Africa (SSA): CPIA Scores on the Quality of Budgetary and Financial Management Rating[11], 2005-12; (1=low to 6=high)



Source: World Bank's CPIA database.

2.44 PEFA scores, which capture more detailed aspects of PFM performance, have shown modest improvements since 2008 in some key areas while remaining broadly

[9] See 2004 Country Integrated Fiduciary Assessment (CIFA), the 2004 Highly Indebted Poor Country (HIPC) Assessment, the 2008 PEFA assessment, regular Fiduciary Risk Assessments by DfID, annual assessments conducted by the IMF under the Policy Support Instrument, and the Joint Assessment Framework reports for budget support.

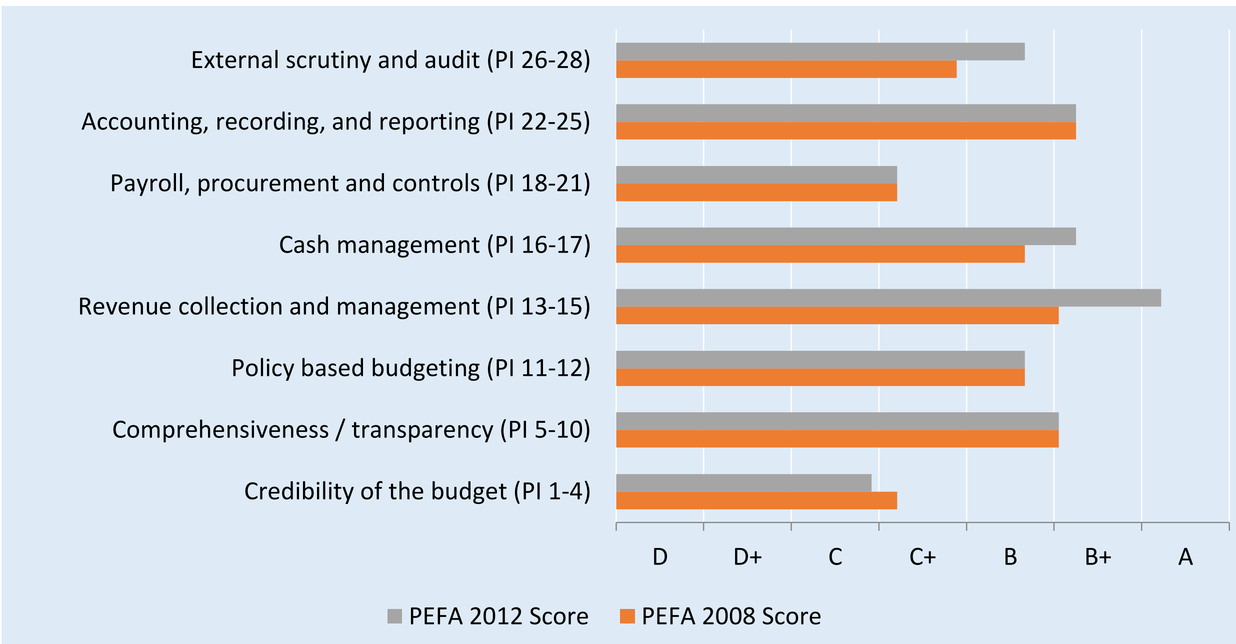
[10] The World Bank's CPIA is a diagnostic tool that assesses and rates the quality of a country's policies and institutional arrangements each year in all member countries. The assessment feeds directly into the determination of the volumes of the Bank's concessional lending.

[11] Quality of budgetary and financial management in the CPIA assesses the extent to which there is a comprehensive and credible budget linked to policy priorities, effective financial management systems, and timely and accurate accounting and fiscal reporting, including timely and audited public accounts.

stable12 in others. Institutional strength in revenue collection and management appears to have improved due to better management of information on revenue collection and better management of cash balances. Despite these efforts, however, revenue collection itself remains at a regional low of about 12 percent of GDP. Cash management and audit systems have seen modest improvements since 2007. A comparison of the PEFA score aggregates between 2008 and 2012 is shown in figure 5.

2.45 Cash management was enhanced. By 2008, the average cash management PEFA score was already quite high with a B and has since improved further to a B+ by 2012. Even though the series ended in 2009, the PEFA scores in 2012 and 2013 are reported here as relevant indications of the longer term sustainability of these results. There were noteworthy achievements in forecasting and monitoring of cash flows, the quality of debt data management and reporting, and the consolidation of cash balances.

Figure 2-5: Uganda: A Comparison of PEFA Score Aggregates, 2012 vs. 2008



Source: PEFA Secretariat, World Bank.

2.46 Slow and unreliable financial transfers from the central government adversely affected local service delivery. Although commitments on aggregate transfers to a majority of local government entities were largely met, PEFA assessments provide evidence that commitments on earmarked grants were not honored.

[12] Part of an apparent decrease in some indicators is due to methodological changes. This report uses the 2012 revised ratings to allow for comparability.

Table 2-4: Uganda: Highlights from Draft 2013 LG PEFA Assessment

Positive findings	Negative findings
Low variance of aggregate expenditure outturn compared to Approved Budget	High variance in aggregate revenue outturn compared to Approved budget
Budget classification meets international standards, budget documentation is comprehensive and transparency of intergovernmental fiscal relations is positive	For some districts the budget process is inefficient due to lack of respect of the budget calendar or incomplete circular
Budget process is orderly and consultative for most districts assessed	Multi-year estimates are inconsistent with budget ceilings
Procurement systems, payroll controls, non-salary expenditure controls and internal audit work well in most cases	Taxpayer obligations and liabilities are not transparent and measures of taxpayer registration and tax assessment are not effective
Accounts reconciliation is regular and timely in most cases	Availability of funds for committing expenditures are not predictable
	External audits are timely but there is little or no follow up

Source: World Bank (2014b).

2.47 The PEFA reviewed PFM in ten local government entities. This is particularly relevant for the policies regarding medium-term expenditures and budget planning and execution supported under the series. All ten local governments have adopted multi-year fiscal planning and budgeting, although predicted expenditures are not always consistent with budget ceilings. There are four broadly positive findings. First, budget classification meets international standards in all ten assessed entities. Second, budget information is reportedly accessible to the public. Third, procurement systems operate adequately. Fourth, the legal and regulatory framework is transparent, fairly comprehensive and based on competition. However, there are also a number of shortcomings. First, there is significant variance between aggregate expenditures and the approved budget, thereby undermining credibility. Second, arrears are not registered in most local governments and are not collected in districts or municipalities. Third the availability of funds to meet local government expenditure commitments is not predictable in any of the 10 local governments. Fourth, districts do not undertake cash-flow planning, and the information provided to central budget entities is unreliable. Fifth, fiscal risk oversight remains weak.

2.48 Budget classification meets international standards for practically all of the 10 LGs assessed. This supports comprehensiveness and transparency in Public Finance Management. On balance, the evaluation for the 10 entities indicates that the budget is comprehensive and budget information is accessible to the public. However, fiscal risk oversight remains weak for most entities. Procurement systems operate broadly adequately for all the 10 LGs. The legal and regulatory framework is transparent, fairly comprehensive and based on competition.

2.49 Central government financial reporting has significantly improved from 51 percent in 2004 to 99 percent in 2009/10. The passage of the Audit Bill that was prepared under PRSC5 and 6 significantly strengthened the operational independence of the

Auditor General. Budgetary execution relative to approved budget has been broadly adequate except during the election years when supplemental budgetary spending tended to deviate substantially from statutory budgets. At the same time, Poverty Action Fund expenditures (pro-poor expenditures monitored and tracked by the government in a virtual fund) tended to be broadly in line with approved budgets.

REDUCING CORRUPTION. SUBSTANTIAL.

2.50 Prior actions for PRSC5 and 6 were (i) implementation of the anti-corruption action plan (PRSC5 and 6), (ii) asset declarations of Ministers (PRSC5), (iii) Ministry of Finance draft revised audit bill (PRSC5 and 6), (iv) reducing incidence of corruption, (v) introducing special anti-corruption courts, (vi) clearing the backlog of cases in the Inspector Government General (IGG) office (PRSC6), (vii) satisfactory implementation of the national anti-corruption plan (PRSC7). Most prior actions were achieved although this achievement in some cases was more in terms of process than of outcomes (e.g., progress with drafting terms of reference for an anti-corruption court).

2.51 There were important gains in the quality of legislation, action plans, policy dialogue, and upstream accountability institutions—and PRSC5-7 contributed to those gains—but significant gaps remain in implementation and enforcement. On the positive side, Uganda has some of the strongest practice anti-corruption laws in the world scoring 99 out of 100 on the global integrity scale. Also, some of the upstream governance institutions such as Inspector General and Auditor General are making major contributions to anti-corruption efforts.

2.52 Prior to 2008, Uganda performed consistently better than the IDA-eligible Sub-Saharan average. However, the CPIA ratings of the quality of policies and institutions regarding transparency, accountability, and corruption in the public sector[13] have deteriorated since then.[14] Uganda scored well below the Sub-Saharan average in 2012 (figure 2.6). This is largely attributable to a number of high-profile corruption incidents, including the embezzlement of donor funds, poor follow up in prosecution and indictment, and the relative lack of civil society engagement in governance processes.

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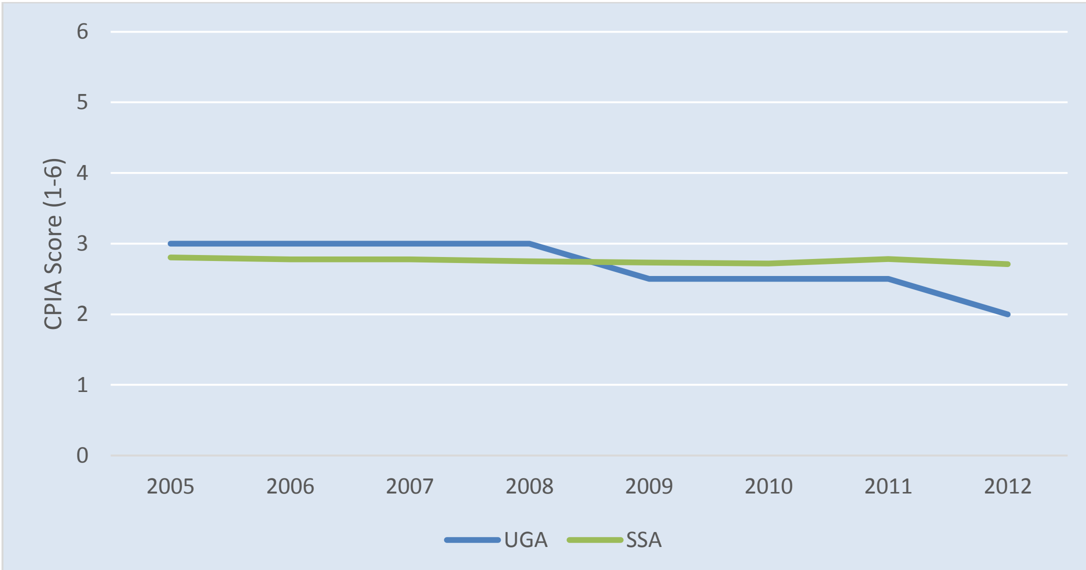
[13] Transparency, accountability, and corruption in the public sector assess the extent to which the executive can be held accountable for its use of funds and for the results of its actions by the electorate and by the legislature and judiciary, and the extent to which public employees within the executive are required to account for administrative decisions, use of resources, and results obtained. The three main dimensions assessed here are the accountability of the executive to oversight institutions and of public employees for their performance, access of civil society to information on public affairs, and state capture by narrow vested interests.

[14] It should be noted that PEFA assessments are carried out every four years and, therefore, do not capture the year-to-year variations in the quality of PFM between PEFA assessments. By contrast, CPIA ratings on budgetary transparency, financial measurement, and accountability measure somewhat overlapping aspects of institutional and policy performance and are carried our each year.

Figure 2-6 Uganda vs. Sub-Saharan Africa: CPIA scores on the quality of policies and institutions in the areas of transparency, accountability, and corruption in the public sector (ratings range from 1=low to 6=high)



Source: World Bank's CPIA database.

2.53 PRSC funding, institutional and technical assistance, in support of the development of key accountability institutions, especially Office of the Auditor General (OAG), Inspector General (IGG), has contributed to their strengthening and capacity and institution building. This is evidenced by consistent responses to extensive field discussions and interviews with key stakeholders and staff of these offices. The Auditor General's office, in particular, has been a driving force uncovering several corruption cases, including the diversion of the bilateral donor project funds in 2012, which resulted in the temporary secession of all aid. This is precisely the role that this Office is expected to play in a strong system of governance and accountability.

2.54 Performance matrices—in particular the High Level Action Matrix agreed between the donors and the Government in order to restart the broad dialogue on budget support—regarding governance were important in helping organize the dialogue around specific indicators and in monitoring implementation. The High Level Action Matrix in 2012-13 helped refocus capacity building efforts for the office of the auditor and inspectorate general. These longer term data are provided for a longer-term perspective on sustainability of results achieved with these important metrics for corruption. Prosecutions and convictions have increased since 2006, but the latter at a slower pace, so that there is a growing gap between prosecutions and convictions. While the number of prosecutions increased more than threefold from 44 in 2006 to 145 in 2013, convictions rose from 2 in 2006 to 18 in 2013 (see table 2-5).

Table 2-5: Prosecutions and convictions from 2007 - 2013.

	2006	2007	2008	2009	2010	2011	2012	2013
Prosecutions	44	60	64	70	116	154	168	145
Concluded cases	7	12	16	11	30	61	86	32
Convictions	2	4	10	1	18	37	45	18
Dismissals	0	3	0	4	2	2	3	1
Acquittals	5	2	6	1	3	14	23	8
Withdrawn					7	8	15	5
Conviction rate (per 1,000 male)	28.6	33.3	62.5	9.1	60	60.7	52.3	56.25

Source: Inspectorate General (2014b).

2.55 The workload of the IGG is heavy with 14,501 cases in 2014 and the number is increasing. Some 78 percent of these cases are accumulated from the period coinciding with PRSC5-7. This poses a serious accountability problem. In addition, the time needed to resolve a case at the end of the PRSC5-7 series was still very long -- in 2010, 54.2 percent of cases took more than 12 months to be resolved.

2.56 Weak enforcement is also suggested by frequent corruption scandals and comparative perception indicators that place Uganda among the low performing countries. For example, implementation of laws scores 51 out of 100 on global integrity scale (Andrews 2013; Global Integrity 2011). Uganda has repeatedly scored poorly in the Transparency International Corruption Perception Index15, and is ranked 142 out of 175 countries. Its score is in the 21st percentile overall. Placing this into regional context, this score is on a par with Kenya, but significantly worse than Tanzania, or Rwanda, who are in the 37th and 71st percentile, respectively. According to the global corruption barometer (Andrews and Bategeka 2013; Global Integrity 2011), 86 percent of respondents in Uganda reported to have paid a bribe in 2010. While 58 percent report that the government's efforts to fight corruption are effective, two thirds of all respondents still believe that the level of corruption had increased over the previous three years (2007-2010). The institution perceived to be most affected by corruption is the police, followed by the judiciary. Conversely, the media and religious bodies are perceived to be least corrupt (Transparency International 2014).

Improving public sector performance through better use of public sector workers and pension reform and improving management. Negligible.

2.57 The size of the civil service increased gradually over the period covered by the PRSC series, while public revenues stagnated, and the composition of public expenditures and public service delivery outcomes deteriorated. The evidence shows a decline in public sector performance rather than an enhancement. Major problems,

[15] The Corruption Perceptions Index (published by Transparency International) ranks countries and territories based on how corrupt their public sector is perceived to be. A country or territory's score indicates the perceived level of public sector corruption on a scale of 0 (highly corrupt) to 100 (very clean).

including “ghost workers” and public sector arrears (including salaries) remained acute throughout the PRSC5-7 period.

2.58 The PRSC series focused on the reform of public sector pay. However attempting such reform without tackling public sector employment and in a context of limited fiscal space was incoherent. Salary reform could not be systematically implemented. Public sector employment grew as a result of the mandate of universal primary education and proliferation of districts. Given the limited fiscal space, this put pressure on public sector salaries and resulted in salary arrears that undermined public sector worker morale and performance. There were riots among teachers and health workers, resulting in ad hoc salary increases.

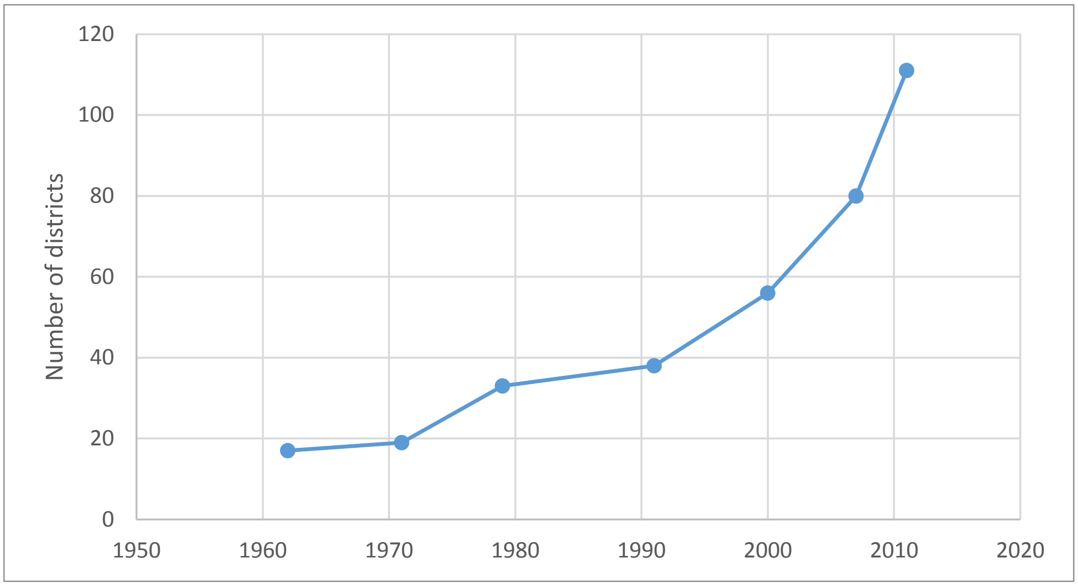
STRENGTHENING LOCAL GOVERNMENT SYSTEMS FOR SERVICE DELIVERY. NEGLIGIBLE.

2.59 Prior actions under the PRSC5-7 focused on some process reforms, such as to identify alternative source of revenue for local government to replace funds from the graduation tax. This could not result in tangible impact given the broad direction of policies described above. Other actions such as satisfactory progress in core undertakings of the Joint Annual Review for Decentralization is insufficiently tangible, and lacks institutional depth.

2.60 By the time PRSC5 was launched, decentralization and local capacity for service delivery had suffered major policy-related setbacks and earlier gains in decentralization had been reversed. The abolition of the graduated tax in 2005 drastically eroded the local revenue base. The government reduced automatic transfers to Local Governments and increased percentage of conditional grants. Also, the government created a number of new districts, reflecting political patronage. These policy decisions were essentially mandated by the presidential administration without consultation. There was no analysis of budgetary and service delivery implications. This undermined local government service delivery and employee morale. Over the period of evaluation, the number of districts increased by almost 50 percent (figure 2.7). Further, table 2.6 shows that almost all types of local government grew by close to 50 percent. The proliferation of districts was particularly damaging to local systems for service delivery Figure 2.7).

2.61 Facing political pressures during the elections, the government reduced local government autonomy. It recentralized some of its functions and resources. And—given budgetary constraints—it reduced resources available for service delivery at both existing and new district levels. The composition of public spending at the local level also worsened, shifting towards wages and recurrent spending at the expense of non-wage expenditures (e.g., local infrastructure, management) for service delivery programs. The agriculture, health, and education sectors are examples of inadequate development budgets. Execution of development budget lines performed worse than that of recurrent expenditures. (IEG, 2014).

Figure 2-7: The proliferation of districts in Uganda



Source: Local Government Commission (2011).

Table 2-6. Growth in local government and administrative units, by level

Level	2004	2011	% Change
District Councils (including Kampala City Council) (LC 5) LG	56	112	100%
County Councils (LC4) AD	151	164	9%
Municipal Councils	13	22	69%
City Divisions	5	5	0%
Sub-county Councils (LC3) LG	857	1,116	30%
Municipal Divisions	34	56	65%
Town Councils	69	174	152%
Parishes (including city wards) (LC2) AD	5,225	7,138	37%
Villages (LC1) AD	44,402	66,036	49%
Total	50,812	74,823	47%

Source: Local Government Commission (2011).

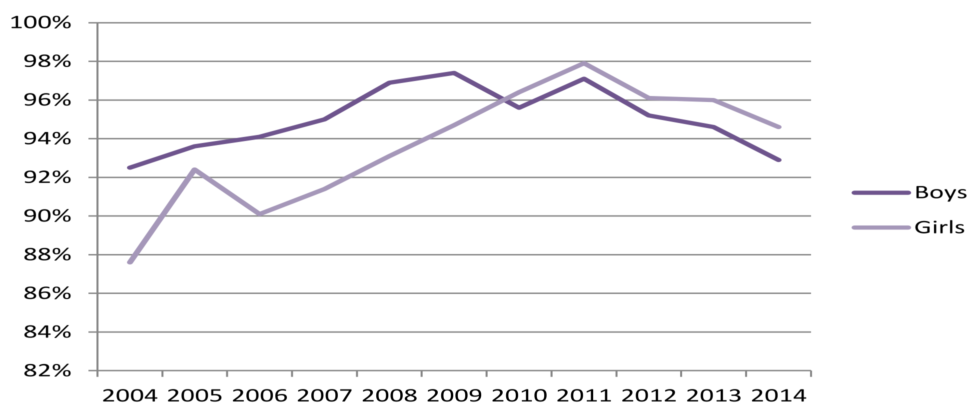
A BETTER EDUCATED SOCIETY. MODEST.

2.62 PRSC5-7 attempted to support the entire education reform as discussed and agreed with the donors within the annual education sector reviews. Prior actions were broad —"satisfactory implementation of the undertakings agreed in the sector reviews" is a typical example – and their impact difficult or impossible to measure. The education reform had to be carried out in the context of the reduction of the local government tax base, extension of the education mandate to post-primary education (post-primary education became compulsory), recentralization of resources, and reduction of resources for service delivery, in large part because of the politically motivated proliferation of districts. These broad setbacks in policy direction determined, in large part, the outcomes in the education sector, despite considerable sector dialogue and coordination and resulting specific reform measures.

2.63 There has been significant progress in increasing access to schooling for primary and lower secondary aged children and in decreasing gender disparities. Some attribution to the program, which explicitly targeted these indicators, is likely. Access at primary level is above 90 percent for both girls and boys (figure 2. 8) although girls still lag behind boys in secondary school enrolment. Primary completion rates have improved over the evaluation period. While it has remained about 70 percent for boys, however, the sustainability can be questioned as the rate has increased sharply for girls from about 40 percent in 2006 to 70 percent in 2012. There is gender parity in primary completion rates (figure 2.9).

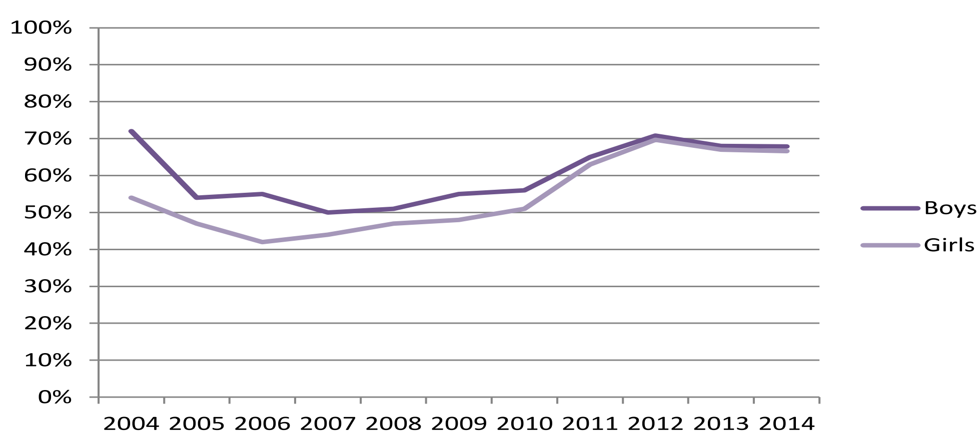
2.64 However, these gains in access have not been matched by an equivalent rise in the quality of education. This is due in part to the education budget being spread thinly, as a result of the government's policy of expanding access at both primary and secondary levels. This was undertaken without increasing resources to the sector.

Figure 2-8. Primary net enrollment rates



Source: Ministry of Education 2013

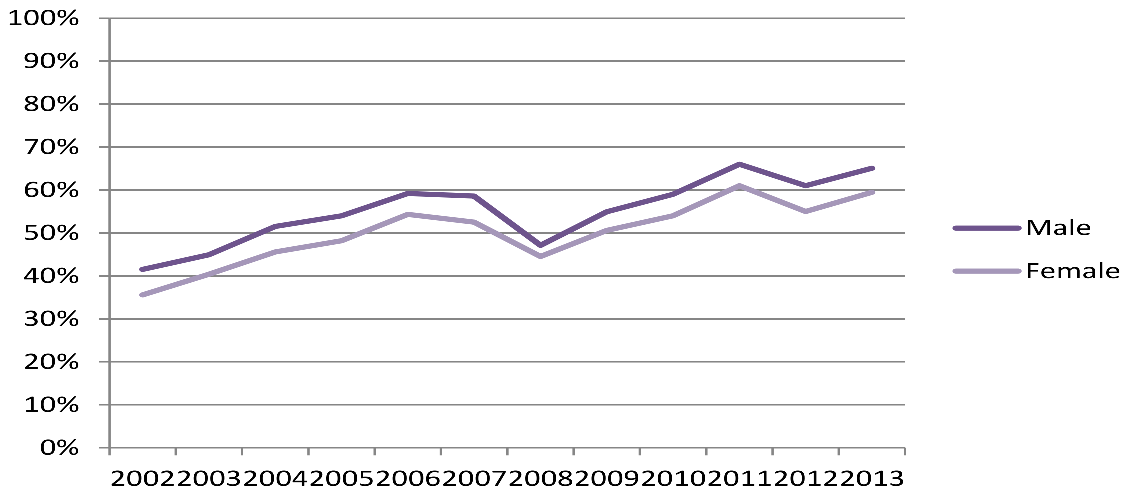
Figure 2-9. Primary completion rates



Source: Ministry of Education 2013

2.65 Primary Leaving Examinations (PLE) are taken at the end of Primary 7 and are graded on a nine-point scale: 1 to 9, where 1 is the best. Time series data for the pass rates of the PLE are not available for the entire period of 2004-2013. However, a closely related indicator is the PLE performance index used in the Sector Performance Reports of the MoES[16.] Its evolution shows that there has been a significant increase in average PLE performance of students. The index was at 51.5% for boys and 45.6% for girls) in 2004 and increased to 65.1% for boys and 59.5% for girls in 2013. In practice, this represents a return to levels experienced in 2001 where the aggregate index was 62.9% (MoES, 2013). This trend is shown in figure 2.10.

Figure 2-10.PLE performance index

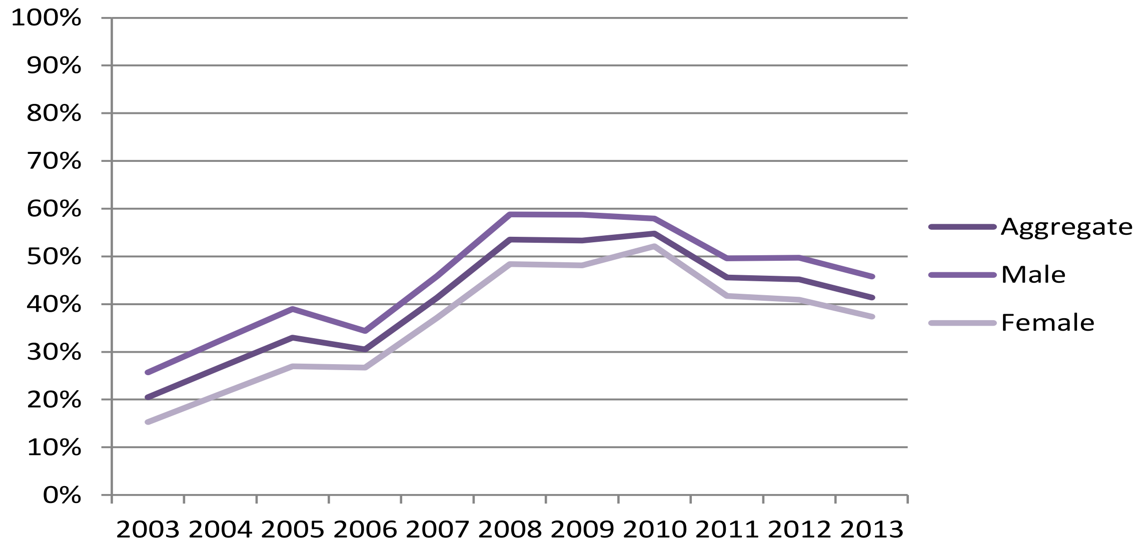


Source: Ministry of Education 2013

2.66 There was an initial increase in literacy and numeracy competence at Primary 6 at the beginning of the evaluation period with an increase from 26.8% in 2004 to 54.8% in 2010. Competency levels then declined decreasing to 41.4% in 2013. Girls still lagged behind with levels of 37.4% in 2013, as compared to boys at 45.8%, although at both P3 and P6 levels girls' literacy skills were higher than boys, but were lower than boys in numeracy (see Figure 2.11).

16 To calculate this index, candidates are weighted in each grade of passing with the best grade carrying a high weight and failures given a weight of zero. The actual weight is summed up and expressed as a ratio of the expected maximum weight attained by multiplying the highest weight with the number of candidates that sat exams (see UNESCO (2012): The use and usefulness of school grants: lessons from Uganda). Under this measure, 100% would imply that all PLE candidates passed in division one. Therefore, the further the index from 100 percent the poorer the quality of performance. Results for 2013 show a gap of 37 percent for Uganda to attain a quality of 100 percent.

Figure 2-11. Proficiency in numeracy



Source: Ministry of Education 2013

2.67 On the negative side, at primary level, there are issues related to teacher absenteeism, limited community participation (as UPE is free to the user), high dropout of pupils (particularly girls), high pupil-teacher ratios, and high attrition rates of teachers. At secondary level, there are inadequate teaching skills, and inadequate number and quality of science and math teachers and science equipment/laboratories (MoES 2014).

2.68 There is also a large variation across districts in spending, performance and value-for money. An estimated one-third of expenditures in primary education has been wasted or used inefficiently. At secondary level, the distribution of secondary education expenditure was found to have no relationship to need. Inefficiencies stemmed from low workloads, poor teacher deployment and high teacher salaries (World Bank, 2007, 2008 &2013).

2.69 In terms of specific achievements, improving access to education at both primary and secondary level has been the main area of success in the education sector, with gender equity in enrolment at primary level, although girls still lag behind boys in secondary school enrolment. Completion rates at primary 7 have also risen, but this is counterbalanced by very low survival rates to primary 7, indicating that the majority of pupils have dropped out by this level. The PRSCs have contributed to this increase in enrolments through providing funding to support Universal Primary Education (UPE) and Universal Secondary Education (USE), although support has also been provided through other development-partner funded projects. However, the PRSCs have not been successful in addressing drop-out rates or survival to primary 7.

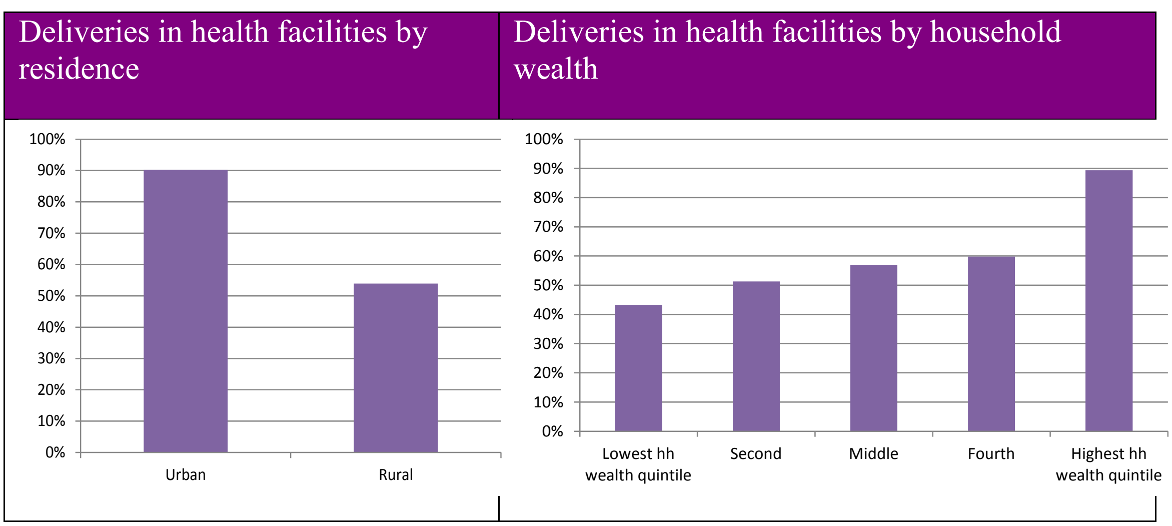
HEALTHIER UGANDANS. NEGLIGIBLE.

2.70 The prior actions were the following (i) implementation of the undertakings agreed in the health sector review held in November 2003 and confirmed by the health sector review held in November 2004 (PRSC5); (ii) provision of evidence as to the implementation of: (a) the undertakings made in the health sector review during November 2004, and subsequent confirmation during the 2005 review; and (b) the undertakings made during the 2005 review, and subsequent confirmation during October 2006 review (PRSC6); and (iii) evidence as to the implementation of: the undertakings made during the November 2006 review and subsequent confirmation during October 2007 review (PRSC7). These prior actions were too general and vague to permit evaluation. In what follows, the IEG team reviews the main outcomes in the sector that figure prominently in the "undertakings agreed in the health sector review" in order to indirectly ascertain achievement.

2.71 Health reforms suffered from the same significant policy reversals that affected education. In the case of health, however, the adverse impact was felt more strongly due to underfunding and weak capacity.

2.72 Evidence of gains in access is counterbalanced by that of deteriorating quality and unequal access to health care over the evaluation period. Figure 2.12 shows a difference of almost 40 percentage points in the ratio of deliveries by health facilities between urban and rural and according to wealth quintile (figure 2.12). While there is evidence that the poor benefit from primary care levels, the public hospitals on which the bulk of public health resources are spend—do not benefit the poor (World Bank, 2009). DPT3 immunization rates have increased from around 62% in 2004 to around 90% in 2011 and then down to 86% in 2011 and 2012, the most recent years with data. In FY2012/13, 83% of boys were immunized and 85% of girls (MoH, 2014).

Figure 2-12. Deliveries in health facility by residence and wealth quintile



Source: UDHS 2011.

2.73 Significant issues remain regarding the immunization rates and urban-rural gaps, and the quality and equity of health services for women and children. According to the Health Sector Reports and HMIS data, DPT3 immunization rates have increased from around 62% in 2004 to around 90% in 2011 but then declined to 86% in 2011 and 2012, the most recent years with data (MoH 2014; Annual Health Sector Performance Report 2013/2014). The Demography and Health Survey (HS) data suggests a positive trend in immunization coverage (table 7), but 2011 DHS numbers are significantly lower than

HMIS numbers. Immunization in the HMIS dataset seems to have been over reported: "A health facility record review of DTP third dose immunization (verification of facility source documents to determine consistency with reported values) conducted in June 2013 showed a verification factor of 0.79, indicating a rate of over-reporting (more immunizations reported to HMIS than could be verified in source documents) of approximately 20%." (MoH, 2013: HSSIP MTR)

2.74 The table also shows that the while rural-urban gap in immunization has narrowed and the wealth gap disappeared, overall immunization rates are still well below the desired levels. Further, regional equity gaps are still apparent: the North and the West have higher immunization coverage than the Central and Eastern regions. The HSSIP midterm review notes that "health facilities providing routine child immunization services are generally well-equipped to provide the service. Approx. 80% of facilities had vaccines in stock on the day of the assessment, and availability of single-use syringes and sharps container was close to universal." (MoH, 2013).

Table 2-7. Immunization trend coverage

	1995	**2000-01**	**2006**	**2011**
TOTAL	**61,1**	**46,1**	**63,9**	**71,5**
by region				
Central	70,8	37,9	59,1	65,9
Eastern	49,1	44,7	64	65,8
Northern	47,9	44,9	65,6	79,2
Western	74,7	57,7	66,5	78,3
by residence				
Urban	75,3	59,1	67,2	75,4
Rural	59,4	44,5	63,5	70,8
by household wealth index (by quintile)				
Lowest	46,8	34,9	63,9	73,8
Second	58,1	45,2	59	71,6
Middle	59,5	51,4	67,4	66
Fourth	63,2	47,7	65,5	70,6
Highest	81,4	55,1	64,6	74,7
by sex of child				
Male	63	44,6	62,7	72
Female	59,4	47,7	65,1	71

Source: UDHS 1995-2011

2.75 However, maternal and child health care indicators are worrisome. The share of institutional deliveries (or deliveries attended by a skilled birth attendant) has stagnated at around 41% and most likely one reason for Uganda's failure in achieving the MDG 5 on maternal mortality (GoU, 2013b). The contraceptive prevalence rate is generally low.

Data show an increase from less than 20% of women in ages 15 to 49 using or having access to some type of contraceptive in 2005 to 30% in 2011.[17]

2.76 During consultations several sector experts noted that, for example, the distribution of condoms is generally incomplete and only cover certain parts of the country, predominantly the urban areas. The hard-to-reach areas of the country have less access to contraceptives, including condoms and other types.

2.77 More broadly, there is strong evidence to suggest the Ugandan health sector faces several gender related challenges and that progress on gender sensitive outcomes has been slow and well below expectations. This is partly a result of general gender challenges, such as women and girls being forced into early marriages, teenage pregnancies (leading to higher risk of education drop-out), and gender based violence (IEG mission consultations).

2.78 With respect to gender sensitive health sector outcomes, Uganda will not achieve Millennium Development Goal number 5 to improve maternal health, including reducing maternal mortality (MDG, Target 5.A), which is graded as ‘Stagnant’ in the most recent update (GoU, 2013b). In addition, progress on Target 5.B, on universal access to reproductive health services has been graded ‘Slow’ in the same report.

2.79 There is also evidence that women, especially young women, are particularly vulnerable to HIV infection (EPRC, 2012, GoU, 2013a) and that infection rates are on the rise. This is partly due to the weak position of (young) women in society as reflected by the phenomena of ‘transactional sex’ (not prostitution, but the exchange of sex for favors and undue pressure from males, including managers, teachers, and boda-boda[18] drivers).

2.80 Security concerns in rural areas also affect maternal and child health. There is convincing evidence from sector experts and field visits that access to maternal and reproductive services, including in connection with deliveries, is hampered by the unwillingness of midwives to attend pregnant mothers during night hours for fear of being attacked (IEG mission consultations). This highlights the importance of security, transportation, and health sector linkages in delivery of health services to women, especially to the poor, rural areas that require health outreach services.

2.81 Around one-third of pregnant women attend antenatal care services. During consultations, it was frequently reported that most women attend the first ante-natal care (ANC) session and many the second session. However, significantly fewer pregnant women attend all four ANC sessions. The reasons for the gradual decline in ANC

[17] These data are not distinguishing between socioeconomic status of women or between different parts of the country. Further information on gender sensitive outcomes are provided in Annex D.

[18] Bicycle or motorcycle taxi.

attendance are several, but include low trust in the usefulness of services and difficulties in funding transportation to clinics for all four sessions.

2.82 There is little and highly unreliable data on infant mortality rates for Uganda for the evaluation period. The Joint Assessment Framework (JAF) matrix notes an infant mortality rate (IMR) in 2010 of 76 and in 2012 of 54. However, this reduction appears too large to be reliable.

Improved access to safe water and sanitation. Substantial.

2.83 Prior actions were: the implementation of the undertakings agreed and confirmed by the water and sanitation sector review held in September 2003 and confirmed in September 2004 (PRSC5); (ii) provision of evidence as to the implementation of: (a) the undertakings made in the water sector review during September 2004, and subsequent confirmation during the 2005 review; and (b) the undertakings made during the 2005 review, and subsequent confirmation during September 2006 review (PRSC6); (iii) the provision of evidence of implementation of the undertakings made during the September 2006 review, and subsequent confirmation during 2007 review (PRSC7). These prior actions were achieved but they were too general. However, the quality of the policy dialogue and sector review and consultation process was strong as evidenced by extensive field interviews, including visits to secondary towns. It is the quality of this dialogue that led to the agreement on realistic sector objectives and indicators, which showed improvement.

2.84 PRSCs5-7 supported the sector[19] as part of the joint budget support mainly through the water and sanitation sector review process, sector dialogue, and consultation. In particular, the field interviews and visits show evidence of high-quality sector reviews and policy dialogue. This has not been the case with other priority sectors such as education and, especially, health. This led to the realistic measures and indicators which showed improvement. Indicators in the sector generally improved (table 2.8).

[19] The responsibility for sanitation and hygiene is shared by three line ministries. Domestic sanitation falls under the Ministry of Health, and at local level under the District Health Inspector's office in terms of sensitization and mobilization and construction of latrines in health centers, communal sanitation is implemented by DWD, and at decentralized level by DWO, and the Ministry of Education and Sports is responsible sanitation in schools. A sanitation MoU between the three ministries was signed in 2001. NGOs and CBOs have continued to contribute to the water and sanitation subsector, by mobilizing funds for the sector, by supporting water and sanitation infrastructure development, and by capacity building of communities to demand, develop and maintain water, sanitation and hygiene facilities.

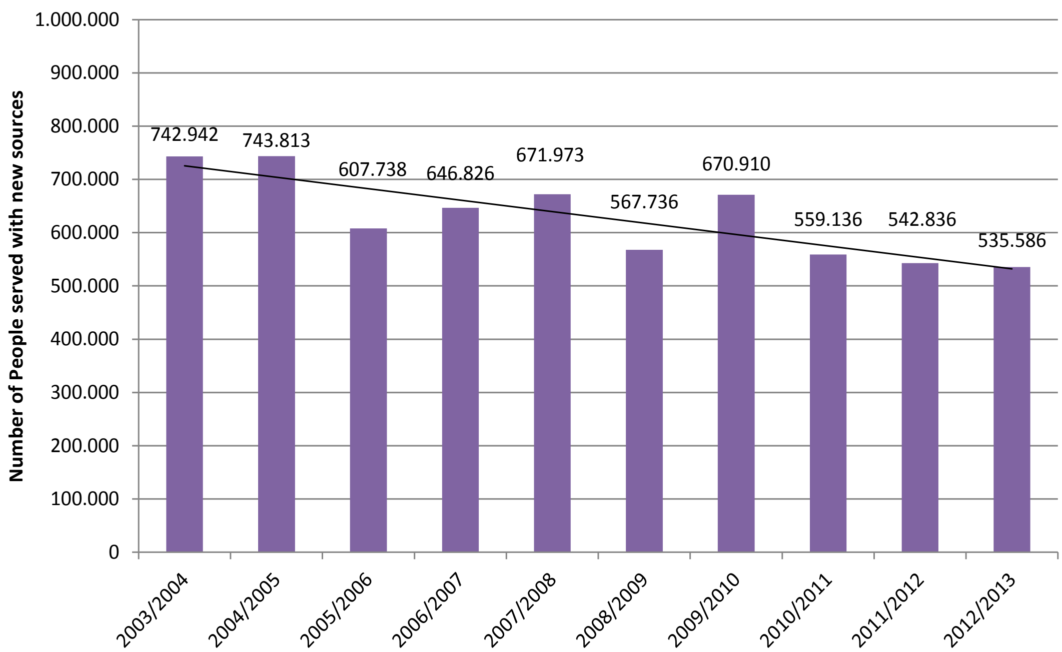
Table 2-8. Sector indicators over the period 2004-2013

Sector indicator		PRSC5-7 (04-08)	PRSC8-9 / JBSF (2009-2012)	HLAM (2013)
Access to rural water (%)		57 ('04 estimate), 61.3 ('05) – 63 ('08)	65 - 64	64
Access to urban water (%)	Small towns	36 ('05) – 46	51– 57	58.1
	Large towns	67 ('05) - 72	73 - 77	77.8
	Average	51 ('06) - 61	66 - 69	70
Access to sanitation (rural and urban) (%)	Rural HH	56 ('04) - 62	68 – 69.6	71
	Urban HH	(not measured) - 74	73 - 81	82
Equity*		(not measured) - 243	178 - 160	153

*reducing value means increase in equity.
Source: Ministry of Water, Lands and Environment Water and Sanitation Sector performance Reports 2004, 2005; Ministry of Water, and Environment Water and Sanitation Sector performance Reports 2006-2008; Ministry of Water, and Environment Water and Environment Sector performance Reports 2009-2013.

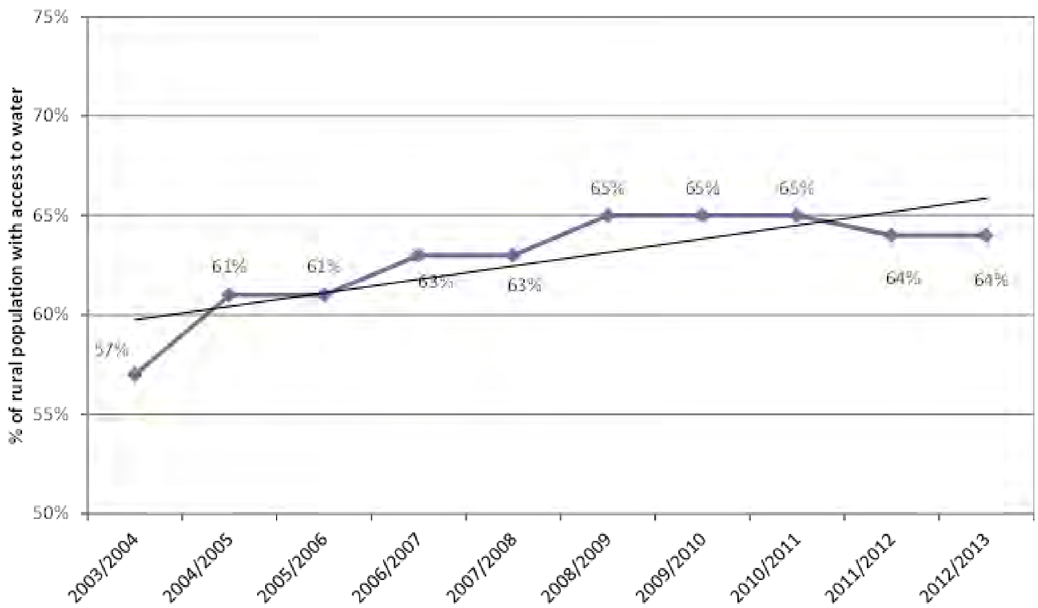
2.85 Over the period under review, the overall access to safe water has increased from 57% to 64%. The increase was mostly in the period 2004 – 2007, before the JBSF; after that, the rural safe water coverage stagnates. (figure 2.13 and 2.14). The percentage of the population with access to sanitation facilities has risen. (figure 15). However, domestic sanitation is the responsibility of households.

Figure 2-13. People served with new sources



Source: Ministry of Water, Lands and Environment 2013

Figure 2-14.Trend in percentage of rural population in Uganda served with safe water



Source: Ministry of Water, Lands and Environment

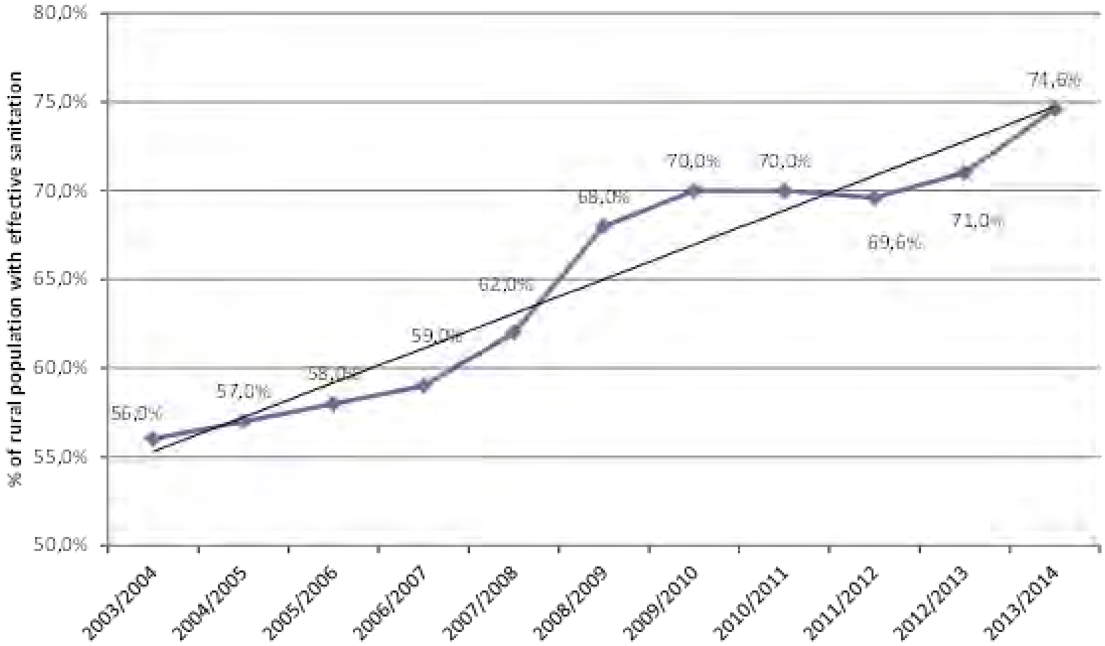
2.86 These positive developments under the PRSC5-7 have been reinforced by the significant involvement of NGOs, by the strong sector dialogue, and by effectively decentralized sector management.

2.87 Substantial numbers of people are served by new water supplies funded by off-budget resources implemented by NGOs, which ensures that the safe water coverage so far is not falling. The 2011 Sector Review shows that in FY20099/10, an estimate 472,894 people were newly served in rural areas by NGOs, as compared to 670,910 people by the DWSDCG. (figure 2.15).

2.88 A positive contribution has been made to safe water access through improvements in decentralized management, decentralized capacity building and focus on O&M—also supported by the sector dialogue. Another positive impact on the increase of rural water supply coverage was the establishment of a "Water and Sanitation Development Facility" (WSDF) to channel funding and technical support into the sector's service providers. These gains can be traced back to increased financing, improved supervision, improved use of the implementation guidelines as well as increased follow up by the extension workers.

2.89 There has been a solid sector dialogue —which has been a key PRSC tool of mediating the achievement of prior actions to the sector outcomes—bringing together development partners, including the Bank, as a basis for implementation of measures in the sector.

Figure 2-15. Trend of sanitation coverage



Source: Ministry of Water, Lands and Environment

Outcome

2.90 Given high relevance of objectives but negligible relevance of design, and assessment of modest efficacy,[20] overall outcome is rated as moderately unsatisfactory.

Risk to Development Outcome

2.91 The review finds three main sources of high risk to the weak development outcomes achieved: political patronage, population growth, and lack of attention to agricultural productivity.

2.92 In Uganda, political patronage, especially near election periods, results in expansion of expenditures and supplemental budgets that may not be justified on economic and social grounds. In addition, patronage, based on a system of extensive exemptions, is a major cause of low revenue mobilization, which translates into underfunding for key sectors ant makes taxation reform difficult. These factors threaten

[20] Achievement of the ten objectives is summarized as follows: reduction of the fiscal deficit (negligible), increased private sector competitiveness (modest), increased agricultural production and efficiency (negligible), strengthening Public Financial Management (PFM) and procurement at central and local levels. (substantial), reducing corruption (substantial), improving public sector performance through better use of public sector workers and pension reform and improving management (negligible), strengthening local government systems for service delivery (negligible), a better educated society (modest), healthier Ugandans (negligible), improved access to safe water and sanitation (substantial).

the mixed achievements in the social sectors. These issues are compounded by weak capacity at the local level. Political patronage also makes enforcement of some of the upstream governance institutions difficult. Low enforcement may eventually erode the credibility of the upstream governance reforms themselves.

2.93 Social sector achievements are also threatened by a combination of factors such as rapid population growth, lack of policy focus and general direction of policies (e.g., extension to post-primary education, proliferation of districts, lack of robust local tax base) running counter to the need for high quality service delivery in education and health and in water supply and sanitation.

2.94 The lack of a coherent set of policies to address low agricultural productivity represents a major missed opportunity and a risk to future growth of rural incomes and poverty reduction.

Bank Performance

Quality at Entry

2.95 Positive aspects of Quality at Entry were (i) a broad and deep policy dialogue underpinning the PRSC policy agenda; (ii) coordination and harmonization with other donors in the context of the Joint Budget Support (JBS) framework; (iii) close alignment with the government's priorities in the Poverty Eradication Action Plan (PEAP); and (iv) a considerable corpus of analytical work. The Bank also coordinated closely with the IMF on the macroeconomic framework.

2.96 There were, however, significant weaknesses. The overarching objective was so wide and general that it was impossible to evaluate. Even the more specific objectives were too many and too broad and difficult to relate to the prior actions. Design was complex and spread over too many policy areas. Prior actions were often too broad, not measurable or very piecemeal and process- oriented. The monitoring and evaluation framework was also overly complex and lacked baselines. Many indicators were only weakly connected to actions and objectives. Rating: Moderately Unsatisfactory.

Bank Supervision

2.97 The Bank addressed initial design and M&E weaknesses in subsequent operations. For example, prior actions in public financial management became more concrete, more numerous, and better linked with the objectives in PRSC 7. Attribution was also made clearer.

2.98 The Bank discussed governance issues (including periodic corruption scandals) as part of policy dialogue, and coordinated closely with other donors. The government's agreement was obtained to compensate for the abolition of the graduation tax by increased transfers to local authorities, although its restoration would have been preferable. The monitoring of macroeconomic performance was enhanced. However, the Bank did not respond to the repeated underperformance of government revenues. Rating: Moderately Satisfactory.

Overall rating for Bank performance is moderately unsatisfactory.

Borrower Performance

2.99 The Implementing Agency is not distinguishable from Government and is thus not rated separately.

Government Performance

2.100 On the positive side, government performance has been broadly solid on macroeconomic policies without inflation crises or escalation of fiscal deficit, despite poor design of the fiscal program under the series. Public financial management and strengthening of upstream governance and accountability institutions as well as making progress on some metrics of access in education and water and sanitation were strong elements of government performance. Also, the government managed to protect poverty related expenditures as part of the Poverty Action Fund.

2.101 Macro-fiscal performance, however, has been subject to large and frequent supplemental budgets, especially during the 2006 election. This undermined budgetary credibility and worsened the composition of public expenditures towards less productive current expenditures (including public administration and military expenditures), undermining efficiency of public expenditures in supporting service delivery. The structural problem of very low revenues remained unaddressed. Regarding governance, despite some gains in upstream institutions, downstream enforcement was lacking.

2.102 At the local and sectoral levels, the government pursued a policy of proliferation of districts. It also expanded the mandate for post-primary education expansion without adequate consultation with development partners, and in the absence of necessary preparation, local capacity building, and institutional and budgetary resources. This, coupled with the low revenue mobilization, undermined progress in policy areas supported under the PRSC, especially in the latter years when overall donor budget support began to decline and resources for social sectors at the local level came under increasing pressure. **Rating: Moderately unsatisfactory.**

Monitoring and Evaluation

2.103 M&EM&E **design** was based on the overall PEAP framework that had been discussed and agreed with the development partners, including the Bank. In that sense, M&EM&E was aligned with the government's broad monitoring framework under the PEAP. However, M&EM&E of PRSC5-7, in particular, had a number of shortcomings related to quality, concreteness, and measurability.

2.104 The results framework was weak. It was essentially non-existent in PRSC5. This assessment of M&E is, therefore, focused on PRSC6-7. Objectives were too numerous and vague. The choice of indicators was poor—often qualitative—and did not permit measurement of progress towards the achievement of objectives. Baseline values were frequently missing.

2.105 M&E implementation. Annual policy action matrix was used to monitor the achievements of targets. Efforts were made to improve the quality of M&E in PRSC6 and 7 by improving the concreteness of indicators (e.g., in the PFM area). Annual joint sector reviews in health, education, and water and sanitation were conducted and M&E indicators reviewed, recommendations made, and applied. However, the overall quality, number and measurability of indicators was still lacking at the end of the series.

2.106 M&E utilization system was not sufficiently operational for tracking and reporting on outcomes. There is no evidence of a clear theory of change in the M&E indicators and their use. Some of major changes in policy directions cannot be traced to M&E systems. At the same time, it appears that M&E did inform subsequent PRSC series, which featured better quality results and M&E frameworks. Rating: negligible.

Lessons

2.107 Several lessons emerge from this assessment of PRSC5-7 series. They relate to the design, implementation, and proactivity and learning.

- Lack of clear, concrete objectives impedes both implementation and evaluation of DPOs. General statements of broad support of government policies (as in PRSC5-7) are best avoided.
- Design of DPOs and implementation can be adversely affected by lack of focus and selectivity in policy areas.
- Inadequate accounting of political economy factors in the design of major reforms can adversely affect the design, implementation and outcomes of DPOs. Lack of focus on domestic revenue mobilization is a prime example.
- Pressures to extend budget support within the broader, coordinated donor support framework without hard conditionality to raise domestic revenues can undermine incentives for domestic revenue mobilization. This, in turn, can undercut macroeconomic adjustment needed for sustainable fiscal policy as well as the adequacy of funding for basic services.
- Implementation and evaluation are frequently undermined when objectives are not tightly linked to prior actions and there is no measurable and relevant results framework, when outcome indicators are ambiguous, and when targets do not incorporate an explicit and convincing theory of change.

3. Poverty Reduction Support Credit 8-9

Relevance

Objectives

3.1 The program development objective for the series was "improved access to and greater value for money in public services." (Program Documents for PRSC 8 and 9, p. ii)). The Financing Agreement does not define the objectives for the series or the individual operations.

3.2 The Board originally approved three Poverty Reduction Strategy Credits (PRSCs) for the series, but the last operation (PRSC 10) was cancelled. Some end of program targets were adjusted when the Board approved PRSC 9.

3.3 The PRSCs supported reforms under two policy clusters with the following objectives:

- Policy Cluster 1 Objectives: "(i) improved budget credibility, (ii) transparent and efficient public financial management and public procurement; (iii) strengthened public sector management and accountability; and (iv) strengthened local government system for service delivery." (Policy Results Matrix of Program Document for PRSC 8, page 54).
- Policy Cluster 2 Objectives: (i) "wider access to, and better quality of, health services and improved sexual and reproductive health care services and control of major communicable diseases"; (ii) "wider access to, and better quality of, primary and secondary education"; (iii) "improved water and sanitation system"; and (iv) "improved national road network to lower transport cost, raise competitiveness, and facilitate economic activity" (idem., pages 61, 62, 64 and 65). Relevance of Objectives. High

3.4 The objectives were relevant to the government's priorities in the National Development Plan in the following main policy areas: human development, governance, economic infrastructure, and access to quality social services.

3.5 The objectives were relevant to the World Bank 2010 Country Assistance Strategy (CAS), covering the Fiscal Years 2011-2015, which focused on public infrastructure, human capital development, and good governance and value for money.

3.6 The PRSC series also reflects closely the Bank's CAS at appraisal when basic service delivery indicators and value for money in public services were low, justifying the focus on these policy areas.

PROGRAM DESIGN AND RELEVANCE OF DESIGN

3.7 The objectives were limited to two clearly defined policy areas: improving access and ensuring greater value for money in public services. PRSC 8 and PRSC 9 had eight and ten prior actions, respectively, and there were eight triggers for PRSC 10, dropped from

Policy Cluster 1: Reforms in Public Expenditure Management, Public Financial Management, and Public Service Management that Improve Service Delivery.

3.8 Component 1.1 Credibility of the Budget: i) Adhere to a 5 percent variance threshold for the GOU budget in the four JBSF sectors; ii) change from monthly to quarterly budget releases; and iii) piloting the use of quarterly work plans and procurement plans in the ministries/agencies corresponding to the four JBSF sectors (PRSC 8 prior action 1, PRSC 9 prior action 1, PRSC 10 trigger 1)

3.9 Component 1.2 Transparency in Funding at Service Delivery Level: To improve transparency of local government expenditures, the MOFPED was to develop, produce and publish quarterly reports on actual Local Government (LG) expenditures and outputs (PRSC 9 prior action 2, PRSC 10 trigger 2).

3.10 Component 1.3 Public Financial Management (PFM): i) better compliance with PFM laws and regulations with greater emphasis on performance-based assessment of public servants, with an emphasis on both rewards and sanctions; ii) strengthening internal and external audit capacity; iii) improve compliance, control arrears in the period covered by PRSC 9 and 10; and iv) PFM legislation to add provisions related to management of oil revenue and strengthening in other areas (PRSC 8 prior action 2, PRSC 9 prior action 3, PRSC 10 trigger 3).

3.11 Component 1.4 Compliance with Public Procurement Regulations: i) strengthen the legal and regulatory framework for procurement; ii) improved monitoring for better enforcement of procurement laws and sanctioning of breaches by establishing and piloting a system for measuring performance in public procurement; and iii) improve procurement capacity within spending entities (PRSC 8 prior action 3, PRSC 9 prior action 4, PRSC 10 trigger 4).

3.12 Component 1.5 Performance of Public Servants: i) address the inequitable distribution of public servants across the country, as well as the significant variation in the level of their performance; ii) address weaknesses in the inspection and disciplinary system for public servants that lead to poor accountability and performance; iii) instill a stronger sense of ethic and accountability in the public service by enhancing and coordinating performance management tools; and iv) rolling out performance management tools and pay reforms and improving management systems for personnel and payroll (PRSC 8 prior actions 4, 5 and 6, PRSC 9 prior actions 5 and 8, PRSC 10 trigger 5).

3.13 Component 1.6 Accountability and Anti-Corruption: i) strengthen the tracking of corruption trends by the Inspector General of Government (IGG) and other key institutions by developing evidence-based data to promote anti-corruption reform and facilitate the demand side of governance, and by deepening the public dialogue about corruption across all stakeholders; and ii) supporting GOU's effort to disseminate key

Data Tracking Mechanism (DTM) findings, and reach out to and involve non-state actors in monitoring (PRSC 9 prior action 6, PRSC 10 trigger 6).

Policy Cluster 2: Improving Value for Money in Public Service Delivery Sectors

3.14 Component 2.1 Health: i) improve the availability of essential medicines and health supplies in health centers; and ii) improve the availability of qualified health staff at task (PRSC 8 prior action 5, PRSC 9 prior action 7).

3.15 Component 2.2 Education: i) improve the equitableness of teacher deployment and ii) improved accountability of head teachers (PRSC 8 prior action 6, PRSC 9 prior action 8, and PRSC 10 trigger 7).

3.16 Component 2.3 Water and Sanitation: i) increase the functionality of rural water facilities and Water for Production (WfP) facilities; and ii) improve the levels of sanitation and hygiene (PRSC 8 prior action 7, PRSC 9 prior action 9).

3.17 Component 2.4 Transport: i) help ensure stable funding for road maintenance and increased quality of the maintenance work by year-by-year monitoring of road quality by first generating national, district and sub-district data on the quality of roads, starting with the set of baseline data, and establishing a monitoring and evaluation framework to systematically track improvements in the sector; and ii) improve transparency and accountability in the roads subsector (Uganda National Roads Authority-UNRA) which would seek to obtain procurement accreditation from PPDA and begin implementation of an independent and parallel bid evaluation process (PRSC 8 prior action 8, PRSC 9 prior action 10, PRSC10 trigger 8).

RELEVANCE OF DESIGN: SUBSTANTIAL

3.18 The objectives were clear, limited to well defined policy areas, and were monitorable. Prior actions and results indicators were fewer, more concrete, more implementable and better aligned with program objectives compared with the previous series.

3.19 However, there were still too many policy areas, which undermined the focus of the series and affected implementation and sustainability of reforms. Also, some prior actions could have been made less process and more outcome oriented. In health, the linkages between objectives and prior actions (focusing on the adoption of policy documents related to health staff, absenteeism, and drug stock outs) and outcome indicator (DPT3 immunization) were weak. In roads, major challenges identified in the sector (e.g., inadequate maintenance, capacity of private construction industry and poor business environment, road safety and procurement) were not clearly addressed by the prior actions.

3.20 The program assumed that improved value for money would be achieved by supporting correlates of value for money. This may be the case in some areas such as for anti-corruption, PFM, and procurement, but is not true for all actions supported under the program. Direct measures and indicators of value for money that would, ideally, capture both cost and benefit dimensions of public service delivery are, for example, number of vaccinations per unit of cost.

Implementation of PRSC 8-9

3.21 The PRSC8-19 was designed as a series of three operations, in support of the newly developed National Development Plan. Similar to the PRSC5-7 series, it was provided within a harmonized framework for budget support, under the Office of the Prime Minister. In the event, PRSC10 was dropped because of delays in implementing the original policy agenda (see below). IDA financing for the truncated two operation series consisted of two credits for $100 million each.

3.22 PRSC8 financing was comprised of $60 million from IDA and $40 million from the Pilot Crisis Response Window (CRW). This amount represents a reduction from the planned amount of US$140 million "as a result of inadequate strengthening of the legal framework for public procurement and slow progress in public service reform" (PD, pp.17).[21]

3.23 Disbursement of funds from PRSC9 was delayed for several months after the Auditor General of Uganda released a report raising concerns about the transfer of funds for bilateral budget support to dormant accounts at the Bank of Uganda and then used fraudulently.[22].The credit was disbursed after the Government of Uganda committed to carry out actions to strengthen governance and public financial management systems. In this context of eroded trust, the Bank decided to truncate the series, cancelling the PRSC10. Table 3.1 provides an overview of the financing and dates.

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[21] The PD for PRSC 8 provided a detailed explanation of the reason for the changes in total financing: "The amount of PRSC 8 budget support is US$100 million, comprising US$60 million country IDA and US$40 million from the Crisis Response Window to help GoU mitigate the impact of the global economic crisis. The total credit amount is a reduction from the planned amount of US$140 million as a result of inadequate strengthening of the legal framework for public procurement and slow progress in public service reform. The draft Amendment to the Procurement Law presented to Parliament meets international best practice in most areas, with the exception of the amendment to allow unrestricted use of force account. This originally agreed prior action has therefore been dropped. It is given high weight in the assessment of government performance under the program since achieving efficiency in public procurement is critical to Uganda's reforms to achieve value for money in public spending, especially given that at least 55 percent of the government budget is expended through public procurement" (PD PRSC8).

[22] In October 2012, the Auditor General of Uganda issued a report on misappropriation of budget support funds provided by some bilateral development partners. According to the report, a substantial amount of funds provided by the Governments of Denmark, Ireland, Norway, and Sweden as official development assistance (approximately USD12 million) was inappropriately transferred in 2011 to dormant accounts of the Office of Prime Minister at the Bank of Uganda and then used in a fraudulent way. The report raised serious concerns about quality of public financial management, and, more generally, about deterioration in the quality of Uganda's governance, resulting in suspension of budget support by a number of bilateral donors participating in the Joint Budget Support Fund. (ISR1 PRSC9).

Table 3-1. Details on financing and dates PRSC8-9

Operation	Proposed amount	Actual amount	Approval date	Effectiveness date	Closing date	Implementing agency
PRSC8	140	100	09/30/2010	11/25/2010	03/31/2012	OPM
PRSC9	100	100	02/28/2012	09/19/2012	09/30/2013	OPM
PRSC10	100	Dropped				

Source: World Bank's Business Intelligence database.

3.24 No safeguard policies were triggered by the operation. No adverse distributional effects are anticipated from policies supported by the PRSC series. The PRSC is not expected to result in major adverse, or irreversible, environmental impacts.

Achievement of the Objectives

GREATER VALUE FOR MONEY IN PUBLIC SERVICES: SUBSTANTIAL

3.25 Greater value for money was to be achieved through progress in budget credibility; PFM and procurement; governance and anti-corruption; public sector management; and strengthened local government systems. The following subsections discuss the progress against each of these outcomes, and how they relate, and can be attributed, to the Bank's interventions.

3.26 Improved budget credibility was to be measured through the allocation and execution of the budget for health, education, road and water and sanitation. A budget variance not exceeding 5 percent for each sector was targeted. This was to be achieved through the following prior actions: (i) actual annual budget releases of conditional grants to each of the four JBSF sectors (health, education, water and sanitation, and roads) were at least 95% of the corresponding approved budget allocations for the fiscal year; (ii) budget releases of recurrent wage expenditure across the four sectors, recurrent non-wage expenditure across these sectors, and development expenditures across these sectors were in each case at least 95% of the corresponding approved budget allocations; (iii) the treasury has made budget releases to spending agencies on a quarterly basis; and (iv) the recipient has piloted the use of quarterly work plans and procurement plans. Further detail on prior actions is provided in Annex B.

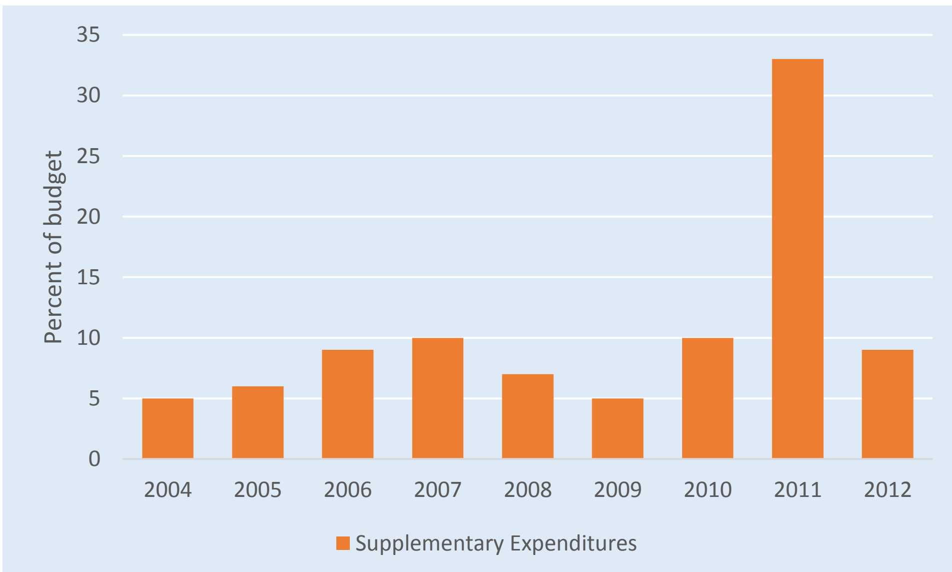
3.27 In a survey in which 66 stakeholders were interviewed, conducted during this IEG evaluation, [23] some 80 percent of government officials report that there has been considerable progress in budget credibility linked to PFM reforms. In contrast, 60 percent of non-government actors and DPs share this sentiment.

[23] See further discussion under JC 43.

3.28 Looking at the budget execution numbers, in the aggregate, the Government was able to broadly control and implement the budget with a variance of total expenditure of below 3 percent.

3.29 Notwithstanding aggregate budget control, there has been considerable over- and underspending across ministries. Also, frequent and sizable supplementary budgets—especially around the elections—have undermined budget planning and credibility (figure 16). As it is illegal for any expenditure vote to spend more than its approved budget, any deviation must be covered through supplementary authorizations by Parliament (Constitution of Uganda, section 156 (2)).

Figure 3-1. Supplementary expenditures as percent of the budget



Source: Williamson et al 2014.

3.30 Large supplementary expenditures were, for example, authorized at various times for the Ministry of Defence to buy fighter jets and pay for salary shortfalls; state house expenditures to meet operational shortfalls; Ministry of Energy and Development to clear payment arrears; and Uganda Police to police the 2011 elections. It is unclear why such expenditures could not have been anticipated, discussed, and planned for in the regular budget process. Furthermore, the Auditor General notes that many budget cuts were applied unilaterally by MOFPED on the Ministries, Departments, and Agencies' (MDAs) budgetary prioritized activities without prior consultation of the respective MDAs (Auditor General Report on 2010-11, Vol. 2). This deterioration in control of aggregate expenditure and composition of expenditure outturns has resulted in the decline in budget credibility and a corresponding decline in the respective PEFA and CPIA scores.

3.31 In principle, arrears on goods and services should not happen as the commitment control system (IFMIS) rejects any unwarranted commitment by the spending agencies. In practice, arrears do happen, but as of FY12, they had been reduced considerably to below 9 percent of total expenditure. They tend to be concentrated in payment arrears to government's suppliers. [24]

3.32 In conclusion, despite reforms, at present, budget credibility remains relatively weak, and improvements remain modest. Lack of budget predictability has undermined execution of expenditure programs and medium-term planning. And delays in the release of funds from ministries resulted in the periodic underfunding of district governments and service providers. It should also be noted that delays in release of donors' budget support complicated budget management.

Table 3-2. Summary of 2012 PEFA scores on budget credibility, indicators PI1-4

No.	Indicator	Score	Justification
PI-1	Aggregate expenditure out-turn compared to original approved budget	C	
(i)	The difference between actual primary expenditure and the originally budgeted primary expenditure	C	In one of the last three years, aggregate primary expenditure deviated from the original budget by more than 15%.
PI-2	Composition of expenditure out-turn compared to original approved budget	D+	
(i)	Extent of the variance in expenditure composition during the last three years, excluding contingency items	D	In 2 of the last 3 years, the variance in expenditure composition compared with the original budget exceeded 15%
(ii)	The average amount of expenditure actually charged to the contingency vote over the last three years	A	In the absence of a contingency vote or any charging of expenditure to such a vote, the default score is A.
PI-3	Aggregate revenue out-turn compared to original approved budget	D	Revenue collections were less than 92% of budget in 2009/10 and more than 116% of budget in 2010/11
PI-4	Stock and monitoring of expenditure payment arrears	C+	
(i)	Stock of expenditure payment arrears (as a percentage of actual total expenditure for the corresponding fiscal year) and any recent change in the stock	C	The stock of arrears constitutes 2-10 percent of total expenditure and has not reduced in the last two years. This matches the Framework requirement for a C score.

[24] Arrears, however, still accumulate due to inadequate budgeting practices, as spending agencies can fetch higher allocations for some items by deliberately under-estimating expenditure for core expenditure items such as salaries, pensions, rent, or utilities. During discussions with civil society, the school examination board was noted where allegedly the examinations are grossly under-budgeted in order to allow for later revisions.

(ii)	Availability of data for monitoring the stock of expenditure arrears	B	Data on the stock of arrears is generated at least annually, but may not be complete, and does not include an age profile

Source: PEFA 2012.

3.33 **PFM and procurement.** The outcome and intermediate outcome indicators were (i) the share of local Governments publishing financial transfers and budgets at local level; and (ii) contracts with complete procurement records in compliance with PPDA regulations. Prior actions set to achieve progress across these dimensions include: (i) satisfactory progress in implementing its undertakings to develop a format for performance agreements for accounting officers including chief administrative officers; (ii) performance agreements with all Permanent Secretaries in central government ministries and Chief Administrative Officers in local governments, including a requirement for compliance with the Recipient's financial management regulations; (iii) satisfactory implementation and monitoring of procurement regulations and systems; and (iv) approved and submitted to the Recipient's Parliament revised procurement implementation regulations.

3.34 There have been considerable improvements in efficiency, accountability, and transparency in PFM. The Government uses a more appropriate budget formulation that is based on administrative, economic and functional classifications. Since 2004/05, the classifications include fund and funding source, administrative organization, project, sector, Medium-Term Expenditure Framework (MTEF) (objective, output, and activity), and account (class, item, and sub-item) codes. The quality of information and comprehensiveness is sound, but there are some transparency issues discussed below.

3.35 The introduction of electronic fund transfers was reported to have significantly increased disbursement speed. In districts that have not yet converted to Integrated Financial Management Information System (IFMIS), transfers can take up to a month, which compares to less than 48 hours for those that have a functioning IFMIS system in place. (World Bank 2013). Field missions confirmed that frameworks were set up in some of the pilot districts, well-functioning, and have improved expenditure controls.

3.36 Most Local Governments publish their financial transfers. The target of 90 percent in 2013 was significantly surpassed to 100 percent. This is a considerable improvement from the 48 percent baseline in 2008. On the downside, the share of contracts with complete procurement records with compliance of Public Procurement and Disposal Act (PPDA) regulations was reduced over the evaluation period from 32 percent in 2008 to 17 percent in 2011, substantially missing its target of 70 percent. This is largely due to missing contract implementation plans, which were only found in 17.1 percent of procurement records according to the Third Annual Report on Tracking Corruption Trends in Uganda. (GoU 2012). Other categories were much more comprehensive. "Evidence of contract completion" was found in 60.2 percent, and the remaining ten categories of procurement records had compliance rates of 81.5 percent or higher. Despite the low compliance in one category, the action was a valuable improvement in public procurement, as there were no adequate data to measure procurement performance previously.

3.37 The 2012 PEFA rates the comprehensiveness of the information included in the budget documentation as strong based on all documentation presented to Parliament. While the Budget Speech of the various MDAs provide a fairly comprehensive picture on total external indebtedness and grants received as well as guarantees provided, information on debt stock and financial assets is provided in the Audit Report and Consolidated Accounts. Unreported extra budgetary expenditures (other than donors' funds) are estimated relatively low—between one and five percent of total Government expenditure—and non-tax revenue collected at the level of MDAs have largely been contained to the referral hospitals that collect user fees and retain them at facility level.

3.38 PEFA ratings for payroll, procurement and controls, however, have remained relatively low over the period (Table 3.1) but there is evidence of improvement in the latest draft PEFA 2013. The rating for competition, value for money and controls in procurement (PI 19) was only D+, in 2012, which marks no improvement over the 208 rating, and constitutes one of the worst performing dimensions in Uganda's otherwise well-functioning PFM system. In particular, the 2012 PEFA notes that procurement is decentralized but reporting to the central regulatory body is in arrears and some entities fail to report altogether. PPDA has a good Procurement Performance Measurement System, and undertakes compliance checks, but has insufficient resources to check more than a fraction of all procuring entities. Many contracts over the threshold for competitive bidding are given out on non-competitive methods such as direct (sole supplier) procurement, usually on grounds of emergency. It is estimated that less than half of these can be justified. The 2013 draft local government PEFA assessment found that procurement systems, payroll controls, non-salary expenditure controls and internal audit improved and work well in most cases. Procurement systems operate broadly adequately for all the 10 sample LGs. The legal and regulatory framework is transparent, fairly comprehensive and based on competition. (PEFA 2013).

3.39 Fiscal transfers between central and Local Government (LG) lack transparency. The Constitution provides for transfers to LG in the form of conditional, unconditional, and equalization grants. Most grant expenditures are conditional grants (95 percent); followed by unconditional (4 percent); and equalization grants (less than 1 percent). Except for the unconditional grant, which is generally based on area and population, the LGs cannot calculate the grants they will receive because the vertical allocation (part of the total sectoral allocation that relates to decentralized services) by each sectoral ministry that precedes the horizontal allocation across the LGs, is not predictable, there is uneven adjustment for donor interventions, and also because of frequent, unanticipated intersectoral shifts due to policy changes during the year. Relevant PEFA indicators, scores, and justifications are summarized in the table 3.2 below.

Table 3-3.Summary of PEFA scores as reported in the 2012 report, Indicators 5 - 10

No.	Indicator	Score	Justification
PI-5	Classification of the budget	A	Budget formulation and execution is based on administrative, economic and sub-functional classification, using a standard that can produce consistent documentation according to GFS and COFOG standards.

PI-6	Comprehensiveness of information included in budget documentation	A	
(i)	Share of the information listed in the budget documentation most recently issued by the central government (in order to count in the assessment, the full specification of the information benchmark must be met).	A	Recent budget documentation meets all nine information benchmarks
PI-7	Extent of unreported government operations	D+	
(i)	The level of extra-budgetary expenditure (other than donor funded projects) which is unreported i.e. not included in fiscal reports	B	The level of unreported extra-budgetary expenditure is in the range 1-5 % of total expenditure
(ii)	Income/expenditure information on donor-funded projects which is included in fiscal reports	D	Information on donor-financed projects in the in-year and annual financial statements is seriously incomplete (both grant and loan financed operations)
PI-8	Transparency of inter-governmental fiscal relations (between CG and HLGs only)	D+	
(i)	Transparent and rules based systems in the horizontal allocation among subnational governments of unconditional and conditional transfers from central government (both budgeted and actual allocations)	D	Less than 10% of the allocation formulae are determined in a transparent manner.
(ii)	Timeliness of reliable information to sub-national governments on their allocations from central government for the coming year	C	Reliable information is issued too late for significant changes to be made to the budgets for LGs.
(iii)	Extent to which consolidated fiscal data (at least on revenue and expenditure) is collected and reported for general government according to sectoral categories.	C	The LG fiscal information is collected on time and recurrent expenditure (60-75% of total expenditure) is consolidated into annual statistical tables.
PI-9	Oversight of aggregate fiscal risk from other public sector entities	C	
(i)	Extent of central government monitoring of autonomous government agencies and public enterprises	C	Most major AGAs/PEs submit annual reports to MoFPED but there is no consolidated overview of fiscal risk.
(ii)	Extent of central government monitoring of SN governments' fiscal position	C	The net fiscal position is monitored at least annually for higher-level local governments, but there is no consolidated overview
PI-10	Public access to key fiscal information	B	

(i)	Number of listed elements of public access to information that are fulfilled (in order to count in the assessment, the full specification of the information benchmark must be met)	B	The government makes available to the public 4 of the 6 listed types of information

Source: PEFA secretariat.

3.40 These findings are largely supported by a field survey of the IEG evaluation team. Almost all (99 percent) of the interviewees said their LG would prepare regular financial statements. 37 percent prepared annual statements, 60 percent quarterly statements, 3 percent both and 1 percent none. Further, 97 percent stated their LG prepared budget execution reports, and 57 percent state that their LG uses IFMIS for all or a large extent of budgetary preparation, monitoring and execution. 96 percent of respondents state their LG has been audited by an external auditor in the last three years. See Annex B for more detail on methodology.

3.41 Governance and anti-corruption. Progress in Governance and anti-corruption was to be measured against clean audit reports for Central Government, Local Government, and Statuary Bodies. While there was no prior action in PRSC 8 in this area, PRSC 9, stipulated that the Inspectorate General has developed and agreed upon a measurement framework with the Inter-Agency Forum, including indicators, for improved tracking of corruption trends and that it has published the first annual report on corruption trends in Uganda using that measurement framework.

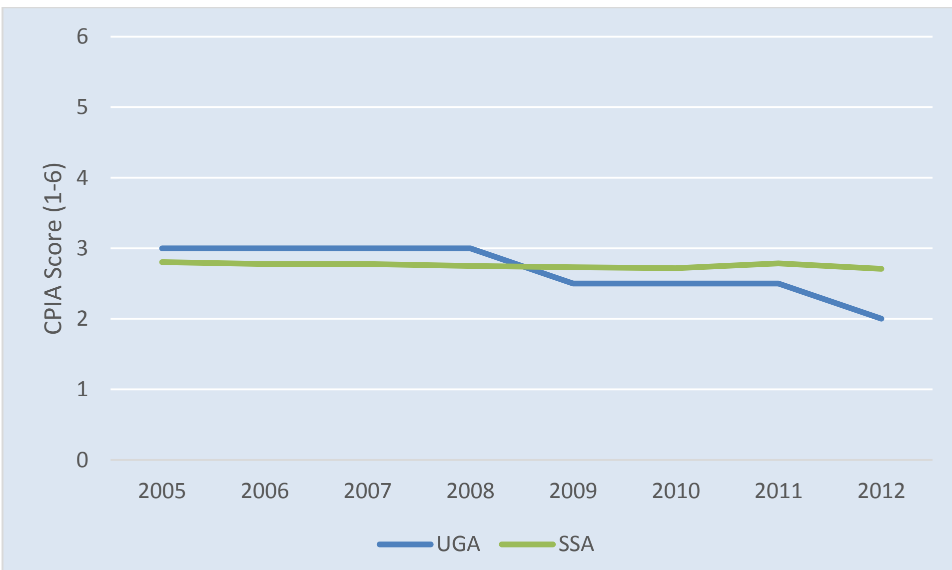
3.42 These indicators were largely achieved. The target of clean audits for Central Government (45 percent), Local Government (29 percent), and Statutory Bodies (59 percent) were surpassed at 59 (compared with the 2008 baseline 35), 45 (baseline 9), and 61 (baseline 49) percent, respectively by 2012.

3.43 Over the years, this and the preceding PRSC series have contributed significantly to the quality of governance institutions and accountability. Governance indicators have improved across a number of domains, especially in the earlier years of the evaluation period and on the upstream side of the accountability chain. Also, budget support and related policy dialogue, directly and indirectly, helped strengthen some key governance and accountability institutions such as the Auditor General's office and Inspector General's office as well as their relative importance within the government institutions. However, progress is especially lacking regarding downstream of the follow up on upstream decisions, enforcement of prosecution, and recovery of funds.

3.44 The quality of Parliament and Civil Society scrutiny of national budgets, expenditures and audit reports is adequate and has improved. Parliament upstream scrutiny is exercised through some of the key committees such as the Budget Committee. Through its Budget Committee, Parliament reviews fiscal policies, the medium term fiscal framework and medium term priorities, and details of expenditures and revenues. Additionally the 2012 PEFA Assessment considers the procedures of the legislature to be relatively well established and respected. There is adequate time for the legislature to provide a response to budget proposals, as stipulated in the Budget Act of 2001. It is also noteworthy that recommendations of the Accountant General are by and large being considered by the executive. However, Parliamentary scrutiny of the budget downstream or ex post is weak. For example, Parliament has not debated or approved any of the audit reports on the Consolidated Accounts of the three years up to 2012. The Public Accounts committee, an important committee, is overwhelmed with the workload and there is a backlog of matters for its consideration. (PEFA 2012)

3.45 CPIA ratings on transparency, accountability, and corruption in the public sector have deteriorated significantly since 2008. Prior to that date, Uganda performed consistently better than the IDA-eligible Sub-Saharan average. Since then, Uganda has lost considerable ground and scores significantly worse that the Sub-Saharan average in 2012 (figure 3.2). This is largely attributable to a number of high-profile corruption incidences, including the embezzlement of donor funds, poor follow up in terms of prosecution and indictment, and the relative lack of civil society engagement in governance processes. This is viewed as reducing the integrity of public resource use and its effectiveness, affecting citizens' trust in their government.

Figure 3-2. Uganda vs. Sub-Saharan Africa: CPIA scores on the quality of policies and institutions in the areas of transparency, accountability, and corruption in the public sector (ratings range from 1=low to 6=high)



Source: World Bank's CPIA database.

3.46 The evaluation team conducted an online survey of key stakeholders, and found that there are diverging views on progress in corruption: according to most government officials corruption has been reduced to some or a great extent; development partners and non-state actors generally disagree.

3.47 Uganda's anti-corruption legal framework and governing legislation is assessed as strong. However, there are problems in the legal framework for political party financing. Also, the country is still lacking effective implementation and enforcement of the rules in place. In particular, the continuing lack of progress in prosecution, and conviction of corruption cases is undermining the gains made in upstream legislative reform and institution building.[25]

3.48 The office of the Inspectorate General (IGG) has the mandate to investigate or cause the investigation of corruption, prosecute, as well as arrest or cause the arrest of corrupt officials. It also serves as the country's ombudsman and is regulated by the Inspectorate of Government Act of 2002. There has been a notable increase in prosecutions since 2006. Convictions have increased at a much slower pace, so there is a growing gap between prosecutions and convictions. The number of prosecutions has increased more than threefold from 44 in 2006 to 145 in 2013. The number of convictions has increased from 2 in 2006 to 18 in 2013. It is noted that the ratio of prosecutions to convictions has improved, from 4.5 to 12.4 percent. This is a tangible improvement, but much less than needed to affect the incentives for corruption and contribute to a deterrent effect of enforcement activities.

3.49 Concluded cases were about 50 percent of total prosecutions, which has however deteriorated significantly in 2013 to about 20 percent. The great majority of corruption related cases investigated relate to embezzlement and forgery. Lack of data, or sufficient evidence, for prosecution is the leading cause for closing cases or referred cases for further investigation. (Inspectorate General 2014b). Table 3-4 shows the breakdown of the conviction rates.

Table 3-4. Prosecutions and convictions from 2007 - 2013.

	2006	2007	2008	2009	2010	2011	2012	2013
Prosecutions	44	60	64	70	116	154	168	145
Concluded cases	7	12	16	11	30	61	86	32
Convictions	2	4	10	1	18	37	45	18
Dismissals	0	3	0	4	2	2	3	1
Acquittals	5	2	6	1	3	14	23	8
Withdrawn					7	8	15	5
Conviction rate (per 1,000 male)	28.6	33.3	62.5	9.1	60	60.7	52.3	56.25

Source: Inspectorate General (2014b).

3.50 However, there is limited follow up on the IGG recommendations by the executive. Similar to the Accountant General's Office, the IGG submits a report to Parliament every six months regarding the operational performance of its functions and recommendations. However, it is noted that some institutions and officers "ignore; delay compliance; or refuse to implement the IG's recommendations, without giving credible reasons" (Inspectorate General 2014a). This undermines the credibility and efficacy of the institution. This may also be an institutional problem of a lack of a standalone

[25] Comparatively, Uganda scores poorly in the corruption perception index, and is ranked 142 out of 175 countries. Its score is in the 21st percentile overall. Placing this into regional context, this score is on par to Kenya, but significantly worse than Tanzania, or Rwanda, who are in the 37th and 71st percentile, respectively. (Transparency International 2014).

parliamentary committee on anti-corruption, which could give greater parliamentary oversight and urgency to the implementation of IGG and AG recommendations.

3.51 Overall, significant progress was made regarding the time required for case resolution. However, this is still insufficient to address the very large backlog of unresolved cases that has accumulated over recent years. In FY 14, the backlog grew by 850 cases.

3.52 The total workload of the IGG was substantial with 14,501 cases in 2014. Some 78 percent of these are accumulated cases from previous years. It has been recognized that the backlog of cases poses a serious accountability problem. However, actions taken were inadequate, and the backlog continues to increase. Table 3-5 shows that there were 2,240 cases investigated and completed, which is significantly less than the number of new complaints received (i.e. 3,092). In other words, in FY 2014 the backlog grew by more than 850 cases. (Inspectorate of Government 2014b).

3.53 Significant improvement was made regarding the time needed to resolve a case. While in 2010 54.2 percent of cases took more than 12 months to be resolved, this number substantially dropped to 24 percent in 2012. It has risen to 28 percent in 2013. However, this progress is still insufficient to curb the backlog. Of the 85 cases that were ongoing in December 2013, 34 had been before the courts for more than 24 months. Inadequate staffing at both the IG and in the court system contributes to the delays in concluding prosecutions initiated by the IG. (Inspectorate of Government 2014a)

Table 3-5.Number of investigations carried out by the inspectorate in FY 2014.

	FY 2014	**Share**
Complaints brought forward	11,334	78%
Investigations from Audit Reports	219	2%
New complaints received/initiated	3,092	21%
New verifications of leaders' declarations	22	0%
Total workload	14,501	100%
Investigated & completed	2,240	82%
Verifications concluded	52	2%
Referred to other Institutions	380	14%
Rejected complaints	53	2%
Total complaints concluded	2,725	100%
Carried forward	11,776	n/a

Source: Inspectorate General (2014b).

3.54 Public sector management. Improvements in Public Sector Management were to be measured against the share of employees whose computerized HR processes related to pay are managed by the employer. Prior actions to achieve this objective include the adoption of a framework for attracting and retaining teachers and health personnel in hard-to-reach areas, and of a single framework for results oriented management, output oriented budgeting and budget monitoring, including a modality for attaching performance agreements to letters of appointment of civil servants.

3.55 The target of employees whose computerized HR processes related to pay are managed by the employer was set at 50 percent for 2013, and was significantly surpassed at 96 percent. This is a considerable achievement given a zero baseline in 2008. This action in principle permits the government to link one person to one job and eliminate "ghost workers". According to the Auditor General Office (4th annual report on Tracking Corruption Trends in Uganda, pp. 34), as of May 2014, 8,229 “ghost workers” had been eliminated from the payroll; the reduction represented a saving of about 1.45 million dollars (3.74 billion Shillings) for the three month period of February – April 2014, which annualized amounts to close to six million dollars.

3.56 However—EG field visits in 2014 which provide additional evidence—do not confirm these findings. Absenteeism and ‘part-time-ism’ of public officials, in particular in some of the priority sectors (education and health), was found to be a persistent problem, continuing to undermine service delivery. [26] Other continuing pertinent issues are inequitable distribution of public servants across the country; weaknesses in the inspection and disciplinary system for public servants; and incentives and pay system. The PRSC aimed to address some of these weaknesses, for example, by a prior action aiming for an adoption by government of the framework for attracting and retaining public officers in hard-to-reach areas, integrated personnel and as well as the adoption of results oriented management, output oriented budgeting and monitoring. While prior actions were met, the IEG mission field visits including visits to hospitals and medical facilities in the secondary towns strongly suggest that progress remains limited.

3.57 Strengthened local government systems. The same indicator as for PFM applies to this objective: the percentage of Local Governments publishing financial transfers and budgets at local level. In support of this was the prior action requiring the recipient to analyze quarterly reports to provide aggregate and in-year information about actual local government expenditures and outputs, and publish the summary budget performance report. As already noted above, Local Governments by and large publish their financial transfers. The target of 90 percent in 2013 was significantly surpassed to 100 percent. This is a considerable improvement from 48 percent at baseline in 2008.

3.58 Progress in strengthening decentralization has, however, been modest at best, and capacities for local governance and service delivery have suffered major policy-related setbacks. The abolition of the graduated tax in 2005 practically eroded the local revenue base. The government reduced transfers to Local Governments and increased percentage of conditional grants. The graduated tax compensation almost eroded entirely. These developments are shown in the figure 3.3 below.

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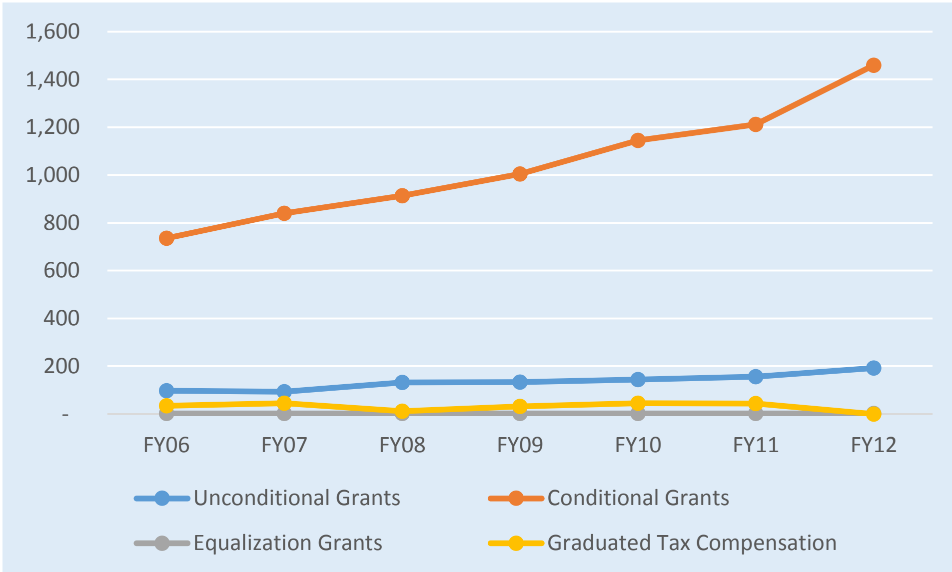
[26] The situation does not seem to have changed notably since the Health Sector Public Expenditure Review of 2010, which notes that health worker absenteeism represents a major source of waste in the sector. Absenteeism is estimated between 37 and 52 percent in public health facilities. Regarding ghost workers the study estimates that 1.5 percent of health workers were in fact ghost workers, based on a prior clean up exercise and the fact that no substantial improvements regarding the lag in removing workers who have died, retired, or absconded from the payroll has been made. (World Bank 2010).

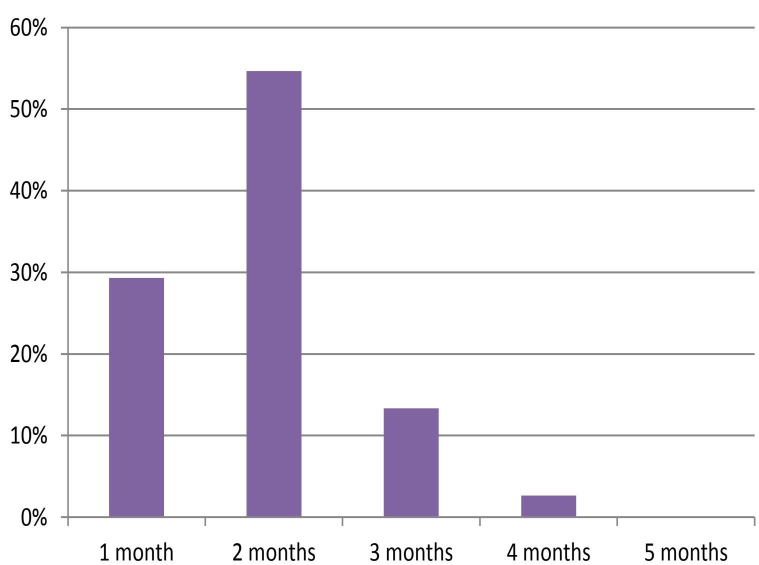
Figure 3-3. Composition of Grants to Local Governments (F06-FY12, UGX billion)



Source: Government of Uganda.

3.59 This is also consistent with findings from the local government module of the stakeholder survey. Most respondents note that the majority of funds from central levels to the districts are allocated with conditions. What complicates strategic prioritization is that funds were generally reported to be 1-3 months delayed. These trends are shown in Figure 3.4 below. For more information on methods see Annex B.

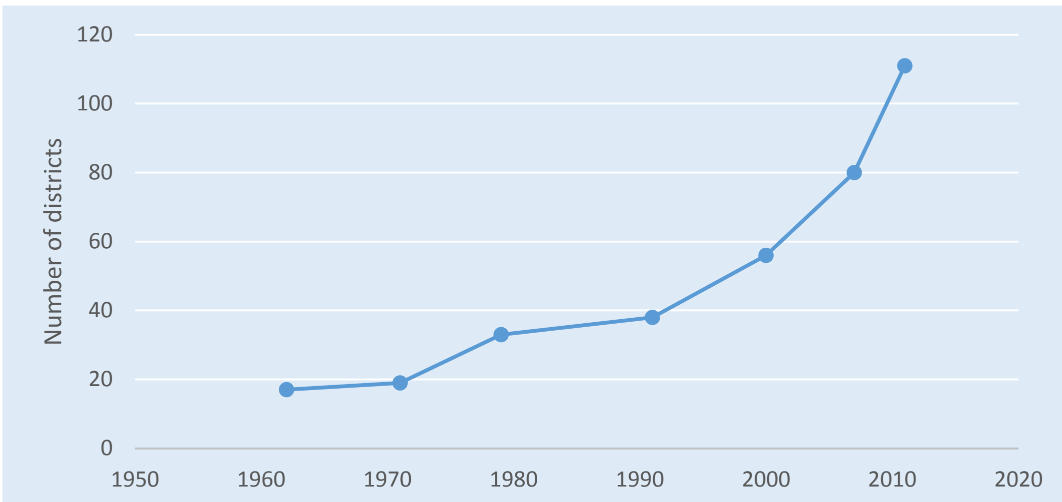
Figure 3-4. Survey response to delay of funds



Source: Joint Budget Support Survey (2014).

3.60 The government created a number of new districts, reflecting mostly political patronage. These decisions were mandated by the presidential administration without consultation and unsupported by analysis of budgetary and service delivery implications. They undermined local government service delivery and local government employee morale. Over the period of evaluation, the number of districts increased by almost 50 percent. This is the problem that remained throughout the period of both PRSC series (see figure 3.5).

Figure 3-5. The proliferation of districts in Uganda



Source: Government of Uganda.

3.61 The actions supported by the PRSC were insufficient to address the deeper problems of local government functioning, including the lack of a robust own revenue tax base and lack of flexibility resulting from reliance on conditional transfers. Nor did the PRSCs address adequately weaknesses in local capacity, budget cycle credibility, coordination of collection and processing of data on revenue and expenditures, lack of transparency and inequality in inter-governmental fiscal transfers, and issues in coordination of inspection, monitoring and supervision.

IMPROVING ACCESS TO PUBLIC SERVICES. MODEST

3.62 Improving access to health. Achievement of this objective was to be measured through: the DPT3 immunization rate—which is a critical indicator of the quality of public health affecting children; vacancy rates for medical workers in hard-to-service locations; proportion of approved posts filled by qualified health workers; health workers' absenteeism rate; and the proportion of health facilities without drug stock outs for tracer drugs. Prior actions were (i) the establishment of a human resources for a health management information system and the provision of information on levels and distribution of the health workforce; and (ii) the signature and the start of implementation of a memorandum of understanding, which includes a performance framework with key performance indicators, for the distribution of essential medicines by the National Medical Stores. To assess achievements, available evidence is first presented based on the demographic and health survey through 2011. Then these data are, where possible, extended using the latest UNICEF and WHO data.

3.63 Regarding DPT3 coverage27, there was a reduction of coverage from 82 percent in 2008 to 80 percent in 2011, clearly missing the target set for 90 percent (ICR). (table 3-6). Vacancy rates for medical workers in hard-to-service areas remained the same at 42 percent missing the modest target of a reduction to 40 percent. Proportion of approved posts by qualified health workers improved modestly from 51 to 56 percent, between 2008 and 2011, thus missing the target set for 65 percent. The absenteeism rate of health workers declined modestly from 31 to 28 percent, though missing the target of 25 percent. Finally, the proportion of health facilities without stock-outs for tracer drugs increased significantly from 28 percent to 43 percent, though still missing the target of 65 percent. In summary, little progress was made prior to 2011.

Table 3-6. DPT3 immunization trend coverage

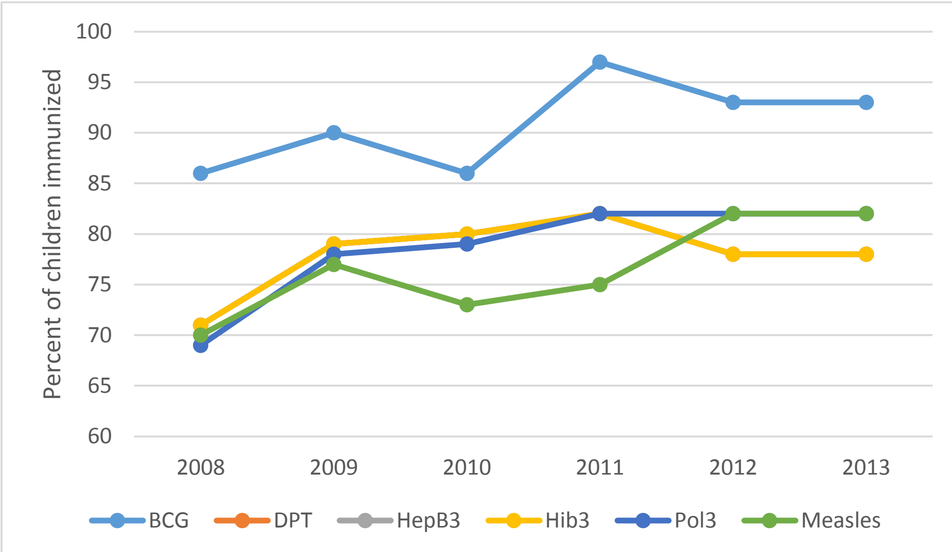
	1995	2000-01	2006	2011
TOTAL	**61,1**	**46,1**	**63,9**	**71,5**
by region				
Central	70,8	37,9	59,1	65,9
Eastern	49,1	44,7	64	65,8
Northern	47,9	44,9	65,6	79,2
Western	74,7	57,7	66,5	78,3
by residence				
Urban	75,3	59,1	67,2	75,4
Rural	59,4	44,5	63,5	70,8
by household wealth index (by quintile)				
Lowest	46,8	34,9	63,9	73,8
Second	58,1	45,2	59	71,6
Middle	59,5	51,4	67,4	66
Fourth	63,2	47,7	65,5	70,6
Highest	81,4	55,1	64,6	74,7
by sex of child				
Male	63	44,6	62,7	72
Female	59,4	47,7	65,1	71

Source: UDHS 1995-2011

3.64 Most recent UN data on immunization, which extend the data presented above suggest some gains (Figure 3.6), though in the case of DPT3 and BCG, there appears to have been further decline between 2011 and 2013.

[27] The Immunization Rates indicator is widely regarded as a good proxy for the overall strength of a government's public health system (Becker et al. 2006).

Figure 3-6. Uganda: Immunization rates for various diseases



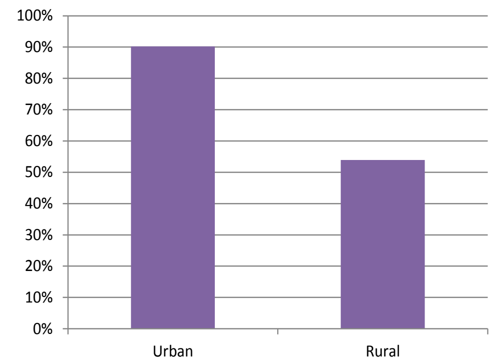
Source: UNICEF and WHO Health, Population and Nutrition Statistics database.
Notes: Child immunization rate, BCG is the percentage of children ages 12-23 months who received vaccinations before 12 months or at any time before the survey for BCG. A child is considered adequately immunized after one dose. Child immunization DPT measures the percentage of children ages 12-23 months who received DPT vaccinations before 12 months or at any time before the survey. A child is considered adequately immunized against diphtheria, pertussis (or whooping cough), and tetanus (DPT) after receiving three doses of vaccine. Child immunization rate hebb3 for hepatitis B is the percentage of children ages 12-23 months who received vaccinations before 12 months or at any time before the survey. A child is considered adequately immunized after three doses. Child immunization hib3 measures the percentage of children ages 12-23 months who received vaccinations before 12 months or at any time before the survey. A child is considered adequately immunized against Hib3 after receiving three doses of Haemophilus influenza type b vaccine. Child immunization rate pol3 for Polio is the percentage of children ages 12-23 months who received vaccinations before 12 months or at any time before the survey. A child is considered adequately immunized after three doses. Child immunization for measles measures the percentage of children ages 12-23 months who received vaccinations before 12 months or at any time before the survey. A child is considered adequately immunized against measles after receiving one dose of vaccine.

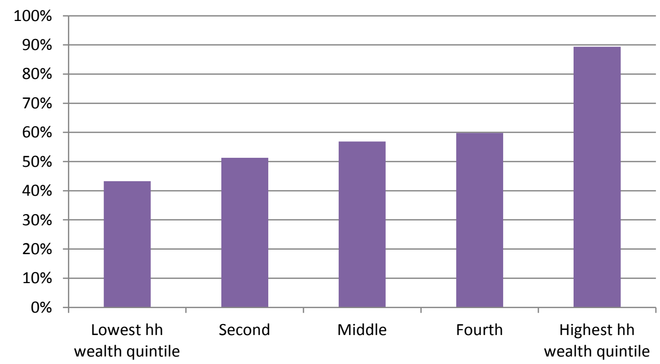
3.65 Moreover, any limited progress achieved cannot be fully attributed to the PRSC. There were a number of other major donors in the area of immunization such as the Global Alliance for Vaccines and Immunization (GAVI) that supported immunizations with substantial funding.

3.66 There is evidence that overall access to maternal services has improved. There is a significant gap between urban and rural households, as well as across wealth quintile, however. There is almost a 40 percentage point difference between rural and urban households as well as the richest and poorest wealth quintile who deliver in a health facility (figure 3-7).

Figure 3-7. Delivery of babies in health facility by residence and wealth quintile

Deliveries in health facilities by residence	**Deliveries in health facilities by household wealth**





Source: UDHS 2011.

3.67 Also, the share of institutional deliveries (or deliveries attended by a skilled birth attendant) has stagnated at around 41%. This is a key contributing factor for Uganda's failure in achieving the MDG 5 on maternal mortality (GoU, 2013b). Around one-third of pregnant women attend antenatal care services. During consultations, it was frequently reported that most women attend the first Ante-Natal Care (ANC) session and many attend the second session. However, significantly fewer pregnant women attend all four ANC sessions. The reasons include low trust in usefulness of services and difficulties in funding transportation to clinics. Security, transportation, and health sector linkages in delivery of health services to women are especially important to the poor women in rural areas.

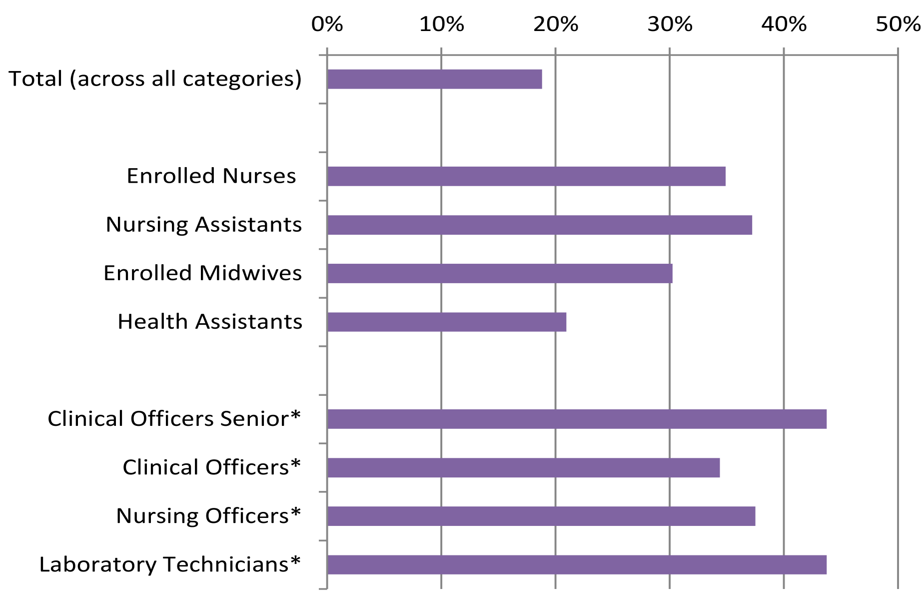
3.68 Access to contraceptive services is generally low. Data show an increase from less than 20% of women in ages 15 to 49 using or having access to some type of contraceptive in 2005 to 30% in 2011. Further information on gender sensitive outcomes are provided in Annex C. During consultations several sector experts noted that, for example, the distribution of condoms is generally incomplete and only cover certain parts of the country, predominantly the urban areas. The hard-to-reach areas, which were targeted by the operation, continue to have less access to contraceptives.

3.69 The PRSCs directly supported staffing in health facilities through policy actions aiming at reducing vacancy rates for medical workers in hard-to-service locations, and improving the ratio of approved posts filled by qualified health workers. However, progress has been sluggish. The field survey conducted by the evaluation team[28] finds that most health units are understaffed. Only 19 percent of the respondents stated that their unit was fully staffed in all categories. Health assistant and midwife positions are particularly lacking, contributing to the poor results outlined above. Respondents also indicated that the most difficult staff to attract were midwives followed by health

[28] A number of level III health units were surveyed. More information on methods can be found in Annex B.

assistants and senior clinical officers. This is particularly true for hard-to-reach areas. Regarding staffing improvements, 48 percent of respondents indicated that the staffing situation has improved since 2009 and 50 percent state that it has not (figure 3.8).

Figure 3-8. Share of level III health units fully staffed



Source: Joint Budget support survey (2014)

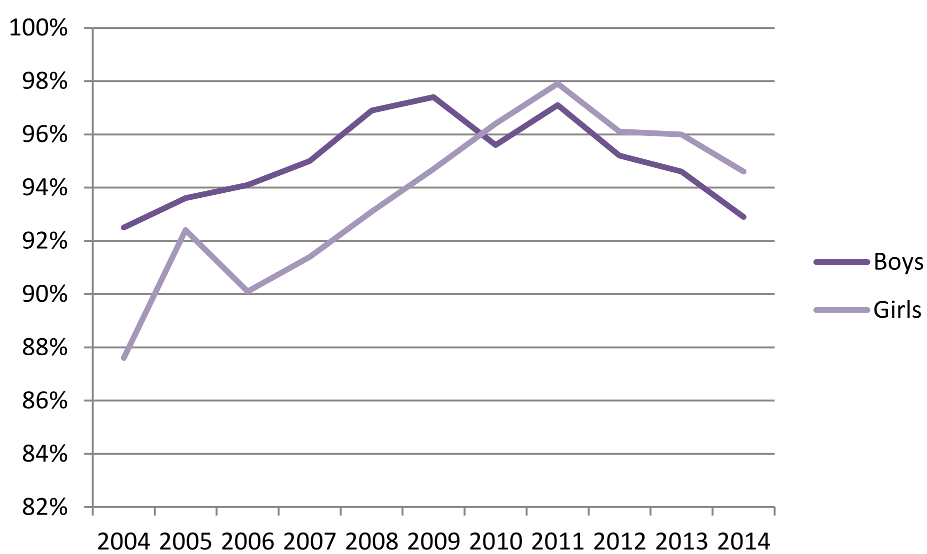
3.70 Improving access to education. This objective was set to be measured through a number of outcome and intermediate outcome indicators including: primary pupils passing PLE with grades I-III at public primary schools; girls in public primary school passing PLE with grades I-III; vacancy rates in primary and secondary schools in hard-to-service locations; and number of teachers at work in 12 districts with the weakest education sector indicators. The PRSC sought to achieve these indicators through the following actions such as the signing of performance contracts with head teachers in the 12 Districts with the weakest education sector indicators, and a new teacher allocation formula.

3.71 The main outcome indicator was primary pupils passing PLE with grades 1-3. This outcome improved from 262,000 in 2008 to 316,000 in 2011, higher than the target for 2013 of 284,000. (MoES 2013). This is related to the action of providing more teachers where they are needed and incentivizing head teachers with performance contracts. This indicator would also have been more informative if it had been expressed in percent of primary pupils in view of high population growth and new cohorts of students. The other outcome indicator is, indeed, expressed in such terms. The percentage of girls passing grades 1-3, in fact, increased from 45.2 in 2008 to 48 percent in 2011 compared to the target of 46 percent in 2013. (MoES 2013). However, other relevant outcome indicators such as the dropout rate and net enrollment rate were not considered by the operation.

3.72 There has been a substantial increase in access to education at both primary and secondary level, with equal rates of enrolment between boys and girls at primary level, although girls still lag behind boys in secondary school enrolment. Completion rates at primary 7 have also risen for girls from 54% in 2004 to 67% in 2013, but there has been a decline for boys from 72% to 67%. There are very low survival rates to primary 7, indicating that the majority of pupils have dropped out by this point (31% survival rate for both girls and boys in 2013).

3.73 Net primary school enrolment rates (NER) have increased significantly since 2004, and peaked in 2011 (figure 3.9). Rates have since declined, but remained at around 93 percent (male 92.9%; female 94.6%) in 2014. This indicates that now there is almost an equal NER of boys and girls. These figures mask significant regional differences in enrolment at primary level. For example, in Karamoja in the North the NER for boys was 45% and for girls 43% in 2013, whereas, in Buganda in the Central region the NER was 89% and 91% for boys and girls respectively in 2013 (MoES, 2013: Sector Performance Report).

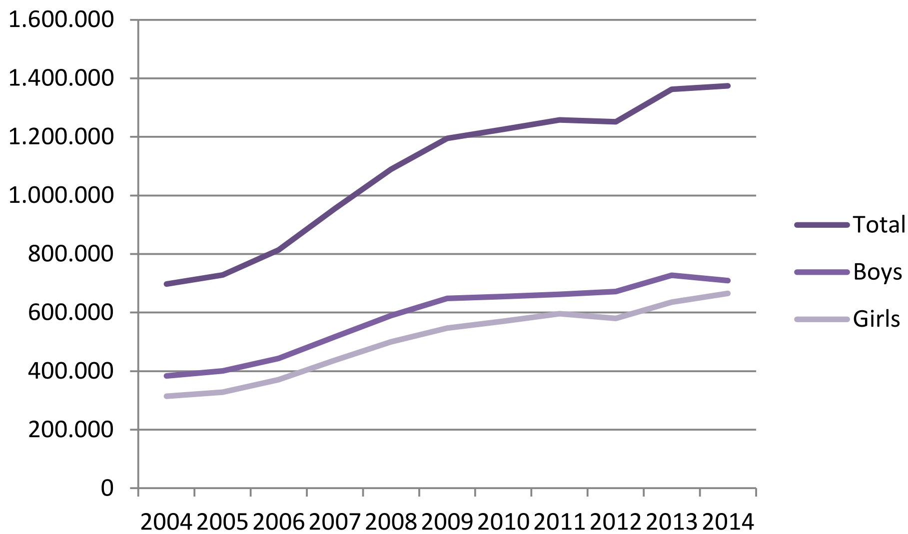
Figure 3-9. Primary school net enrollment rates



Source: MoES 2013.

3.74 There has been a significant increase in secondary school enrolment since 2004 as shown in the figure below. Secondary school enrolment has risen from 697,507 (male 383,652; female 313,855) in 2004 to 1,257,000 (male 672,820; female 505,540) in 2013. There is still a substantial gender gap, with girl's enrolment lower than boys (figure 3.10).

Figure 3-10. Trend in secondary enrollment



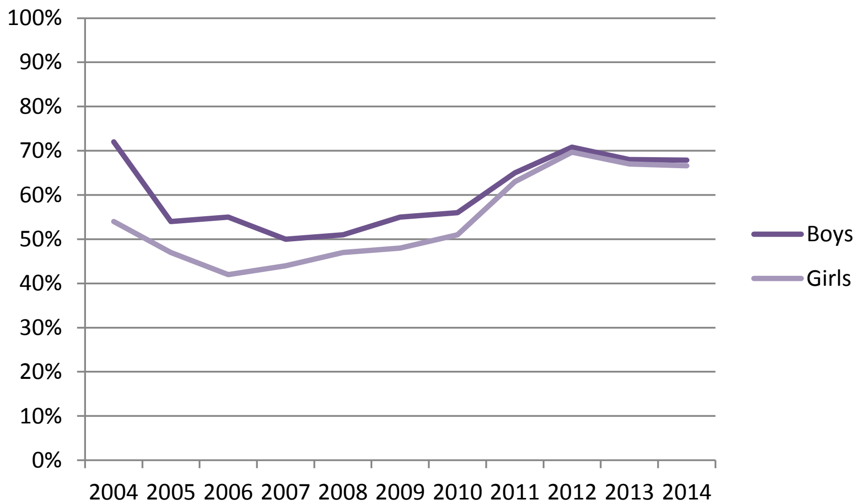
Source: MoES 2013.

3.75 The NER at secondary level has improved as it was at 14.5 % in 2004 (15.5% boys and 13.6% girls). This increased to 24.1% in 2014 (22.4% boys and 23.3% girls). Similarly, the GER has risen from 17.2% in 2004 (19.1% boys and 15.3% girls) to 28.1% in 2014 (29.1% boys and 28.1% girls) (MoES, 2014: Sector Performance Report). There are significant regional differences in terms of secondary level NER. For example, in Busoga in the Eastern Region there was an NER of 35% for boys and 31% for girls in 2013. In contrast, Karamoja in the North had an NER of 5% for both boys and girls (MoES 2013).

3.76 Primary level *completion* rates at primary level 7 fell between 2004 and 2008 from 62% to 45% and then increased again to 70.3% in 2012, before falling back to 67% in 2013 as shown in the figure 26 below. Completion rates rose for girls from 54% in 2004 to 67% in 2013, but there has been a decline for boys from 72% in 2004 to 67% in 2013. Completion rates varied between districts with the highest completion rate in 2013 in Nwoya in the Northern Region at 191% (255% for boys and 127%) for girls and the lowest in Amudat, also in the North at 7% for both boys and girls in 2013.

3.77 This is counterbalanced by a very low survival rate to P7, which has changed little since 2004 when the survival rate was 28% (boys 27% and girls 29%). By 2013 the survival rate was 30% (boys 30% and girls 29%), this is in contrast to a 65% survival rate in 2002 (MoES 2014).

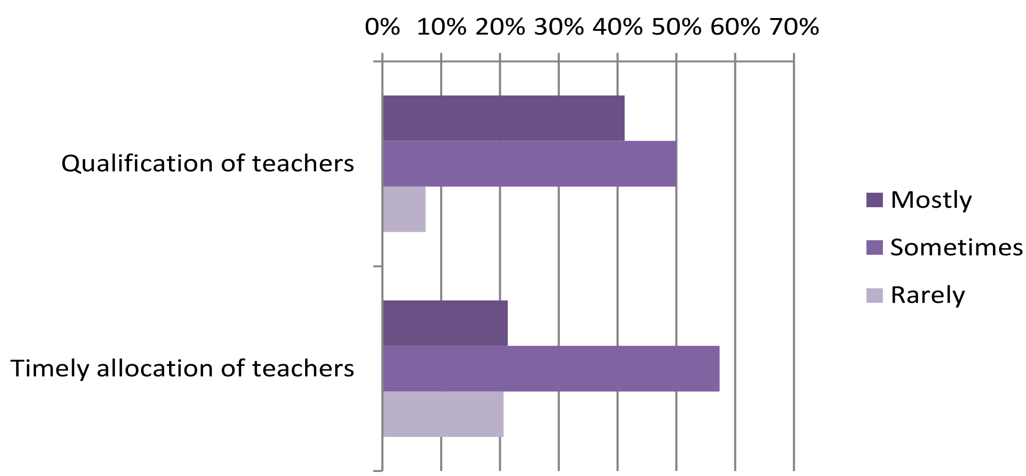
Figure 3-11. Primary 7 completion rates



Source: MoES 2013.

3.78 The PRSCs emphasized the importance of teachers through its policy actions. The field survey of the evaluation team found that the qualification of teachers is not always adequate, and that timely allocation to schools is lacking (figure 3.12).

Figure 3-12. Qualification of teachers and timeliness of teacher allocation



Source: Joint Budget Support Survey (2014).

3.79 An econometric analysis was undertaken by the evaluation team, looking at basic correlates between access and quality of education and various inputs including funding. The aim was to establish whether there was any link between sector outcomes and sector funding and other inputs supported by the PRSCs. The analysis highlights a number of specific determinants of improved gross enrolment ratios, such as the number of teachers relative to the school age population, the number of classrooms and adequate seating space. Some of the estimated effects of specific sources on school enrolment differ between boys and girls. The analysis also indicates that the number of students per classroom, seating spaces, as well as the qualification and number of teachers influenced PLE pass rates or primary completion rates. Box 1 provides an overview of the findings. More detail can be found in Annex B.[29]

Box 3-1. Key factors contributing to access in education

Primary and secondary enrolment ratios (access)

Districts improved their gross enrolment ratios (GERs) in primary and secondary over time with increased provision of:

Schools: 1 additional school per 10,000 children of primary school age increased the male and female GERs in primary by 1.5 to 2 percentage points and somewhat less at secondary level.

Classrooms: 1 additional classroom for all schools led to a roughly 3 pct. point increase in the male and female GERs at primary level and to 1 pct. point increase at secondary level

Adequate seating and writing space: 1 additional space in all classrooms raised the male and female GERs in primary by 0.5 to 1 pct. points and by 0.2 pct. points in secondary.

Teachers: 1 more teacher per 1,000 children of primary school age produced an increase of 1 pct. point in male and female GERs at primary level and of 0.3 pct. points in the female GER in secondary.

While the positive signs of the effects usually hold for both boys' and girls' enrolment, the magnitudes of the impacts are often different for the two and may trigger a change in the enrolment gender gap.

Boys benefited from:

New primary and secondary schools

Additional classrooms and seating/writing spaces in secondary;

Upgrading schools to the highest class: expanding 10 % of the schools to grades P7 (primary) or S6 (secondary) increased male GERs by about 2 and 0.5 pct. points, respectively.

Girls benefited from:

Classrooms and spaces in primary;

Increasing shares of girls-only secondary schools;

Number of gender-segregated latrines (somewhat mixed evidence)

Source: Uganda: Joint Budget Support Evaluation, 2004-13, IEG-EC, May 2015.

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[29]These findings are convergent with those of other studies. Using data from 2006-2010, an earlier study carried out by the World Bank found that, at primary level, teacher attendance, school size as determined by enrolment, and the availability of toilets and first aid services at school, explained 13 percent of the variation in the proportion of students who pass the PLE in grades 1-3. However, key inputs such as trained teachers showed no significant association with the percentage of students passing this exam (Mulindwa Najjumba, I. &J. H. Marshall 2013).

3.80 On balance, there has been a significant increase in access, and there is evidence that the PRSCs contributed to this through both financing and an emphasis of teachers. However, achievements in access this has not been matched by an equivalent rise in the quality of education. This is due in part to the education budget being spread thinly, given partly as a result of the government's policy of expanding access at both primary and secondary levels. This was undertaken without increasing resources to the sector.

Improving access to water and sanitation

3.81 There were two prior actions in PRSC8: (i) The Recipient has, in accordance with paragraph 15.2 of the Letter of Development Policy, section on economic management, ensured that: (a) actual annual budget releases for the sum of conditional grants to each of the four JBSF sectors (health, education, water and sanitation, and roads) were at least 95% of the corresponding approved budget allocations for the Fiscal Year 2008/2009; (b) budget releases for the sum of recurrent wage expenditure across the four sectors, the sum of recurrent non-wage expenditure across these sectors, and the sum of development expenditures across these sectors were in each case at least 95% of the corresponding approved budget allocations for the Fiscal Year 2008/2009; and (c) the Recipient's Treasury has made budget releases to Spending Agencies on a quarterly basis, through the end of the first quarter of Fiscal Year 2009/2010 (PRSC8); and (ii) Water and Sanitation: In accordance with paragraph 15.4 (iii) of the Letter of Development Policy, section on effective delivery of and improved access to core public services, the Recipient has provided evidence satisfactory to the Association that water user committees under a community based maintenance system are actively functioning in at least 50% of Districts, and within these Districts at least 40% of water points are covered by water user committees. In PRSC9, there was one prior action: to pilot the country-wide establishment of water user bodies for water-for-production facilities, starting with at least 18% established and functional bodies, and pilot the contracting of private operators to handle day-to-day maintenance of large water for production facilities (dams and valley tanks with capacity exceeding 40,000 m3, starting with at least one large facility), all in accordance with the Manual for Water-for-Production Management Systems.

3.82 Access to water and sanitation was measured through outcome indicators including: improved water sources that are functional at the time of spot check at rural and valley levels; people accessing hand washing with soap facilities; and pupil to latrine/toilet stance ratio in schools. Prior actions included (i) water user committees under a community based maintenance system are actively functioning in at least 50 percent of districts, and within these districts at least 40 percent of water points are covered by water user committees; and (ii) the recipient piloted the country-wide establishment of water user bodies for water-for-production facilities, starting with at least 18 percent established and functional bodies, and has piloted the contracting of private operators to handle day-to-day maintenance of large water for production facilities (dams and valley tanks with capacity exceeding 40,000 m3, starting with at least one large facility, all in accordance with the Recipient's Manual for Water-for-Production Management Systems.

3.83 Uganda continues to make modest progress toward achieving targets on safe water access and sanitation. Access to rural water stabilized, and increased from about 63 percent in 2008 to 64 percent in 2013. The 2015 MDG and PEAP targets are 62 and 77 percent, respectively. Sanitation coverage has increased substantially however. The share of rural population with effective sanitation coverage was 68.0 percent in 2009 and increased to 74.6 percent in 2013. The 2015 MDG and PEAP targets are 72 and 80 percent, respectively. Hand washing with soap was 14 percent in 2008 to 33 percent in 2011, but no 2013 values were provided. (WESPR 2013)

3.84 Access to safe water has gradually improved over the past decades and the positive trends continued during most the evaluation period although some stagnation can be observed in recent years. The percentage of rural population served with safe water raised from 57% in 2003/04 to 65 % in 2008/09 (table 3-6). Similarly, there is an overall positive trend in rural sanitation coverage. Some geographical disparities persist in terms of access to water and sanitation in the country but the situation has improved along with increased access to water and sanitation over the past decade.

Table 3-7 Access to water (in percent)

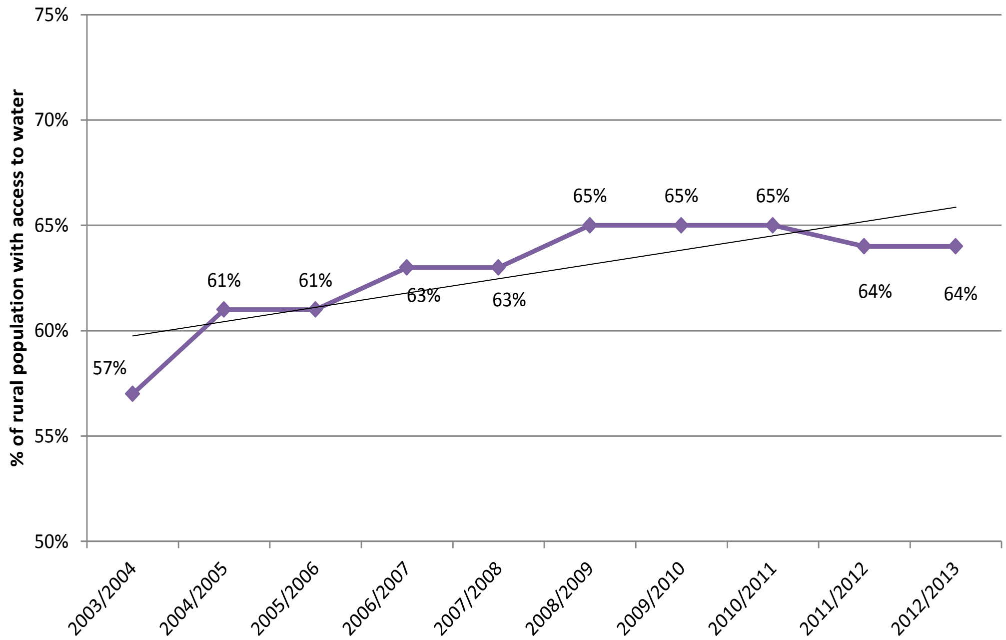
Sector indicator		**2005**	**2008**	**2009**	**2012**	**2013**
Access to rural water		61	63	65	64	64
Access to urban water	Small towns	36	46	51	57	58
	Large towns	67	72	73	77	78
	Average	51	61	66	69	70
Access to sanitation (rural and urban)	Rural HH	56	62	68	70	71
	Urban HH	-	74	73	81	82
Equity*		-	243	178	160	153

Source: MWLE Water and Sanitation SPR 2004-2005; 2006-2008 and 2009-2013.

3.85 The water and sanitation sector is faced with challenges that undermine recent gains. These include low functionality of water facilities in rural areas and water for production facilities, owing to weak Community Based Maintenance Systems (CBMS), weak LG capacity, weak private sector capacity, and poor quality of construction. To address these challenge, prior action were aiming for the recipient piloting the country-wide establishment of water user bodies for water for production facilities, and contracting of private providers to maintain facilities. Outcome: 71 percent of water sources in valley tanks and dams in 2012 were functional at the end of the program, substantially exceeding the target of 24 percent.

3.86 The percentage of people in rural areas who reported using safe water sources increased overall from about 20% in 1991 to 60% in 2002. Rural access to safe water in 2003 is not mentioned, whereas for 2003/04 the indicator value is at 57%. Over the period of review, overall access to safe water has increased from 57% to 64% (figure 3.13). The increase was notably in the period 2004 – 2007, coinciding with the period before the JBSF; after that, the rural safe water coverage more or less stagnates.

Figure 3-13.Percent of rural population with access to safe water

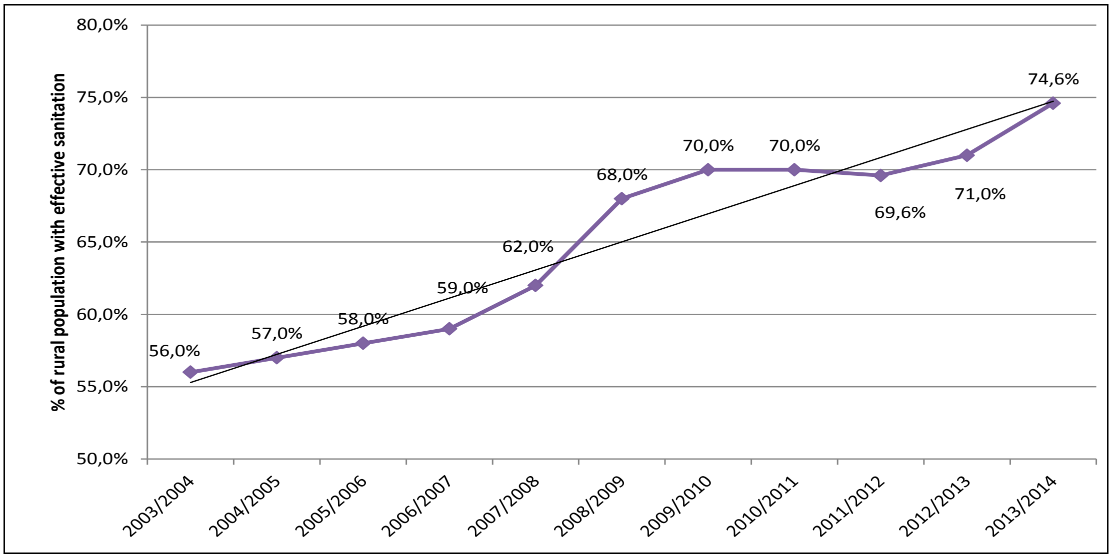


Source: MWLE Water and Sanitation.

3.87 Between 2003/04 and 2012/13, urban water coverage increased gradually from 65% to 70%. Data on variations across the regions or by socio-economic groups are not available. A factor explaining the steady increase in urban water supply coverage is that within the sector, the urban water and sanitation sub-sector receives sufficient funding for reaching its targets, at the expense of the rural water supply sub-sector. The share of the budget allocated to urban services is larger than the rural sector budget: 46% as compared to 39% (JWSSPS mid-term review, p. 18), whereas 85% of the population lives in the rural areas. Another factor of importance is that implementation of water supply schemes has become more cost-efficient and effective with the introduction of the deconcentrated Water Supply Development Facilities (WSDFs).

3.88 Domestic sanitation is the responsibility of the household, and the water and sanitation sub-sector is not mandated to fund improvements, apart from support through community mobilisers. Monitoring of sanitation coverage is done by the Ministry of Health, and the information is reported in the SPRs. The trend in rural safe sanitation coverage are provided in Figure 3-14.

Figure 3-14.Trends in rural sanitation coverage between end of FY 2003/04 and 2013/14

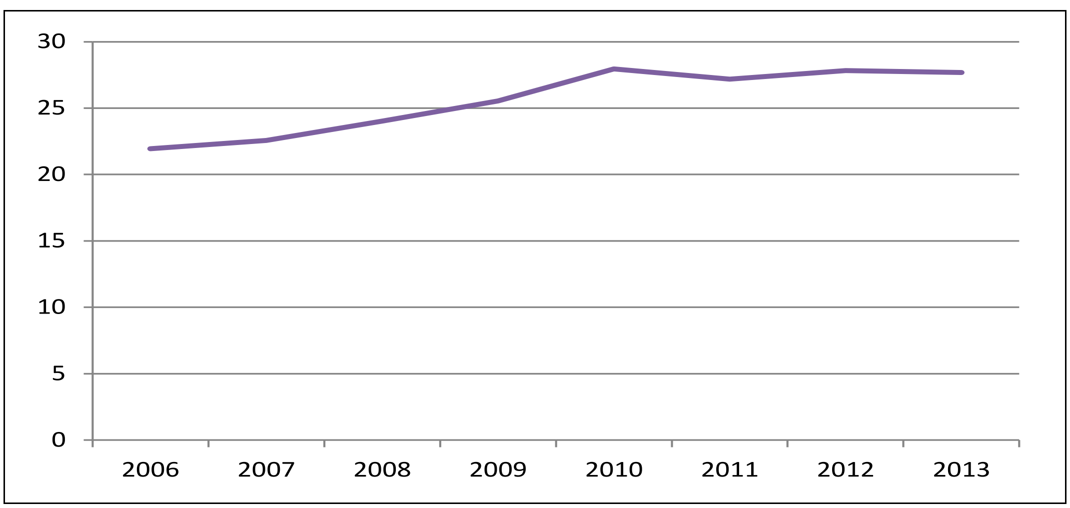


Source: SPRs 2004-2013.

3.89 It should be noted, that the definition of a safe latrine in Uganda is stricter than that from WHO/UNICEF's Joint Monitoring Programme, as also shared latrines are counted as improved sanitation facilities.

3.90 As highlighted below, some positive evolutions can be observed in school sanitation for girls. In primary schools, the number of separate girls' toilets with door and/or shutter per 1,000 girls has increased by 27% between 2006 and 2012 (figure 3.15)

Figure 3-15. Number of separate girls' toilets with door and/or shutter per 1,000 girls (primary schools)



Source: EMIS 2014.

3.91 Apart from the evolution in school sanitation for girls, there is no evidence on this indicator. Generally, access to sanitation is improving, but the gender sensitiveness of this is not known.

Improving access to roads

3.92 Prior action under PRSC8 was provision of evidence that: (a) the board of directors as well as the executive director of the Road Fund have been appointed, and (b) Cabinet has approved a policy on strengthening national construction industry. Under PRSC9, the prior action were (i) the collection of data on the condition of national, district, urban and community access roads and the establishment of a baseline; and (ii) the establishment and operationalization of a monitoring and evaluation framework to measure key road sector performance indicators.

3.93 The outcome indicator is the percentage of roads is in fair-to-good condition. Against a baseline of 65 percent in 2008, at series closure fair-to-good condition roads were 77 percent, slightly short of the target of 80 percent. While this constitutes substantive progress, the relation to the prior actions mentioned above is not strong, since the latter focus mainly on the management of the road fund and policy for the national construction industry as well as data collection. Moreover, the Bank may have contributed to this outcome outside the framework of the PRSC series through parallel investment projects (e.g. 2010 Transport Sector Development Project; US$190 million).

Outcome

3.94 Given high relevance of objectives and substantial relevance of design, substantial achievement of the objective of greater value for money and modest achievement of the objective of improving access to services, overall outcome is rated as **moderately satisfactory**.

Risk to Development Outcome

3.95 Given the governance challenges, risk to development outcome is rated high. While significant improvements were achieved regarding upstream governance institutions, implementation is lagging, and corruption continues to be perceived as widespread. Lack of policy focus on enforcement and related political patronage are key risks to the achievements made in the areas of greater value for money in governance and public financial management as well as priority social sectors.

3.96 Achievements made in access to basic social services are under threat primarily because of the underfunding directly related to low domestic revenue mobilization in the context of substantially reduced aid levels, including budget support from the Bank.

3.97 Government showed commitment to PRSC policies, which supports sustainability of the operation. The Government independently expanded the coverage of actions supported by the PRSCs and completed many of the PRSC 10 triggers despite the fact that the operation was dropped.

Bank Performance

Quality at Entry

3.98 The preparation of the two operations drew on lessons generated from the Bank's substantial experience of policy lending in Uganda. Particularly noteworthy is that the results framework improved significantly since the series 5-7, with much more cohesion in the results chain. The Bank selected sectors of strategic relevance to include in the operations and adopted a more limited number of sound prior actions. The program design did not however include a sufficiently specific monitoring and evaluation framework. **Moderately satisfactory.**

Quality of Supervision

3.99 The Bank appropriately postponed disbursement for PRSC 9 in response to the corruption scandal in the Prime Minister's office. Subsequently, the Bank engaged with the Audit Office and the Inspectorate General to strengthen key governance institutions. In addition the Bank helped the Government to develop a high level action matrix with a strong focus on governance and PFM. The completion of this allowed the Bank to disburse the credit. On balance bank, performance is rated **Satisfactory.**

Borrower Performance

Government Performance

3.100 The Prime Minister's (PM's) office with the support of the Ministry of Finance performed well as a designer, negotiator and implementer of the PRSC series. All prior actions were met. MOFPED was proactive and responsive. For example, with respect to PFM the MOFPED actively pursued good practices in monitoring, reporting, transparency and controls, and incorporated them into the design of PFM legislation. In the event, this led to the passage of the state-of-the-art Public Finance Management Act in March 2015. The PM's office staff were committed to results measurement, which led not only to an improved results framework for the PRSC series, but also much improved reporting by the line ministries on their annual performance.

3.101 Serious concerns regarding value for money were raised by misappropriation of funds. The government responded adequately and engaged the Bank effectively through the High-Level Action Matrix (HLAM) process in which the government agreed and then delivered on the key HLAM agreements. In implementing the HLAM, the GOU made significant progress and regained some of the trust that was eroded in the process. On balance, Government and Borrower performance is rated **Moderately Satisfactory.**

Monitoring and Evaluation

3.102 **M&E Design**. The M&E framework for PRSC 8-10 was a significant improvement from the previous series although there remained weaknesses. It is closely related to the National Development Plan (NDP) and was part of an intensively negotiated Joint Action Framework, which had government, Bank and other development partner buy-in.

3.103 The framework was to be managed through the government's coordination framework for poverty reduction reforms and implemented through the Office of the Prime Minister. The impact of the reforms the program supported was to be monitored as part of the results framework for the National Development Plan. Sector Working Groups, which coordinated with the JBSF technical and policy dialogue task force, would monitor sector performance. A multi donor trust fund financed a Technical and Administrative Support Unit whose purpose was to collect data, evaluate impact, and write studies relevant to the JBSF. The experience with past PRSCs helped to guide the selection of indicators, which had more realistic targets, were monitorable within the time period of the program and to some extent could be related to the actions of the program.

3.104 M&E **Implementation**. The data collection methods were part of the government's statistical processes and of its reporting framework, and the data were collected as planned. The executing agencies knew the objectives of the operations and which data to collect and update as they became available, although with some shortcomings related to the mapping of objectives into policy areas.

3.105 **M&E Utilization.** The data tracked advances in the program. They were used to justify a suspension of disbursements of PRSC and other budget support funds whenever there was evidence of major reallocations of expenditure in ways incompatible with the program's goals. This occurred, for example, during the elections of 2011, when the government used budget funds originally intended for the social sectors to finance large spending increases in other areas. **Rating: substantial.**

Lessons

3.106 Two main lessons emerge from this assessment of PRSC8-9 series.

- Achievement and sustainability of development outcomes are facilitated by careful attention to political economy dimensions, both at the design stage and when making changes in a DPO series. For example, the failure to increase revenue mobilization over a long period of time, which was not addressed under the program, was directly related to the political economy of political patronage and large, entrenched tax exemptions and culture of non-compliance.
- DPOs can show improvements in design and outcomes when they actively use lessons from the past operations as well as integrate important technical knowledge products (such as CEMs and PERs). Such lessons can also inform the Bank to take proactive, if difficult measures such as the cancellation of an operation.

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Annex A. Basic Data Sheet

POVERTY REDUCTION SUPPORT CREDIT 5 (LOAN 4142-UG& H 1990-UG)

Key Project Data (amounts in US$ million)

	Appraisal estimate	Actual or current estimate	Actual as % of appraisal estimate
Total project costs	135.14	137.16	101%
Loan amount	135.00	137.02	101%
Cofinancing	0.14	0.14	

Source: ICR, Client Connection, and Project Portal

Cumulative Estimated and Actual Disbursements

	FY06
Appraisal estimate (US$M)	135.14
Actual (US$M)	137.16
Actual as % of appraisal	101%
Date of final disbursement: **June 26, 2006**	

Source: Client Connection

Project Dates

	Original	Actual
Initiating memorandum	01/27/2005	01/27/2005
Negotiations	10/24/2005	10/28/2005
Board approval	01/17/2006	01/17/2006
Signing	03/21/2006	03/21/2006
Effectiveness	05/24/2006	05/24/2006
Closing date	11/30/2006	11/30/2006

Source: ICR,ISR, Project Portal

Task Team members

Names	Responsibility/Specialty	
	Lending/ Supervision	
Sarah Nankya Babirye	Program Assistant	ECSPE
C. Mark Blackden	Consultant	DECRG
Bruno Boccara	Lead Economist	AFTP4
Roy S. Canagarajah	Lead Economist	ECSPE
Victoria L. Fofanah	Senior Program Assistant	ECSPS

Johannes G. Hoogeveen	Senior Economist	AFTP2
Emily Noel Gosse Kallaur	E T Consultant	AFTP2
Rogati Anael Kayani	Consultant	AFTPC
Sarah Kitakule	Economist	CAFJ2
Marius Koen	Lead Financial Management Spec	ECSPS
Enid Kyomugisha	Program Assistant	AFMUG
Barbara Kasura Magezi Ndamira	Public Sector Specialist	AFTPR
Julie McLaughlin	Sector Manager, Health, Nutrit	SASHD
Dino Leonardo Merotto	Senior Economist	AFTP2
Denyse E. Morin	Senior Operations Officer	OPCIL
Lance Morrell	Consultant	EASUR
Paul Mpuga	Economist	AFTP2
Patrick D. Murphy	Consultant	AFTH2
Isaac Boaz Mutenyo	Procurement Spec.	AFTPC
Maimuna Nalubega	Consultant	ETWAF
Harriet Nannyonjo	Sr Education Spec.	LCSHE
Peter Okwero	Sr Health Spec.	AFTH1
Richard Olowo	Senior Procurement Specialist	AFTPC
John Jaramogi Oloya	Senior Rural Development Speci	AFTAR
Martin Onyach-Olaa	Sr Urban Spec.	AFTUW
Rachel K. Sebudde	Sr Economist	AFTP2
Arlette Sourou	Program Assistant	AFTP2
William F. Steel	Consultant	AFTP1
Ivar Strand	Operations Officer	AFTH1
Robert Townsend	Senior Economist	ARD
Peace K. Tukamuhabwa	Program Assistant	AFMUG
Patrick Piker Umah Tete	Sr Financial Management Specia	AFTFM
Michael D. Wong	Sr Private Sector Development	SASFP

Source: ICR

Staff Time and Cost

Stage of Project Cycle	***Staff Time and Cost (Bank Budget Only)***	
	No. of staff weeks	***US$ Thousands (including travel and consultant costs)***
	Lending	
FY05	136	669.62
FY06	42	178.41
Total:	178	848.03
	Supervision	
FY06		10.34
FY07		
Total:		10.34

Other Project Data

Borrower/Executing Agency:

Follow-on Operations			
Operation	Credit no.	Amount (US$ million)	Board date
Poverty Reduction Support Credit 6	4296-UG	125.00	02/07/2007

POVERTY REDUCTION SUPPORT CREDIT 6 (LOAN 4296-UG)

Key Project Data (amounts in US$ million)

	Appraisal estimate	Actual or current estimate	Actual as % of appraisal estimate
Total project costs	125.00	125.00	100%
Loan amount	125.00	125.00	100%
Cofinancing	0.00	0.00	0.00

Source: ICR, Client Connection, and Project Portal

Cumulative Estimated and Actual Disbursements

	FY07
Appraisal estimate (US$M)	125.00
Actual (US$M)	125.00
Actual as % of appraisal	100%
Date of final disbursement: **June 28, 2007**	

Source: Client Connection

Project Dates

	Original	Actual
Initiating memorandum	10/04/2006	10/04/2006
Negotiations	03/20/2007	03/20/2007
Board approval	04/26/2007	04/26/2007
Signing	05/28/2007	05/28/2007
Effectiveness	06/14/2007	06/14/2007
Closing date	11/30/2008	11/30/2008

Source: ICR,ISR,Project Portal

Task Team members

Names	Responsibility/Specialty	
	Lending/ Supervision	
Akim Okuni	E T Consultant	AFTH1
Arlette Sourou	Program Assistant	AFTP2
Barbara Kasura Magezi Ndamira	Public Sector Specialist	AFTPR
C. Mark Blackden		
Denyse E. Morin	Senior Operations	OPCIL
Dino Leonardo Merotto	Senior Economist	AFTP2
Edith Ruguru Mwenda	Sr Counsel	LEGAF

Emily Noel Gosse Kallaur	E T Consultant	AFTP2
Francis Ato Brown	Sector Leader	AFTUW
Harriet E. N. Kiwanuka	Team Assistant	AFMUG
Harriet Nannyonjo	Sr Education Spec.	LCSHE
Johannes G. Hoogeveen	Senior Economist	AFTP2
Julie McLaughlin	Sector Manager, Health,	SASHD
Lance Morrell	Consultant	EASUR
Madhur Gautam	Lead Economist	AFTAR
Marie Khoury	Consultant	LOAFC
Martin Onyach-Olaa	Sr Urban Spec.	AFTU1
Mary C.K. Bitekerezo	Senior Social	AFTCS
Mbuba Mbungu	Senior Procurement	AFTPC
Michael D. Wong	Sr Private Sector	SASFP
Parminder P. S. Brar	Lead Financial	AFTFM
Patrick D. Murphy	Consultant	AFTH2
Patrick Piker Umah Tete	Sr Financial	AFTFM
Paul Mpuga	Economist	AFTP2
Peace K. Tukamuhabwa	Program Assistant	AFMUG
Peter Okwero	Sr Health Spec.	AFTH1
Rachel K. Sebudde	Sr Economist	AFTP2
Ravi Ruparel	Sr Financial Sector Spec.	AFTFP
Richard Olowo	Senior Procurement	AFTPC
Rosemary Mugasha	Team Assistant	AFMUG
Sahr John Kpundeh	Sr Public Sector Spec.	AFTPR
Samuel Dawuna Mutono	Sr Water & Sanitation	ETWAF
Sarah Kitakule	Economist	CAFJ2
Suleiman Namara	Sr Social Protection	AFTH1
Wilson Onyang Odwongo	Rural Development	AFTAR

Staff Time and Cost

Stage of Project Cycle	*Staff Time and Cost (Bank Budget Only)*	
	No. of staff weeks	*US$ Thousands (including travel and consultant costs)*
	Lending	
FY06	17	60.77
FY07	73	273.47
Total:	90	334.24

Supervision		
FY07	1	10.75
FY08	4	13.04
Total:	**5**	**23.79**

Other Project Data

Borrower/Executing Agency:

Follow-on Operations			
Operation	***Credit no.***	***Amount (US$ million)***	***Board date***
Poverty Reduction Support Credit 7	4431-UG	200.00	05/06/2008

POVERTY REDUCTION SUPPORT CREDIT 7 (LOAN 4431-UG)

Key Project Data (amounts in US$ million)

	Appraisal estimate	Actual or current estimate	Actual as % of appraisal estimate
Total project costs	200.00	200.00	100%
Loan amount	200.00	200.00	100%
Cofinancing			
Cancellation			

Source: ICR, Client Connection, and Project Portal

Cumulative Estimated and Actual Disbursements

	FY10
Appraisal estimate (US$M)	200.00
Actual (US$M)	200.00
Actual as % of appraisal	100%
Date of final disbursement: **September 23, 2009**	

Source: ICR

Project Dates

	Original	Actual
Initiating memorandum	09/28/2007	09/28/2007
Negotiations	03/28/2008	03/28/2008
Board approval	05/06/2008	05/06/2008
Signing	06/13/2008	06/13/2008
Effectiveness	12/09/2008	12/09/2008
Closing date	11/30/2009	11/30/2009

Source: ICR,ISR,Project Portal

Task Team members

Names	Responsibility/Specialty	
	Lending/ Supervision	
Andrew P. Norton	Lead Social Development Specia	SDV
Arlette Sourou	Program Assistant	AFTP2
Charlotte Lundgren	Jr Professional Officer	AFTP2
Denyse E. Morin	Senior Operations Officer	OPCIL
Dino Leonardo Merotto	Senior Economist	AFTP2
Edith Ruguru Mwenda	Sr Counsel	LEGAF
Francis Ato Brown	Sector Leader	AFTU1

Grace Nakuya Musoke		
Harriet Nannyonjo	Sr Education Spec.	LCSHE
Howard Bariira Centenary	Procurement Specialist	AFTPC
Innocent Mulindwa	E T Consultant	AFTH1
Johannes G. Hoogeveen	Senior Economist	AFTP2
Julie McLaughlin	Sector Manager, Health, Nutrit	SASHD
Madhur Gautam	Lead Economist	AFTAR
Martin Onyach-Olaa	Sr Urban Spec.	AFTUW
Mary C.K. Bitekerezo	Senior Social Development Spec	AFTCS
Mbuba Mbungu	Senior Procurement Specialist	AFTPC
Michael D. Wong	Sr Private Sector Development	SASFP
Munanura	Procurement Specialist	AFTPC
Ndamira	Public Sector Specialist	AFTPR
Parminder P. S. Brar	Lead Financial Management Spec	AFTFM
Patrick Piker Umah Tete	Sr Financial Management Specia	AFTFM
Paul Mpuga	Economist	AFTP2
Peter Okwero	Sr Health Spec.	AFTH1
Rachel K. Sebudde	Sr Economist	AFTP2
Ravi Ruparel	Sr Financial Sector Spec.	AFTFP
Richard Olowo	Senior Procurement Specialist	AFTPC
Rosemary Mugasha	Team Assistant	AFMUG
Sahr John Kpundeh	Sr Public Sector Spec.	AFTPR
Samuel Dawuna Mutono	Sr Water & Sanitation Spec.	ETWAF
Suleiman Namara	Sr Social Protection Specialist	AFTH1
Wilson Onyang Odwongo	Rural Development Specialist	AFTAR

Source: ICR, ISR

Staff Time and Cost

Stage of Project Cycle	*Staff Time and Cost (Bank Budget Only)*	
	No. of staff weeks	*US$ Thousands (including travel and consultant costs)*
	Lending	
FY08	72	291.63
FY09	2	5.24
Total:	74	296.87
	Supervision	
FY09	32	144.25
FY10	6	61.86
Total:	38	206.11

Other Project Data

Borrower/Executing Agency:

Follow-on Operations			
Operation	***Credit no.***	***Amount (US$ million)***	***Board date***
Poverty Reduction Support Credit 8	4814-UG	100.00	09/30/2010

POVERTY REDUCTION SUPPORT CREDIT 8 (LOAN 4814-UG)

Key Project Data (amounts in US$ million)

	Appraisal estimate	Actual or current estimate	Actual as % of appraisal estimate
Total project costs	100.00	100.92	101%
Loan amount	100.00	100.92	101%
Cofinancing	0.00	0.00	0.00

Source: ICR, Client Connection, and Project Portal

Cumulative Estimated and Actual Disbursements

	FY11
Appraisal estimate (US$M)	100.00
Actual (US$M)	100.92
Actual as % of appraisal	101%
Date of final disbursement: **November 29, 2010**	

Source: Client Connection

Project Dates

	Original	Actual
Initiating memorandum	05/18/2009	05/18/2009
Negotiations	08/20/2010	08/20/2010
Board approval	09/30/2010	09/30/2010
Signing	11/24/2010	11/24/2010
Effectiveness	11/25/2010	11/25/2010
Closing date	03/31/2012	03/31/2012

Source: ICR,ISR,Project Portal

Task Team members

Names	Responsibility/Specialty	
	Lending/ Supervision	
Anton Dobronogov	Sr. Economist	TTL
Barbara Magezi	Sr. Public Sector Specialist	Public Service
Howard Centenary	Sr. Procurement Specialist	Procurement
Innocent Mulinda	Sr. Education Specialist	Education
Jean-Pascal Nganou	Sr. Economist	Economist
Martin Onyach-Olaa	Sr. Local Government Specialist	Local
Parminder Brar	Lead FMS	Finance

Paul Kumechwezi	Sr. FMS	Finance
Paul Wade	Task Team Leader	TTL
Peter Okwero	Sr. Health Specialist	Health
Richard Carroll	Sr. Economist and Financial	Evaluation
Samuel Mutono	Sr. Water Engineer	Water
Suleiman Namara	Sr. Social Protection Economist	Co-TTL PRSC 8
Victor Ocaya	Sr. Transport Engineer	Transport

Source: ICR, ISR

Staff Time and Cost

Stage of Project Cycle	***Staff Time and Cost (Bank Budget Only)***	
	No. of staff weeks	***US$ Thousands (including travel and consultant costs)***
	Lending	
FY08	0	5,764.98
FY09	61.27	284,242.11
FY10	120.99	440,172.99
FY11	37.69	149,820.71
Total:	219.95	880,000.79
	Supervision	
FY11	10.14	55,746.67
FY12	4.75	25,503.70
Total:	14.89	81,250.37
Grand Total	234.84	961,251.16

Source: ICR

Other Project Data

Borrower/Executing Agency:

Follow-on Operations			
Operation	***Credit no.***	***Amount (US$ million)***	***Board date***
Poverty Reduction Support Credit 9	5061-UG	100.00	02/28/2012

Source: ICR.

POVERTY REDUCTION SUPPORT CREDIT 9 (LOAN 5061-UG)

Key Project Data (amounts in US$ million)

	Appraisal estimate	Actual or current estimate	Actual as % of appraisal estimate
Total project costs	100.00	98.67	
Loan amount	100.00	98.67	
Cofinancing			
Cancellation			

Source: Client Connection

Cumulative Estimated and Actual Disbursements

	FY13
Appraisal estimate (US$M)	100.00
Actual (US$M)	98.67
Actual as % of appraisal	
Date of final disbursement: **June 20, 2013**	

Source: Client Connection

Project Dates

	Original	Actual
Initiating memorandum	07/07/2010	07/07/2010
Negotiations	01/20/2012	01/20/2012
Board approval	02/28/2012	02/28/2012
Signing	05/14/2012	05/14/2012
Effectiveness	09/19/2012	09/19/2012
Closing date	06/30/2013	06/30/2013

Source: ICR, Project Portal

Task Team members

Names	***Responsibility/Specialty***	
	Lending/ Supervision	
Anton Dobronogov	Sr. Economist	TTL
Barbara Magezi	Sr. Public Sector Specialist	Public
Howard Centenary	Sr. Procurement Specialist	Procurement
Innocent Mulinda	Sr. Education Specialist	Education
Jean-Pascal Nganou	Sr. Economist	Economist
Martin Onyach-Olaa	Sr. Local Government Specialist	Local

Parminder Brar	Lead FMS	Finance
Paul Kumechwezi	Sr. FMS	Finance
Paul Wade	Task Team Leader	TTL
Peter Okwero	Sr. Health Specialist	Health
Richard Carroll	Sr. Economist and Financial	Evaluation
Samuel Mutono	Sr. Water Engineer	Water
Suleiman Namara	Sr. Social Protection Economist	Co-TTL
Victor Ocaya	Sr. Transport Engineer	Transport

Source: ICR

Staff Time and Cost

Stage of Project Cycle	**Staff Time and Cost (Bank Budget Only)**	
	No. of staff weeks	***US$ Thousands (including travel and consultant costs)***
	Lending	
FY08	0	5,764.98
FY09	61.27	284,242.11
FY10	120.99	440,172.99
FY11	37.69	149,820.71
Total:	219.95	880,000.79
	Supervision	
FY11	10.14	55,746.67
FY12	4.75	25,503.70
Total:	14.89	81,250.37
Grand Total	234.84	961,251.16

Source: ICR

Annex B. Other data

PRSC 5-7. Prior Actions by Policy Area / PEAP pillar

Pillar 1: Economic management

PRSC5:

Public Expenditure Review: The Borrower has: (i) adopted a medium term expenditure framework, satisfactory to the Association, for FY2004/05-2006/07, and (ii) executed its budget in FY 2004/05 consistent with the allocations made.

PRSC6:

Public Expenditure Review: the recipient has (a) submitted to the Association a Medium Term Expenditure Framework for 2006/07-2008/09; (b) executed the FY2005/06 budget consistent with the budget allocation as appropriated and adjusted with the approval of the Legislative Assembly; and (c) taken remedial action on any identified major deviations in FY2006/07 budget.

PRSC7:

Public Expenditure Review: the recipient has (a) submitted to the Association a Medium-Term Expenditure Framework for FY 2007/08-2009/10; and (b) executed the FY2006/07 budget consistent with the budget allocation as appropriated and adjusted with the approval of the Legislative Assembly.

Pillar 2: Enhancing production, competitiveness, and incomes

PRSC5:

Rural Development: The borrower has implemented the undertakings agreed and confirmed in the joint annual review of the plan for modernization of agriculture held in October 2004.

PRSC6:

Investment Climate: The recipient has strengthened the coordinated approach to improve the investment climate, and made satisfactory progress on agreed key investment climate undertakings identified in the PEAP, including necessary institutional reforms to facilitate access of businesses and potential investors, registration, land titles, and courts.

Rural Development: The recipient has submitted evidence of satisfactory implementation of undertakings to improve agricultural production in accordance with its commitment during the October 2004 Joint PMA Annual Review, and its subsequent confirmation during the October 2005 review.

PRSC7:

Investment Climate: the recipient has (a) prioritized and fulfilled the key investment climate and competitiveness undertakings identified in the PEAP, including the approval by its cabinet, and submission to the Legislative Assembly of, inter alia, the following draft bills, the Companies Bill and the Insolvency Bill; and obtained the Cabinet's approval of the Policy Paper on Regulations of Pension Reform system; and (b) submitted evidence satisfactory to the Association, as to implementation of the undertakings of the above.

Rural Development: the recipient has submitted to the Association evidence of satisfactory progress in implementing its core undertakings made during the Joint PMA Annual Review, including the undertakings relating to the resource utilization and allocation, finalization of the MAAIF SPFP for FY08/09, the framework for revision of MAAIF DSIP, and the agricultural market information system.

Pillar 4: Good governance

PRSC5:

Public Service Reform: The Borrower has submitted to IDA an action plan for the implementation of measures, encapsulated in a cabinet memorandum for pay policy for: (i) controlling the size of public administration; and (ii) enhancing cost efficiency and effectiveness in the public sector targeting health, education, agriculture, water and sanitation and community development.

Public Service Reform: The Borrower has prepared an updated pay reform strategy including options for targeting salary enhancements and their budgeting implications for the medium term.

Corruption: The Borrower has implemented the undertakings agreed and confirmed in the National Anticorruption Strategy;

Corruption: The *Inspector* General of the Government has verified assets declarations by ministers and has identified measures to strengthen the verification process in accordance with the law.

Audit: The Borrower has submitted to Parliament a bill to enhance the independence of the Auditor General's Office.

Procurement: The Borrower has submitted to Parliament a bill harmonizing the local government procurement systems and practices with those of the central government.

PRSC6:

Public Finance and Accountability: the recipient has: (a) caused its Ministry of Public Service to approve a revised organizational structure for the Office of the Accountant General; and (b) strengthened the implementation of the Public Finance and Accountability Act, to facilitate financial management reforms including implementation of the Integrated Financial Management System.

Audit: the *recipient* has submitted the draft Audit Bill for consideration by the Cabinet.

Public Procurement: the *recipient* has made progress satisfactory to the Association in implementation of measures to improve the effectiveness of the public procurement system.

Corruption: the *recipient* has: (a) submitted to the Association satisfactory information relating to implementation of the National Anti-Corruption Action Plan as the framework to assess progress in the fight against corruption; and (b) the IGG has adopted and committed to implement the activities indicated for reducing the incidence and experience of corruption measured by the national integrity survey; introducing special anti-corruption courts to expeditiously deal with cases of corrupt nature, clearing the backlog of cases under IGG, and other activities specified in the results matrix.

Public Service Reform: The recipient has made satisfactory progress in implementing the new phase of Public Service Reform Program as shall be evidenced in the accomplishment of its undertakings to the joint government and development partners review process.

Public Service Reform: the recipient has submitted an inception report for a study to assess the feasibility of control of the size of the public service and integrating staffing and wage bill issues into the budget process.

Decentralization: the Recipient has made progress satisfactory to the Association in the following undertakings made by JARD 2004 and JARD 2005: (a) the MoPS has reviewed the mandate and structure of the MoLG, or in the interim has provided appropriate additional staff to the MoLG as a stop gap measure to address low capacity in MoLG to deliver on its mandate; (b) MoLG has identified alternative sources of revenue for local governments, to be approved by the government during FY2006/7; (c) MoFPED has provided compensation to local governments for revenue losses related to the abolition of graduated tax; and (d) the Recipient has submitted to its Legislative Assembly, a bill to promote organized urban development and human settlement.

PRSC7:

Public Finance and Accountability: the recipient has made satisfactory progress in implementing its undertakings pursuant to the Public Financial Management Performance Report (2006), and has: (a) caused its Ministry of Finance to publish annual and semi-annual budget execution reports concerning budget allocations, quarterly ceiling, budget releases, and actual quarterly expenditures; (b) conducted a comprehensive payroll audit; (c) caused the statutory bodies receiving funds from the Consolidated Fund to fully comply in submission of their respective accounts for audit within the statutory timeframe; and (d) issued the Treasury Memoranda for completed Public Accounts Committee Reports.

Public Procurement: the recipient has ensured satisfactory implementation and monitoring of procurement regulations and systems at the central government, and local government levels, and has: (a) established the procurement and disposal units within the Recipient's ministries and statutory bodies, and in at least seventy percent of its local governments, as shall be evidenced by submission to the Association of a status report; and (b) produced an interim report on the review of at least 200 public procurement contracts.

Anti-corruption: the recipient has made satisfactory progress in implementation of its undertakings concerning the National Anti-Corruption Action Plan (2004-07), pursuant to its commitment to the joint government and development partners review process of the National Anti-corruption Action Plan (2004-07).

Public Service Reform: The recipient has, made satisfactory progress in implementing the new phase of the Public Service Reform Program as shall be evidenced in the accomplishment of its undertakings to the joint government and development partners review process, including the following specific measures: (a) taken necessary action against its personnel responsible for maintaining ghost workers in the public service payroll; (b) taken appropriate action to right-size and control growth in the public service; and (c) made necessary effort to achieve medium-term salary targets, which were established in the August 2006 public service pay policy.

Decentralization: the recipient has made progress satisfactory to the Association, in fulfilling its core undertakings made to the JARD 2006 and subsequent confirmation during the JARD 2007.

Pillar 5: Human development

PRSC5:

Education: the borrower has implemented the undertakings agreed and confirmed by the education sector review held in November 2004.

Health: the borrower has implemented the undertakings agreed in the health sector review held in November 2003 and confirmed by the health sector review held in November 2004 in a manner satisfactory to the Association.

Water and Sanitation: the borrower has implemented the undertakings agreed and confirmed by the water and sanitation sector review held in September 2003 and confirmed in September 2004, in a manner satisfactory to the Association

PRSC6:

Education: the *recipient* has provided evidence satisfactory to the Association as to the implementation of: (a) the undertakings made in the education sector review during November 2004, and subsequent confirmation 2005 review; and (b) the undertakings made during the 2005 review, and subsequent confirmation during October 2006 review.

Health: the recipient has *provided* evidence satisfactory to the Association as to the implementation of: (a) the undertakings made in the health sector review during November 2004, and subsequent confirmation during the 2005 review; and (b) the undertakings made during the 2005 review, and subsequent confirmation during October 2006 review.

Water and Sanitation: the recipient has provided evidence satisfactory to the Association as to the implementation of: (a) the undertakings made in the water sector review during September 2004, and subsequent confirmation during the 2005 review; and (b) the undertakings made during the 2005 review, and subsequent confirmation during September 2006 review.

PRSC7:

Education: the recipient has *provided* evidence satisfactory to the Association as to the implementation of the undertakings made in the education sector review during November 2006, and subsequent confirmation during October 2007 review.

Health: the Recipient has *provided* evidence satisfactory to the Association as to the implementation of: the undertakings made during the November 2006 review and subsequent confirmation during October 2007 review.

Water and Sanitation: the recipient has provided evidence satisfactory to the Association as to the implementation of the undertakings made during the September 2006 review, and subsequent confirmation during 2007 review.

In addition to the above, PRSC7 was divided into an exceptional two-tranche operation to facilitate ongoing budget planning , improve the predictability of budgetary resources, and align the PRSC better with ongoing budget support operations by other development partners. (PD PRSC7 pp.23) Second tranche conditions were (1) maintain stable macroeconomic conditions; (2) approval of the FY2008/09 budget consistent with the PEAP and its medium -term growth objectives; and (3) submit to Cabinet draft proposed amendments to the Public Procurement and Disposal Act (PPDA) and regulations.

PRSC 8-9. Prior Actions by Policy Cluster

Policy Cluster 1: Reforms in Public Expenditure Management, Public Financial Management, and Public Service Management that Improve Service Delivery.

PRSC 8

Budget Credibility: The Recipient has, in accordance with paragraph 15.2 of the Letter of Development Policy, section on economic management, ensured that: (a) actual annual budget releases for the sum of conditional grants to each of the four JBSF sectors (health, education, water and sanitation, and roads) were at least 95% of the corresponding approved budget allocations for the Fiscal Year 2008/2009; (b) budget releases for the sum of recurrent wage expenditure across the four sectors, the sum of recurrent non-wage expenditure across these sectors, and the sum of development expenditures across these sectors were in each case at least 95% of the corresponding approved budget allocations for the Fiscal Year 2008/2009; and (c) the Recipient's Treasury has made budget releases to Spending Agencies on a quarterly basis, through the end of the first quarter of Fiscal Year 2009/2010.

Public Financial Management: In accordance with paragraph 15.3 (ii) of the Letter of Development Policy, section on good governance, the Recipient has made satisfactory progress in implementing its undertakings to develop a format for performance agreements for accounting officers including chief administrative officers) with an incentive and penalty system for noncompliance with public financial management regulations.

Public Procurement: In accordance with paragraph 15.3 (iii) of the Letter of Development Policy, section on good governance, the Recipient has ensured satisfactory implementation and monitoring of procurement regulations and systems at the central government and Local Government levels, and has established an agreed procurement performance indicator framework and ensured the availability of baseline data.

Public Servants: The Recipient has, in accordance with paragraph 15.3 (i) of the Letter of Development Policy, section on good governance, adopted the framework for attracting and retaining teachers and health personnel in Hard-to-Reach Areas.

PRSC9

Budget Credibility: The Recipient has, in accordance with paragraph 16 (i) of the Letter of Development Policy, piloted the use of quarterly work plans and procurement plans in its ministries/agencies responsible for the education, health, water and works and transport sectors, and has initiated a process of alignment of such plans with actual cash flow.

Public Financial Management: The Recipient's Ministry of Finance and Economic Development has, in accordance with paragraph 16 (ii) of the Letter of Development Policy, developed and implemented a system to consolidate and analyze quarterly reports to provide aggregate and in-year information about actual local government expenditures and outputs, and has published the summary budget performance report.

Public Financial Management: The Recipient's Head of Public Service and the Permanent Secretary of the Ministry of Local Government have, in accordance with paragraph 16 (iii) of the Letter of Development Policy and the Recipient's Standing Circular No. 10 of June 2010, signed performance agreements covering Fiscal Year 2010/2011 with all Permanent Secretaries in central government ministries and Chief Administrative Officers in local governments, said agreements including a requirement for compliance with the Recipient's public financial management regulations.

Public Procurement: The Recipient has, in accordance with paragraph 16 (iv) of the Letter of Development Policy, approved and submitted to the Recipient's Parliament revised procurement implementation regulations which are in line with the Recipient's Public Procurement and Disposal of Assets Act and which meet international best practice.

Public Servants: The Recipient's Ministry of Public Service and Ministry of Finance and Economic Development have, in accordance with paragraph 16 (v) of the Letter of Development Policy, adopted a single framework for results oriented management, output oriented budgeting and budget monitoring, including a modality for attaching performance agreements to letters of appointment of civil servants.

Governance: The Recipient's Inspectorate General has, in accordance with paragraph 16 (vi) of the Letter of Development Policy, developed and agreed upon a measurement framework with the Inter-Agency Forum, including indicators, for improved tracking of corruption trends and has published the first annual report on corruption trends in Uganda using said framework.

Policy Cluster 2: Improving Value for Money in Public Service Delivery Sectors

PRSC8

Health: In accordance with paragraph 15.4 (ii) of the Letter of Development Policy, section on effective delivery of and improved access to core public services, the Recipient has provided evidence satisfactory to the Association as to the establishment of a human resources for health management information system to provide information on levels and distribution of the health workforce.

Education: In accordance with paragraph 15.4 (i) of the Letter of Development Policy, section on effective delivery of and improved access to core public services, the Recipient has provided evidence satisfactory to the Association as to the signing of performance contracts, covering customized performance targets, with at least 90 percent of all head teachers in the 12 Districts with the weakest education sector indicators.

Water and Sanitation: In accordance with paragraph 15.4 (iii) of the Letter of Development Policy, section on effective delivery of and improved access to core public services, the Recipient has provided evidence satisfactory to the Association that water user committees under a community based maintenance system are actively functioning in at least 50% of Districts, and within these

Districts at least 40% of water points are covered by water user committees.

Roads: In accordance with paragraphs 15.4 (iv) and (v) of the Letter of Development Policy, section on effective delivery of and improved access to core public services, the Recipient has provided evidence satisfactory to the Association that: (a) the board of directors as well as the executive director of the

Road Fund have been appointed, and (b) Cabinet has approved a policy on strengthening national construction industry.

PRSC9:

Health: The Recipient's Ministry of Health, Ministry of Local Government and the National Medical Stores have, in accordance with paragraph 16 (vii) of the Letter of Development Policy, signed and begun implementation of a memorandum of understanding, which includes a performance framework with key performance indicators, for the distribution of essential medicines by the National Medical

Stores.

Education: The Recipient's Ministry of Education and Sports has, through the Recipient's Education Sector Consultative Committee and in accordance with paragraph 16 (viii) of the Letter of Development Policy, approved a new teacher allocation formula to ensure a more equitable distribution of teachers, and said Ministry of Education and Sports has begun implementation of said allocation formula by hiring additional teachers.

Water and Sanitation: The Recipient has, in accordance with paragraph 16 (ix) of the Letter of Development Policy, piloted the country-wide establishment of water user bodies for water-for-production facilities, starting with at least 18% established and functional bodies, and has piloted the contracting of private operators to handle day-to-day maintenance of large water for production facilities (dams and valley tanks with capacity exceeding 40,000 m3, starting with at least one large facility, all in accordance with the Recipient's Manual for Water-for-Production Management Systems.

Roads: The Recipient has, in accordance with paragraph 16 (x) of the Letter of Development Policy, collected data on the condition of national, district, urban and community access roads and established a baseline, and has established and operationalized a monitoring and evaluation framework to measure key road sector performance indicators.

Fiscal Table

Ush Billions	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Total revenue and grants	2,858	3,146	3,403	3,624	3,800	4,546	5,136	7,208	7,771	8,245	9,130
Revenue	1,669	1,948	2,267	2,267	3,145	3,758	4,237	6,317	6,634	7,309	8,252
Tax	1,550	1,828	2,142	2,524	3,024	3,560	4,067	4,958	5,983	7,005	7,914
Non Tax	119	121	125	144	121	198	206	1,359	651	304	339
Grants	1,188	1,198	1,136	957	656	787	863	891	1,137	936	877
Budget Support	816	811	713	776	470	531	467	515	581	199	218
Project Grants	372	387	424	181	185	257	396	375	556	738	660
Expenditures and Net Lending	3,077	3,233	3,557	3,856	4,384	5,205	6,836	8,900	9,218	10,523	12,281
Current Exp.	1,867	1,978	2,234	2,442	2,881	3,291	4,308	5,963	5,583	5,813	6,713
Wages /Salaries	683	774	867	987	1,106	1,184	1,308	1,664	1,832	2,160	2,422
Interest	264	229	250	236	309	357	386	424	603	890	1,055
Other current	921	975	1,117	1,220	1,466	1,750	2,614	3,875	3,150	2,763	3,236
Development Exp.	1,095	1,187	1,262	1,217	1,362	1,688	2,312	2,774	3,458	4,237	5,448
Net Lending / Inv.	34	(8)	(29)	46	(163)	(57)	(37)	(30)	(39)	409	120
Other Spending	81	75	117	151	304	283	253	194	278	63	0
Overall Balance	(219)	(87)	(154)	(231)	(583)	(660)	(1,699)	(1,692)	(1,510)	(2,277)	(3,152)
Percent of GDP	**FY04**	**FY05**	**FY06**	**FY07**	**FY08**	**FY09**	**FY10**	**FY11**	**FY12**	**FY13**	**FY14**
Total revenue and grants	21.7	20.7	19.7	17.1	18.5	15.1	14.9	18.4	15.5	14.8	14.5
Revenue	12.7	12.8	13.2	12.6	13.3	12.5	12.4	16.2	13.2	13.2	13.1
Tax	11.8	12	12.4	11.9	12.8	11.8	11.8	12.7	11.9	12.6	12.6
Non Tax	0.9	0.8	0.7	0.7	0.5	0.7	0.6	3.4	1.3	0.5	0.5
Grants	9	7.9	6.6	4.5	5.3	2.6	2.5	2.3	2.3	1.7	1.4
Budget Support	6.2	5.3	4.1	3.7	2.2	1.8	1.4	1.3	1.2	0.4	0.3
Project Grants	2.8	2.5	2.5	0.9	3.1	0.9	1.1	1	1.1	1.3	1
Expenditures and Net Lending	23.3	21.3	20.6	18.2	21	17.3	19.8	22.8	18.5	18.9	19.5
Current Exp.	14.2	13	13	11.5	11.8	10.9	12.5	15.3	11.1	10.5	10.7
Wages /Salaries	5.2	5.1	5	4.7	4.6	3.9	3.8	4.3	3.7	3.9	3.8
Interest	2	1.5	1.5	1.1	1.3	1.2	1.1	1.1	1.2	1.6	1.7
Other current	7	6.4	6.5	5.8	5.9	5.8	7.6	9.9	6.3	5	5.1
Development Exp.	8.3	7.8	7.3	5.7	8.5	5.6	6.7	7.1	6.9	7.6	8.6
Net Lending / Inv.	0.3	-0.1	-0.2	0.2	-0.6	-0.2	-0.1	-0.1	-0.1	0.7	0.2
Other Spending	0.6	0.5	0.7	0.7	1.2	0.9	0.7	0.5	0.6	0.1	0
Overall Balance	-1.7	-0.6	-0.9	-1.1	-2.4	-2.2	-4.9	-4.3	-3	-4.1	-5
Memo items											
Domestic Debt	9.6	9.8	9.1	9.3	10.7	8.4	9.4	13.7	13.4	15.4	16.1
External Debt	60.6	50.7	43	11	12.3	13.8	15.5	17.3	16.2	17.5	17.5
GDP (current US$ m)	27,901	29,668	32,868	35,633	38,736	41,544	43,980	46,891	48,490	51,300	n/a

Note: FY13 = estimated values; FY14 = projected values

Source: IMF Uganda Country Report 2014; IMF Uganda Country Report 2011; IMF Uganda Country Report 2009; World Development Indicators 2014

Gender

1. The 1995 Uganda Constitution recognized equality of men and women and made provisions for ensuring women's participation in decision making at all levels of Government. The number of women in the Uganda parliament increased from 18 percent in 2000 to 35 percent in 2012. In 2009, Parliament passed three landmark laws: (1) a 2010 law on Domestic Violence and the 2011 Domestic Violence regulations; (2) the anti-Female Genital Mutilation Act of 2010; and (3) the anti-human trafficking law passed in 2009. Progress in implementation of these laws has however been limited. The Marriage and Divorce Bill has been a source of contention for more than thirty years. Parliament has repeatedly resisted this Bill, which has the potential to fundamentally reform power relations between husbands and wives.

2. A Ministry of Gender, Labor and Social Development (MGLSD) was set up in 1989, with a mandate to establish mechanisms for gender mainstreaming at different levels of national and subnational government. Under the MGSLD, the National Gender Policy was developed in 1997, and updated in 2007. The Act has provided guidance for nationwide gender mainstreaming across key sector Ministries, including at the local level. The Local Government Act 1997 provided for affirmative action for women's representation at various local government structures at lower level. (Gibson et al.) A mid-term review of the Government's National Development Plan (NDP) finds that Women's participation at lower government levels has largely been ineffective due to low education levels of women and soci-cultural and economic constraints faced by women. (Government of Uganda 2013)

3. An overview of women's ability to access institutions, quotas, and rights is given in table 1. Uganda is put in comparison with Tanzania, Kenya, and Rwanda. As outlined above, Uganda performs well, and is comparable to its peers, regarding constitutional rights and quotas. The quotas for women in parliament are only a little behind those of Tanzania, and Kenya. While there are no legal quotas for women on corporate boards, this is not the case in any of the comparator countries. Regarding rights of women, unmarried woman can apply for a passport the same way as a man. This is not the case for married women. In Tanzania and Kenya, married women continue to be treated the same way as men. In Rwanda, neither married nor unmarried women can apply the same way men can. Regarding the other indicators, Uganda performs well and on par with Tanzania and Kenya. Rwanda is significantly more discrimatory. Regarding division of labor within marriage Uganda also performs well and better than Rwanda, but protecting a wife's interest is lagging as the does not provide for valuation of nonmonetary contributions during marriage, in contrast to Tanzania and Kenya. Men and women do however have equal property rights. Further inheritance laws discriminate. Female and male surviving spouses as well as sons and daughters do not have equal inheritance rights to property.

Table B. 1.Women, business, and the law, by country.

Accessing institutions	*Uganda*	*Tanzania*	*Kenya*	*Rwanda*
Constitutional rights				
1. Is there a non-discrimination clause in the constitution?	Yes	Yes	Yes	Yes
2. If there is a non-discrimination clause in the constitution, does it explicitly mention gender?	Yes	Yes	Yes	Yes
3. Does the constitution guarantee equality before the law?	Yes	Yes	Yes	Yes
4. Is personal law recognized as valid source of law under the constitution?	Yes	No	Yes	No
5. If so, is it invalid if it violates constitutional provisions on non-discrimination or equality?	Yes	n/a	No	n/a
Quotas				
6. What are the legal quotas for women on corporate boards?	n/a	n/a	n/a	n/a
7. What are the legal quotas for women in parliament?	29%	30%	33%	n/a
8. What are the legal quotas for women in local government?	33%	n/a	33%	n/a
Rights of women (unmarried, married)				
9. Can a woman apply for a passport in the same way as a man?	Yes, No	Yes, Yes	Yes, Yes	No, No
10. Can a woman apply for a national ID card in the same way as a man?	n/a, n/a	n/a, n/a	Yes, Yes	No, No
11. Can a woman travel outside the country in the same way as a man?	Yes, Yes	Yes, Yes	Yes, Yes	No, No
12. Can a woman travel outside her home in the same way as a man?	Yes, Yes	Yes, Yes	Yes, Yes	Yes, Yes
13. Can a woman get a job or pursue a trade or profession in the same way as a man?	Yes, Yes	Yes, Yes	Yes, Yes	Yes, Yes
14. Can a woman sign a contract in the same way as a man?	Yes, Yes	Yes, Yes	Yes, Yes	Yes, Yes
15. Can a woman register a business in the same way as a man?	Yes, Yes	Yes, Yes	Yes, Yes	Yes, Yes
16. Can a woman open a bank account in the same way as a man?	Yes, Yes	Yes, Yes	Yes, Yes	Yes, Yes
17. Can a woman choose where to live in the same way as a man?	Yes, Yes	Yes, Yes	Yes, Yes	Yes, No
18. Can a woman confer citizenship on her children in the same way as a man?	Yes, Yes	Yes, Yes	Yes, Yes	No, No
19. Can a woman be "head of household" or "head of family" in the same way as a man?	n/a, n/a	n/a, n/a	n/a, n/a	No, No
Division of responsibility within marriage				
20. Can a woman convey citizenship to her non-national spouse in the same way as a man?	Yes	No	Yes	No
21. Are married women required by law to obey their husbands?	No	No	No	No
22. Do married couples jointly share legal responsibility for financially maintaining the family's expenses?	Yes	No	Yes	No
Using property				
Marital property regime				

23. What is the default marital property regim?	Sep of property	Sep of property	Sep of property	Sep of property
24. Who legally administers property during marriage?	Original owner	Original owner	Original owner	Original owner
Protecting a wife's interests				
25. If it is the husband, does he need his wife's consent for major transactions	n/a	n/a	n/a	n/a
26. Are there special provisions governing the marital home?	Yes	Yes	Yes	No
27. Does the law provide for valuation of nonmonetary contributions during marriage?	No	Yes	Yes	No
Property rights (unmarried, married)				
28. Do men and women have equal ownership rights to property?	Yes, Yes	Yes, Yes	Yes, Yes	Yes, Yes
Inheritance rights				
29. Do sons and daughters have equal inheritance rights to property?	No	No	Yes	No
30. Do female and male surviving spouses have equal inheritance rights to property?	No	No	Yes	No
Going to court				
Equality of access				
31. Does the law recognize customary courts?	Yes	Yes	Yes	No
32. Does the law recognize personal law courts?	No	Yes	Yes	Yes
33. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	Yes	Yes	No
Efficiency of procedure				
34. Is there a small claims court or a fast track procedure for small claims?	Yes	No	Yes	Yes
35. If so, what is the maximum amount for a small claim (as a percentage of income per capita)?	897%	n/a	70%	13%
Judicial representation				
36. How many justices are on the constitutional court?	7	15	7	n/a
37. Of those, how many are women?	3	4	2	n/a
38. Is the Chief Justice a woman?	No	No	No	n/a

Source: World Bank 2014, Adapted by IEG.

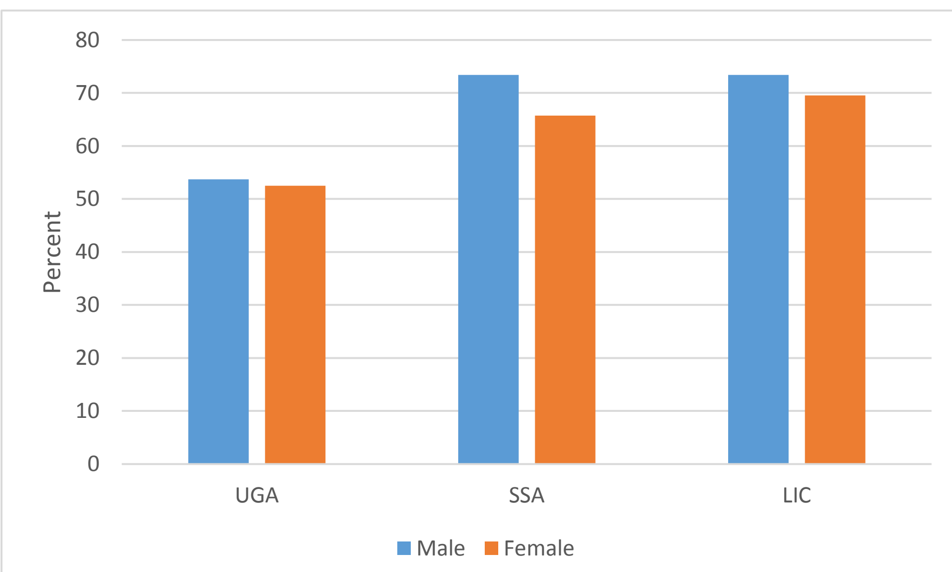
4. Overall educational attainment is low compared to peers. While there appears to be gender parity in enrollment, drop-out rates for girls are significantly higher, which is reflected in completion rates. Of women aged 25 and older 37 percent completed primary schooling, which drops sharply to 23 percent for lower secondary schooling and 2 percent for tertiary education. While these figures are significantly worse in comparison to Kenya, the apparent gender gap is also significantly wider – especially regarding women with completed primary education (see table 2). A more nuanced picture emerges from the completion of primary education as a share of the relevant age group, which currently is about 50 percent for both girls and boys. While this is a major improvement from the population by large, Uganda lags significantly below Sub-Saharan Africa (SSA) and Low Income Country (LIC) average (see figure 3). Gibson et al (2014) note that gender parity prevails in secondary education, however

no data were available to confirm these findings. Tertiary education is heavily biased. Enrollment for every 100 men is matched by only 26.9 women. While the literacy rate for male and female in Uganda is higher than its peers and substantially so of the region, a significant gap between male and female remains. While 65 percent of women are estimated to be literate, male literacy is estimated 18 percentage points higher. Further details on completion rates, enrollment ratios, and literacy, are provided in table B. 2.

Table B. 2.Core education gender indicators, by country (latest year available)

Indicator	*UGA*	*TZA*	*KEN*	*RWA*	*SSA*
Educational attainment, at least completed primary, population 25+ years, female (%) (cumulative)	36.6	n/a	46.9	n/a	n/a
Educational attainment, at least completed primary, population 25+ years, male (%) (cumulative)	50.4	n/a	53.0	n/a	n/a
Educational attainment, at least completed lower secondary, population 25+, female (%) (cumulative)	22.9	n/a	25.3	n/a	n/a
Educational attainment, at least completed lower secondary, population 25+, male (%) (cumulative)	33.5	n/a	31.4	n/a	n/a
Educational attainment, completed tertiary, population 25+, female (%) (cumulative)	1.9	n/a	n/a	n/a	n/a
Educational attainment, completed tertiary, population 25+, male (%) (cumulative)	3.8	n/a	n/a	n/a	n/a
Ratio of female to male primary enrollment (%)	101.5	103.2	n/a	102.0	92.1
Ratio of female to male secondary enrollment (%)	n/a	87.5	n/a	106.5	83.7
Ratio of female to male tertiary enrollment (%)	26.9	54.7	n/a	75.7	64.1
Literacy rate, adult female (% of females ages 15 and above)	64.6	60.8	n/a	61.5	50.9
Literacy rate, adult male (% of males ages 15 and above)	82.6	75.4	n/a	71.1	68.1

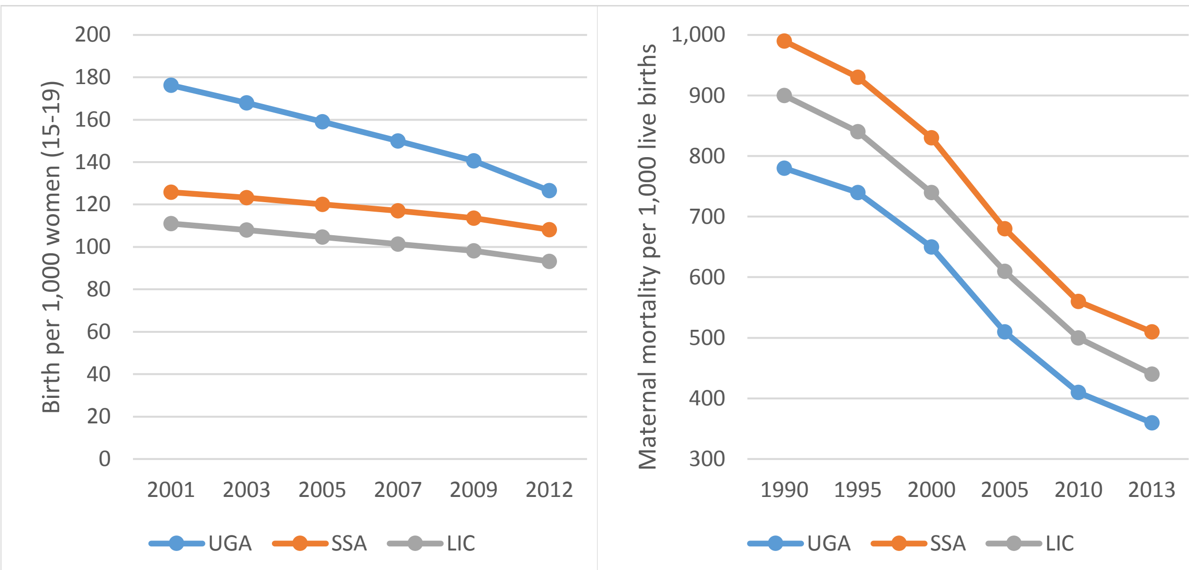
Figure B.1. Primary completion rate, female, male (% of relevant age group)



Source: Gender statistics, World Bank.

5. Uganda has a very high fertility rate. The total fertility rate in 2014 stands at 5.96, which is significantly higher than the SSA average of 5.11 and also higher than that of Tanzania, Rwanda, and Kenya which have 5.28, 4.61, and 4.45 respectively. Some progress, has been made regarding adolescent fertility (women aged 15-19) but at 126.6 per 1,000 women it remains well above SSA and LIC average. The SSA average stands at 108 in comparison. Rwanda in contrast has made significant inroads into adolescent fertility rate, which is four times lower (33.6). The share of women first married by age 18 is also significantly higher than that of its regional peers, and stands at almost 40 percent. Significant inroads have been made in maternal mortality. The ratio per 100,000 is estimated significantly lower than the SSA and LIC average of, but remains nevertheless high at 360. After an encouraging period of decline maternal mortality has increased again slightly in 2014, which is in part due to increasing HIV prevalence and pregnancies for young women (Gibson et al 2014).

Figure B.2. Adolescent fertility rate (births per 1,000 women ages 15-19), and maternal mortality ratio, modeled estimates (per 100,000 live births)



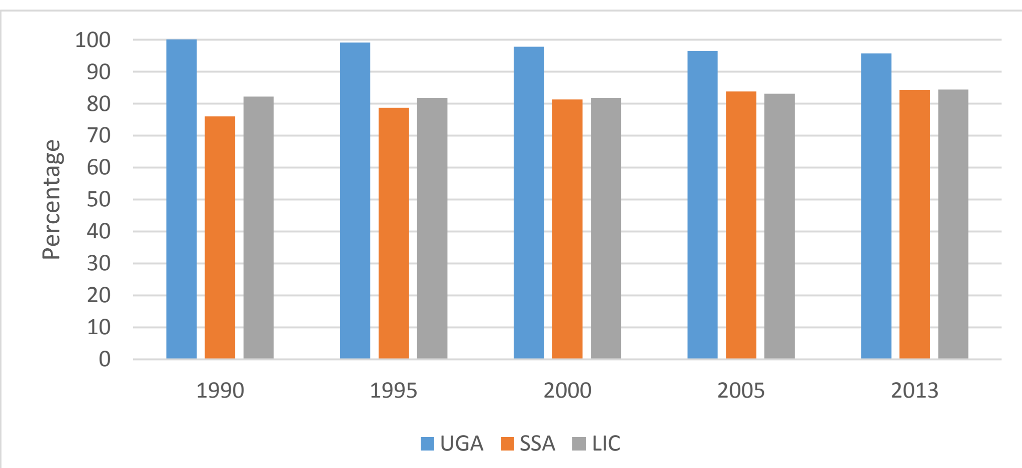
Source: Gender statistics, World Bank.

Table B. 3. Core fertility gender indicators, by country (latest year available)

Indicator	*UGA*	*TZA*	*KEN*	*RWA*	*SSA*
Fertility rate, total (births per woman)	5.96	5.28	4.45	4.61	5.11
Adolescent fertility rate (births per 1,000 women ages 15-19)	126.6	122.7	93.6	33.6	108.0
Wanted fertility rate (births per woman)	4.5	4.7	n/a	3.1	n/a
Contraceptive prevalence (% of women ages 15-49)	30	34.4	n/a	51.6	24.3
Births attended by skilled health staff (% of total)	57.4	48.9	n/a	69	49.71
Women who were first married by age 18 (% of women ages 20-24)	39.7	36.9	n/a	8.1	n/a
Age at first marriage, female	20	21	n/a	24.4	n/a
Age at first marriage, male	24.3	25.1	n/a	26.6	n/a
Maternal mortality ratio (modeled estimate, per 100,000 live births)	360	410	400	320	510

6. Labor force participation is high with little discrimination between men and women. A large gap regarding access to financial institutions however remains. The labor force participation rate (proportion of population aged 15 and older that is economically active) is at 78 percent well above the SSA average (71 percent) and Kenya (68 percent), but significantly below the rate of Tanzania and Rwanda (about 90 percent). The ratio of female to male labor force participation has been consistently good, at close to 100 percent, and well above the SSA and LIC average which have consistently been just over 80 percent. (see figure B.3) The labor force participation of 15-24 year olds is above the SSA average and female are almost on par to male. The labor force participation in Kenya of 15-24 year olds is significantly worse for women than for men in comparison. Access to financial institutions for women in Uganda however is well below the SSA average. Only 15 percent of women hold an account at a formal financial institution, comparing to 26 percent of men. (see table B.4).

Figure B.3. Ratio of female to male labor force participation (in %)



Source: Gender statistics, World Bank.

Table B. 4. Core gender indicators by country (latest available)

Indicator	*UGA*	*TZA*	*KEN*	*RWA*	*SSA*
Labor force participation rate, total (% of total population ages 15-64) (modeled ILO estimate)	78.1	90.5	67.8	87.2	71.1
Labor force participation rate for ages 15-24, female (%) (modeled ILO estimate)	58.8	80.8	35.7	74	50.9
Labor force participation rate for ages 15-24, male (%) (modeled ILO estimate)	59.5	80.3	43.3	71	55.9
Labor force participation rate, female (% of female population ages 15-64) (modeled ILO estimate)	76.6	89.9	62.9	88	65.0
Labor force participation rate, male (% of male population ages 15-64) (modeled ILO estimate)	79.6	91.1	72.9	86.3	77.2
Ratio of female to male labor force participation rate (%) (modeled ILO estimate)	95.7	97.7	85.9	101.2	84.3
Account at a formal financial institution, male (% age 15+)	25.8	20.8	45.6	37.5	26.6
Account at a formal financial institution, female (% age 15+)	15.1	13.8	39.2	28.3	21.5
Proportion of women in ministerial level positions (%)	32.1	36.7	33.3	39.3	20.7

Source: Gender statistics, World Bank.

Online stakeholder survey

Overview of the main findings

General findings

- The authorities consistently rate the contribution of budget support to the implementation of reforms higher than the donors and the non-state actors, and sector budget support seems rated higher than general support by most actors. This reflects the government's long-standing preference for budget support as an aid instrument.
- Budget support seems to have contributed to greater harmonization and coordination of donors.
- In terms of upstream policy formulation, PFM, education, health, and water and sanitation are best rated sectors, and agriculture, roads and transport, and gender (again with higher rating by non-state actors) the worst.
- Budget support is universally viewed as contributing to better fiscal and overall macro-management.
- The contribution of budget support to M&E is rated modestly (about 1.2 on the scale 0-3) by all actors.
- In most cases, the stakeholders have rated the respective sectors consistently over all categories (i.e. one sector has either received only positive or only negative ratings). There are however some exceptions to this observation: Health and education scored well in most categories but received low ratings for service quality; PFM was rated very positively across the board with the exception of budget credibility.

Findings by sector

- **Public Financial Management** (PFM) is one of the highest scoring sectors across all dimensions. The majority of the respondents rate capacity development efforts in this sector highly and state that budget support fostered dialogue in the sector, which in turn contributed to better formulation of policies. There is also agreement among the respondents that PFM reforms at large have advanced over the last years. However, when it comes to budget credibility, opinions are not uniform. Development partners and non-state actors rate progress in that sector more modestly than Ugandan government officials.

- Budget support operations in the **education** sector have been rated positively. Capacity development activities and sectoral dialogue score high and there is agreement that reforms have advanced and produced positive results in the area of access to education. When it comes to the quality of education, opinions are mixed and especially development partners see this area rather critically.
- The results in the **health** are similar to those in education: Respondents agree that capacity development activities and sector dialogue have made a positive contribution, reforms have advanced and access to health care services has progressed, while the quality of services is rated less positively.
- Budget support in the **Water and Sanitation** is viewed positively by all actors and scored well in all dimensions, especially in the area of improved access to services.
- **Gender mainstreaming and equality** has been rated poorly. Most respondents agree that capacity development and policy dialogue have had little effect and have not helped to improve the mainstreaming of gender issues into the reforms. In terms of outcomes, the stakeholders see little progress in gender equality in public administration and service delivery.
- **Other:** JLOS and local governance sectors have received average scores while the agriculture and roads were the sectors that received the poorest results (apart from gender, which is not a sector, but a cross-cutting issue).

Purpose and structure

The stakeholder survey was primarily geared towards the collection of information on issues related to the design and implementation of BS operations. A few questions were nevertheless pitched at a higher level to cover issues linked to policy reform efforts and progress achieved in terms of development outcomes. The survey was targeted towards national level stakeholders (including government officials across the different line ministries and institutions, development partners and non-state actors) directly involved in BS operations.

The questionnaire featured six sections. The first two sections are very short and aimed at identifying the type of respondent and his/her involvement with BS operations. Sections three to six are longer and aimed at gathering information on the effects of BS operations across the three central levels of the comprehensive evaluation framework for the evaluation of budget support, i.e. direct outputs, induced outputs and outcomes.

The questionnaire was structured – with a couple of exceptions - in a series of closed questions with a rating scale 0-3 (plus the “don’t know” answer). In addition, respondents had the possibility to further develop their answers through optional text boxes for comments.

Respondents

Four target groups were identified:

- Government and other national institutions;
- World Bank;
- Other development partners; and
- Non state actors.

The survey featured the same set of questions for all categories of respondents, although - according to the group and the question - there are differences in the depth of the replies and the views expressed. Around 300 resource persons with contact details were identified drawing on various sources of information.

The table below provide some details on the final respondents, including number of respondents by category.

Table B. 5.Overview of respondents

Target group	*Final number of respondents*	*Type of organizations covered*
Government and other national institutions	**21**	Ministry of Finance, Planning and Economic Development Office of Prime Minister Line ministries Other government agencies Other national institutions
Development partners	**64**	World Bank EU Other multilateral organizations Bilateral partners
Non-state actors and other resource persons	**11**	CSOs International NGOs Research organizations and consultancies Independent consultants
Total	**96**	

Field survey

Overview of the main findings

Local Administration

- The broad majority of surveyed LG officers stated that the per capita funding of their administrative unit has increased over the last 5-10 years.
- Most transfers from national/district governments are allocated with conditions and delays in the receipt of funds are an important problem.
- Most respondents agree that decentralization of budgeting and planning has made a positive impact on many areas of the budget process, especially financial and operational planning and the participation of local stakeholders.

Health Units

- HR very problematic, most health units are understaffed and midwives are especially hard to find. Timeliness of staff allocation is also a problem
- Physical resources are mostly rated insufficient. Medical supply as notable exception, strong improvements in the last 10 years.
- Predictability and stability of funding of the health units is low.
- Schools
- Teachers are often allocated to schools with significant delays.
- Physical resources are mostly judged inadequate for the good functioning of the schools.
- Predictability and stability of school funding is problematic.

Purpose and sector focus

The field survey collected data from local (indirect) beneficiaries of budget support for three key purposes. First, to provide a picture of the institutional setting and resource situation in which financial planners and providers of public services operate – factors that are directly or indirectly addressed by budget support. Second, to reveal challenges in planning and service provision that have affected the way how potential benefits of budget support may have triggered down to the local level. Third, to identify determinants of service and development outcomes.

Financial planning and service provision was studied in different administrative units and sectors. The questionnaires and interviews covered the local government administration at district and sub-county levels, as well as a large number of service providers (but not their end users). The survey focused on the sectors of education and health, including some questions on Water and Sanitation as well. Service providers in the two focal sectors included public primary and secondary schools, as well as public health units at levels II (parish level) and III (sub-county level).

Thematic focus

The survey covered the following thematic areas:

- Policy and development challenges
- Financial planning and funding
- Interaction with public administration at higher levels and administrative capacity
- Policy changes including decentralization
- Development and service provision outcomes
- Physical resources including water and sanitation
- Human resources including technical capacity
- Role of service unit management committees and service staff
- Gender issues in budgeting, service delivery and development outcomes
- Challenges in post-conflict areas.

Institutional arrangements

The internal Research and Evaluation Unit of BRAC Uganda, with support of BRAC local offices in the survey districts, led the organization and implementation of the survey. Its main responsibilities included:

- contracting of local enumerators and interviewers in the survey districts
- provision of one week of enumerator and interviewer training in the organization’s country office
- comments on the setup of the survey and the survey instruments
- programming of electronic versions of the questionnaires for data collection via mobile phones
- liaison with local stakeholders for obtaining authorizations and logistic preparation
- collection of all quantitative data and conducting semi-structured interviews in the field
- monitoring of data quality
- preparation and delivery of the final datasets and interview notes.

Sampling strategy

The selection and sampling took places in three different stages as shown in the table below:

Table B. 6.Sampling approach for field survey

Administrative unit	***Sampling/selection strategy***	***Number of selected units***	***Described in***
District	Manual selection based on proposed criteria	8 districts	Section 0
Sub-county (primary sampling unit)	Random sampling of sub-counties (used as clusters) within selected districts	43 sub-counties	Section 0
Service provider (secondary sampling unit)	Single-stage cluster sampling: all health units of level III and secondary schools in sampled sub-counties Two-stage cluster sampling: random sampling of health units of level II and primary schools in sampled sub-counties	80 health units, 136 schools	Section 0

Districts

The selection process for districts was based on logistical constraints; local context (economic conditions; health service availability/accessibility; access to education; administrative history; roral/urban balance; and poverty. The table below gives an overview of the eight districts selected.

Table B. 7 Selection of districts for field survey

Region	District	No. of sub-counties	Poverty rate 2005	Health service score 2012/13	Primary GER 2011	Incl. municipality?	New district after 2005?	Performance relative to regional means of indicators; post-conflict area
			Pct. point difference to regional rate	Difference to regional mean	Pct. point difference to regional rate			
Central	Buikwe	12	-2,78	1,84	-9,39		✓	Average
Central	Mpigi	7	2,95	-17,36	-59,79		✓	Low
Eastern	Jinja	12	-17,74	13,51	-45,51	✓		High[30]
Eastern	Kaliro	6	2,86	-6,69	-17,71		✓	Average
North	Lira	13	-6,91	13,32	8,49	✓		Post-conflict
North	Zombo	10	2,05	3,72	5,99		✓	Average[31]
Western	Kiryandongo	7	7,79	-14,84	-27,99		✓	Low
Western	Rukungiri	12	-6,49	5,06	8,21	✓		Average

Sub-counties

Below the district level, administrative units were randomly selected through cluster sampling. The sampling framework for sub-counties included all 79 sub-counties located in the eight selected districts, as per administrative division 2014 (available from Uganda Bureau of Statistics and other sources).

Service providers

The cluster sampling approach continued at service provider level. Schools and health units were random sampled or universally covered (depending on their type) within the previously sampled sub-counties. Both random sampling and universal coverage minimized selection bias that could have arisen, for example, from selecting service units based on accessibility by road.

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[30] Except for school enrolment.

[31] Even though Zombo was less affected by conflict than Lira, the modules for post-conflict areas were applied as well.

Table B. 8. Effects of educational inputs on gross enrolment ratio (primary level), district division 2006

National and sub-regional changes filtered	**No**			**Yes**			**Yes**		
Purpose	Robustness check			Main (preferred) specification			Robustness check		
School years covered in dataset	2007 to 2013			2007 to 2013			2009 to 2013		
Number of observations used	N = 385			N = 385			N = 251		
Dependent variable: gross enrolment ratio for …	Boys	Girls	Gdr. Gap	Boys	Girls	Gdr. Gap	Boys	Girls	Gdr. gap
	Financial resources								
Central government transfers to district (in billion USh, previous fiscal year) budgeted for:									
recurrent expenditure in primary education	-0.001	0.000	-0.001	-0.004	-0.002	-0.002	-0.007*	-0.004	-0.003**
School Construction Programme	-0.002	-0.006	0.004*	-0.002	-0.005	0.003	-0.003	-0.004	0.003
	Physical school resources								
Number of schools per 1,000 children of official primary school age in the population	0.163***	0.138***	0.024*	0.167***	0.144***	0.023*	0.182***	0.189***	-0.022
Share of schools with classes up to P7	0.197	0.015	0.182***	0.263	0.125	0.139**	0.196	0.117	0.055
Average number of classrooms per school	0.027	0.035*	-0.008	0.022	0.028	-0.006	0.029	0.042**	-0.015**
Average number of adequate seating and writing	0.008**	0.009*	-0.001	0.008***	0.009***	-0.001	0.007**	0.007**	-0.001

spaces per classroom									
Share of schools with improved water sources	-0.292	-0.301	0.009	-0.429**	-0.411**	-0.018***	-0.257	-0.205	0.094***
Number of separate girls' toilets with doors or shutters per 1,000 girls of official primary school age in pop.	-0.035**	-0.002	-0.034***	-0.030**	0.002	-0.032***	-0.027	0.011	-0.036***
Number of separate boys' toilets with doors or shutters per 1,000 boys of official primary school age in pop.	0.032**	0.002	0.030***	0.025**	-0.003	0.028	0.027	-0.011	0.036
	Human resources								
Number of teachers per 1,000 children of official primary school age in population	0.014***	0.011***	0.003**	0.015***	0.012***	0.003**	0.016***	0.014***	0.002
Share of female teachers	0.007	0.437	-0.430**	-0.339	0.198	-0.537**	0.281	0.627	0.020
R^2	0.626	0.583	0.502	0.652	0.613	0.518	.	.	.

Notes: Each cell entry shows the estimated percentage point change in the given enrolment ratio induced by a one-unit change of the variable in the given row.

*, ** and *** denote statistical significance (effect different from zero) at 10 %, 5% and 1%, respectively (marked in bold in the main specification).

The unit of observation is the mother district as per district division 2006. All variables refer to primary schools in the district. Gender gap = outcome for boys minus girls. Standard errors (not reported) are clustered at the district level (for fixed effects estimation) or robust (Arellano-Bond estimation). Additional independent (control) variables include: population of (i) boys and (ii) girls of official primary school age (6-12 years), share of schools located in rural areas, share of schools in periurban areas, school average of distance in km to District Education Office, share of schools within 1 km distance to nearest main water source, average number of textbooks per school, % of underqualified (i.e. licensed or Grade II) teachers, share of schools with more than two inspections per year, total of other central government transfer in previous fiscal year and a dummy for the years after the split of the mother district (if any)

Table B. 9. Effects of educational inputs on gross enrolment ratio (secondary level), district division 2006

Estimation method	Panel data: District fixed effects estimator						Dynamic panel data: Arellano-Bond estimator		
National and sub-regional changes filtered	No			Yes			Yes		
Purpose	Robustness check			Main (preferred) specification			Robustness check		
School years covered in dataset	2007 to 2013			2007 to 2013			2009 to 2013		
Number of observations used	N= 385			N = 385			N = 246		
Dependent variable: gross enrolment ratio for …	Boys	Girls	Gdr. Gap	Boys	Girls	Gdr. Gap	Boys	Girls	Gdr. gap
	Financial resources								
Central government transfers to district (in billion USh, previous fiscal year) budgeted for:									
recurrent expenditure in secondary education	0.002**	0.003***	0.000	0.001	0.001	0.000	0.001	0.001	0.000
	Physical school resources								
Number of schools per 1,000 children of official secondary school age in the population	0.236***	0.208***	0.029	0.193***	0.159***	0.034	0.285***	0.240***	0.081***
Share of girls-only schools	-0.119	0.177**	-0.296***	-0.079	0.207**	-0.287***	-0.085	0.213*	-0.260***
Share of boys-only schools	-0.027	-0.030	0.003	-0.032	-0.041	0.009	-0.061	0.119	-0.146
Share of schools with classes up to S6	0.050*	0.028	0.022	0.047*	0.018	0.029*	0.089***	0.055**	0.024
Average number of classrooms per school	0.014***	0.011***	0.003**	0.013***	0.010***	0.003	0.012***	0.008***	0.005**
Average number of adequate seating and writing spaces per classroom	0.003***	0.003***	0.001***	0.003***	0.002***	0.001***	0.002***	0.002***	0.001***

Share of schools with improved water sources	0.057	0.079**	-0.022	0.016	0.043	-0.028	0.064	0.070**	0.013
Number of separate girls' toilets with doors or shutters per 1,000 girls of official secondary school age in pop.	-0.007	0.004	-0.011**	-0.001	0.011	-0.012	-0.037***	-0.012	-0.024***
Number of separate boys' toilets with doors or shutters per 1,000 boys of official secondary school age in pop.	0.013	0.001	0.011**	0.007	-0.005	0.012*	0.036***	0.014*	0.020***
	Human resources								
Number of teachers per 1,000 children of official secondary school age in population	-0.001	-0.001	0.000	0.002	0.002	0.000	-0.002*	0.000	-0.002**
Share of female teachers	0.189**	0.134**	0.055	0.036	0.007	0.029	-0.03	-0.068	0.066
R^2	0.736	0.738	0.438	0.778	0.778	0.522	.	.	.

Notes: Each cell entry shows the estimated percentage point change in the given enrolment ratio induced by a one-unit change of the variable in the given row.
*, ** and *** denote statistical significance (effect different from zero) at 10 %, 5% and 1%, respectively (marked in bold in the main specification)
The unit of observation is the mother district as per district division 2006. All variables refer to secondary schools in the district. Gender gap = outcome for boys minus girls. Standard errors (not reported) are clustered at the district level (for fixed effects estimation) or robust (Arellano-Bond estimation). Additional independent (control) variables include: population of (i) boys and (ii) girls of official secondary school age (13-18 years), shares of schools located in (i) rural and (ii) periurban areas, school average of distance in km to DEO, share of schools within 1 km distance to nearest main water source, average number of textbooks per school, share of schools with > 2 inspections per year, central govt. transfers in previous fiscal year for: (i) SCP and (ii) total of other transfers, and a dummy for the years after the split of the mother district (if any)

The econometric analysis for the Education sector estimates the contribution of various inputs provided under GoU sector policies and programs – financial, physical and human resources – on outcome indicators for educational access and quality at both primary and secondary level. The unit of observation is the district in a given school year (2006-2013). The main data source is a comprehensive extract of micro data from the Educational Management Information System (EMIS) – the national school census – provided by the Ministry of Education and Sports. Further data sources include population estimates by based on data and procedures of the Uganda Bureau of Statistics (UBoS), PLE results reported by the Uganda National Education Board (UNEB) and fiscal data for central government transfers to districts collected in the World Bank's BOOST database. The result is a panel dataset with annual observations for all districts of Uganda for the period 2006-2013. Coefficient estimates are largely obtained via panel data estimation with district fixed effects, which exploits only changes in variables within districts over time.

Annex C. List of Persons Met

Name	First name(s)	Title	Institution
Achiro	Irene	Monitoring officer, Water & Environment	Ministry of Finance, Planning and Economic Development
Agaba	Annette	District Finance Officer, Mbarara	Ministry of Education and Sports Mbarara District
Akol	Edward	Director of Audit	Auditor General
Alidria-Ezati	Isaac	Director of Health Services	Ministry of Health
Alitii	Candia Tom	Principal Finance Officer	Ministry of Health
Arinaitwe	Jim	Coordinator Global Fund	Ministry of Health
Asiimwe	Loy	MIS Manager, Directorate of Water Development	Ministry of Water and Environment
Babumba	Mutebi	District Internal Auditor	Masaka DLG
Bant	James	Director of Audit, Forensic Audits and Investigations	Auditor General
Baryomunsi	Godfrey	Vice Chairperson	Mbarara DLG
Bazzanella	Sabrina	Governance, Programme Manager	EU
Birnbaum	Albert Bruun	First secretary Governance	Danida
Brownbridge	Martin	Advisor to Central Bank	Bank of Uganda
Bwiiza	Angela	Coordinator TSUs	Ministry of Water and Environment
Byamugisha	Albert	Commissioner M&E	Office of the Prime Minister
Century	Howard	Procurement Specialist	World Bank
Chibita	Mike J.	Director of Public Prosecutions	Directorate of Public Prosecutions
Coronel	Ana Lucia	Senior Resident Representative	IMF
Curtale	Filippo	Health Sector Advisor	Belgian Technical Cooperation
de Woelmont	Gauthier	Public Finance Management Advisor	Belgian Technical Cooperation
Desiderio	Turwsiime	Senior Education Officer, Mabarara	Ministry of Education and Sports Mbarara District
Dhatemwa	Godfrey	Commissioner, Planning and Policy Analysis	Ministry of Education and Sports
Egesa	Kenneth	Acting Director of Research	Bank of Uganda
Ejolu	Innocent	Principal Policy Analyst	Office of the Prime Minister
Enyako	Roger	Finance and Budget	Ministry of Health
Eyatu	Joseph Oriono	Commissioner Rural Water Supply	Ministry of Water and Environment
Girma Tessema	Zemedkun	Senior Transport Specialist	World Bank
Gwokyala	Noeline	Monitoring officer education sector	Ministry of Finance, Planning and Economic Development
Hirya	Joseph	Director of Audit	Auditor General
Hoorntje	Theo	Head of Cooperation	EU
Isasozi	Joseph	Ag. DFO	Masaka DLG
Isemwogerere	Fredrick	DCAO	Masaka DLG

Juuko	Elias	Acting District Water Engineer / District Water Officer	Masaka DLG
Kaana	Francis		Ngaara, Primary School, Mbarara District
Kabango	Freddie	Action DAO	Masaka DLG
Kabirizi	Aaron	Director Water Development	Ministry of Water and Environment
Kabuye	Pascal	ACAW/AWI	Masaka DLG
Kaggwa Sebudde	Rachel	Senior Economist	World Bank
Kaguna Bwela	Amooti	District Health Officer	Ministry of Health Mbarara District
Kahangire	Moses	District Works Officer / Acting DE	Mbarara DLG
Kakande	Margaret	Head BMAU, Budget Monitoring and Accountability Unit	Ministry of Finance, Planning and Economic Development
Kalebbo	Justus	Technical Monitoring Officer, Public Finance Management	Ministry of Finance, Planning and Economic Development
Karoro	Henry	Economist, Budget Directorate	Ministry of Finance, Planning and Economic Development
Kasekende	Louis	Deputy Governor	Bank of Uganda
Kashaija	Kenneth	Assistant Engineer in charge of boreholes	Mbarara DLG
Kasirye	Ibrahim	Principal Research Fellow	Economic Policy and Research Center
Kasito	Margaret	Irish Aid technical Assistance, Gender Unit	Ministry of Education and Sports
Kasule-Mukasa	Paul	Program Coordinator	Ministry of Local Government
Katungi	Stuart Gordon	Database programmer, Budget Department	Ministry of Finance, Planning and Economic Development
Kawanguzi	Kefa	Monitoring officer health sector	Ministry of Finance, Planning and Economic Development
Kibirige	Moses	Trade & Competitiveness	World Bank
Kiiza	Lawrence	Directorate of Economic Affairs (planning)	Ministry of Finance, Planning and Economic Development
Kirumira	Daniel	Physical Planner	Masaka DLG
Kirwan	Frank	Head of Cooperation	Embassy of Ireland
Kiwanuka	Joel	Principal Sociologist	Ministry of Water and Environment
Klinken van	Rinus	Sector Lead WASH	SNV Netherlands Development Organisation
Knapp	Simone	Head	Austrian Development Agency
Kramer	Anja	Officer	KfW
Kugonza	Maria	Economist, Education Planning and Analysis Department	Ministry of Education and Sports
Kule	Benson Baritazale	Commissioner of Secondary Education	Ministry of Education and Sports

Kyokuhaire	Juliet	Principal Economist Infrastructure & Social Services,	Ministry of Finance, Planning and Economic Development
Kyomukama	Maggie	Assistant Commissioner, Gender and Community	Ministry of Gender, Labour and Social Development
Laker	Caroline	Social Development Advisor	Irish Aid
Larsen	Soren Hogsbro	First secretary	Danida
Lhouiva	Balalga	Assistant Commissioner, Education Planning and Analysis	Ministry of Education and Sports
Lindberg	Anne	Health sector advisor	Swedish International Development Agency
Lock	Stefan	Head of Section, Economic and Social Sectors	EU
Lubanga	Timothy	Assistant Commissioner for Monitoring & Evaluation	Office of the Prime Minister
Lubega	Irene Namatovu	Head of Statistics Section, Planning Department	Ministry of Education and Sports
Lukwago	Asuman	Permanent Secretary	Ministry of Health
Magezi	Barbara	Senior Public Sector Specialist	World Bank
Masala	Giuseppe	Head of Cooperation Office	Italian Cooperation
Matyama	Frederick	Assistant Commissioner DARC (new unit replacing ALD)	Ministry of Finance, Planning and Economic Development
Mbowa	Swaibu	Senior Research Fellow	Economic Policy and Research Center
Mbulamako	Laban	Commisioner, Budget Directorate	Ministry of Finance, Planning and Economic Development
Meassick	Mark	Deputy Mission Director	USAID
Meyer	Rosette	Human Rights, Conflict and Gender Advisor	EU
Millar	Thomas	Head of Section, Governance Trade and Private Sector	EU
Mokooyo	Edward	Assistant Commissioner Health Services	Ministry of Health
Molica	Denise	Technical Advisor on Aid Effectiveness	Italian Cooperation
Mpoza	Isaac David	Ag. Director Debt & Cash Management	Ministry of Finance, Planning and Economic Development
Mugala	Josephine	Program Officer-Research & Development	UWASNET
Mugambe	Kenneth	Budget Director	Ministry of Finance, Planning and Economic Development
Mugisha	James	Gender focal point	Ministry of Health
Muhakanizi	Keith	Permanent Secretary / Director General	Ministry of Finance, Planning and Economic Development
Mulindwa	Innocent	Senior Education Expert	World Bank
Mulindwa	John Baptist	Acting District Education Inspector	Ministry of Education and Sports Masaka District
Mulyagonja Kakooza	Irene	Inspectorate General	Inspectorate of Government

Musisi	Albert	Ag. Commissioner Macro-economic policy	Ministry of Finance, Planning and Economic Development
Musisi	Stuart	District Health Officer	Ministry of Health Masaka District
Musisi	Willau	DCDO	Masaka DLG
Mutono	Samuel	Water and Sanitation Expert	World Bank
Muwanga	John	Auditor General	Auditor General
Nabaggala	Margaret	Dep. DHO	Ministry of Health Masaka District
Nabbumba	Rosetti	Deputy Head, Budget Monitoring and Accountability Unit	Ministry of Finance, Planning and Economic Development
Najjuma	Cate	Senior Programme Adviser-Economist	Royal Danish Embassy Kampala
Namagembe	Betty	Acting District Education Officer	Ministry of Education and Sports Masaka District
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Ongom	Elizabeth	Education Advisor	EU
Raitz von Frenz	Christian	Governance and Accontability Expert	EU
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Rider Smith	David	Advisor	DFID
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Sekaggya-Bagarukayo	Diane	Education Advisor	Irish Aid
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Tweesime	Fred	DARC Member	Ministry of Finance, Planning and Economic Development
Wagona	Vincent	Principal State Attorney	Directorate of Public Prosecutions
Waiswa	Bageya	Secretary to the Inspectorate of Government	Inspectorate of Government
Wakhweya	Jacqueline	Private Sector Unit Leader	USAID
Walala	John Genda	Director, Local Government Inspection	Ministry of Local Government
Wanambi	Nelson	Principle Economist, Budget Department	Ministry of Education and Sports
Wanyera	Maris	Commissioner Development Assistance and Regional Cooperation (DARC)	Ministry of Finance, Planning and Economic Development
Williamson	Tim	Consultant	Consultant/ODI