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**PROJECT PERFORMANCE ASSESSMENT REPORT**

**UGANDA**

**ENVIRONMENTAL MANAGEMENT AND CAPACITY BUILDING PROJECT  
(CREDIT 2777-UG; PPF1-P8480)**

**June 23, 2008**

*Sector Evaluation Division  
Independent Evaluation Group (World Bank)*

## Currency Equivalentents (annual averages)

*Currency Unit = Uganda Shilling (Ush)*

1995	US\$1.00	USh 950
2001	US\$1.00	USh 1,750
2006	US\$1.00	USh1,850

## Abbreviations and Acronyms

CBO	Community Based Organization
DEAP	District Environmental Action Plan
EIA	Environmental Impact Assessment
ELU	Environment Liaison Unit
EMCBP	Environmental Management Capacity Building Project
GOU	Government of Uganda
ICR	Implementation Completion Report
IDA	International Development Association
IEG	Independent Evaluation Group
IEGWB	Independent Evaluation Group (World Bank)
IUCN	World Conservation Union
MOF	Ministry of Finance
MTEF	Medium-term Expenditure Framework
MLWE	Ministry of Water, Lands and Environment
NEAP	National Environment Action Plan
NEF	National Environment Fund
NEMA	National Environmental Management Authority
NES	National Environment Statute
NGO	Non Governmental Organization
PPAR	Project Performance Assessment Report
UNDP	United Nations Development Program
UNEP	United Nations Environment Programme
USAID	United States Agency for International Development

## Fiscal Year

Government July 1 – June 30

Director-General, Evaluation	: Mr. Vinod Thomas
Director, Independent Evaluation Group (World Bank)	: Ms. Cheryl Gray
Manager, Sector Evaluation Division	: Ms. Monika Huppi
Task Manager	: Mr. John Redwood

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To prepare a Project Performance Assessment Report (PPAR), IEGWB staff examine project files and other documents, interview operational staff, 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 IEGWB peer review, Panel review, and management approval. Once cleared internally, the PPAR is commented on by the responsible Bank department. IEGWB incorporates the comments as relevant. The completed PPAR is then sent to the borrower for review; 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.



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<p>This report was prepared by Patrice Harou, Consultant, who assessed the project in June 2006 under the supervision of John Redwood, Task Manager. Soon-Won Pak provided administrative support.</p>
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## Principal Ratings

	<i>ICR*</i>	<i>ICR Review*</i>	<i>PPAR</i>
Outcome	Satisfactory	Satisfactory	Moderately Satisfactory
Institutional Development Impact**	High	Substantial	_____
Risk to Development Outcome	_____	_____	Substantial
Sustainability***	Likely	Likely	_____
Bank Performance	Satisfactory	Satisfactory	Moderately satisfactory
Borrower Performance	Satisfactory	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.

\*\*As of July 1, 2006, Institutional Development Impact is assessed as part of the Outcome rating.

\*\*\*As of July 1, 2006, Sustainability has been replaced by Risk to Development Outcome. As the scales are different, the ratings are not directly comparable.

## Key Staff Responsible

<i>Project</i>	<i>Task Manager/Leader</i>	<i>Division Chief/ Sector Director</i>	<i>Country Director</i>
Appraisal	John Evans	Sushma Ganguly	James W. Adams
Completion	Nathalie Johnson	Agi Kiss	James W. Adams





## **Preface**

This is the Project Performance Assessment Report (PPAR) for the Environmental Management and Capacity Building Project in Uganda. The project was financed through IDA credit in the amount of US\$11.8 million with a planned Government contribution of US\$2.7 million and no co-financing. The credit was approved on September 14, 1995 and closed on June 30, 2001. The project sought to contribute to sustainable management of environmental and natural resources at the national, district, and community levels. The project's basic data and performance indicators are presented in Annex A and B.

This project was assessed in parallel to and as an input for the Uganda country case study for the evaluation of World Bank Group Support for the Environment.

IEG prepared this report based on an examination of the relevant project documents, legal agreements, project files and archives, as well as other relevant sector reports, memoranda, and working papers. A field mission visited Uganda in June 2006 and, based on subsequent consultations, including with regard to the follow-on project, the findings are still relevant today. The contributions and cooperation of government officials and agencies, the World Bank country office, civil society, private sector, and other donors are gratefully acknowledged. Their names are provided in Annex C.

Following standard IEG procedures, copies of the draft PPAR was sent to government officials and agencies for their review and comments, but none were received.



## Summary

The first Environmental Management and Capacity Building Project (EMCBP I) was designed to make Uganda's National Environmental Action Plan (NEAP) of 1990 operational. The NEAP, which was a process that involved multiple stakeholders and donors, identified the issue of soil and natural resources degradation as due in great part to a lack of institutional capacity. The project had a cost of US\$15.2 million, of which US\$11.8 million was an IDA credit with no co-financing. US\$10.6 million was disbursed. It was approved on September 14, 1995 and closed on June 30, 2001.

The project objective was identified as part of a participatory NEAP process and sought to build environmental management capacity at the national, district, and community levels by establishing the National Environmental Management Authority (NEMA), strengthening capacity in six districts to help communities sustainably manage natural resources, and initiating a process to address resource degradation problems at the community level. The issue of natural resources management, including soils, is crucial to sustain agriculture which is the main economic activity and the source of income for more than 80% of the population.

Most of the project credit (72 percent or US\$8.5 million) was used to support establishment of NEMA. Most of the output targets (work plans, workshops, and training) were met. The inputs and costs to produce these outputs were not properly monitored and outcomes were not specified. Today, NEMA is a recognized authority staffed with competent professionals whose main task is to ensure implementation of new laws and regulations passed during the first phase of the project. Significant responsibility for environmental management lies with the sector ministries and lead agencies, and at project conclusion, Environmental Liaison Units (ELUs) in these agencies were not yet effective. NEMA's coordinating and supervisory role with respect to the ELUs was also constrained by a lack of stronger political support and financial resources. The situation in the districts was similarly limited by insufficient funds and commitment. Largely as a consequence, a second project (EMCBP II) was deemed necessary to equip the ELUs and districts to better manage the environment and natural resources for more sustainable rural development. This result is not surprising given experience in other countries which indicates that capacity building for environmental management can be a lengthy process, often requiring multiple Bank and/or other donor operations..

Project outcome is assessed as moderately satisfactory given that the establishment of NEMA was its primary purpose. Project objectives were relevant, were identified through a NEAP, and were consistent with the poverty alleviation thrust of the CAS of 1995. However, in retrospect project design was overly ambitious and not as strong as it could have been, concentrating on outputs rather than outcomes such as a change in budget allocation and reversing the deterioration of some important resources such as prime agriculture land, wetlands and forestlands. Nevertheless, new environmental laws were enacted, an important environmental framework was established, and an Environmental Authority created and capacitated to follow its

implementation. As of the time the project closed, institutional strengthening had not yet permeated the lead agencies and districts, although this process was continuing under the second operation. NEMA's permanence is not in question given its professionalism and the way it has helped put the environment on the national agenda. However, its funding remains somewhat questionable.

Both Bank and Borrower performance were moderately satisfactory. The risk to development outcome is substantial unless a more permanent source of funding for NEMA can be assured. The new environmental policies should become more effective in the future if political will increases, governance improves, learning institutions are strengthened, and NEMA's financial security is sound. Weak monitoring and evaluation impaired project management and did not permit a proper cost-effectiveness calculation at project closing.

Five lessons are worth highlighting:

- Environmental capacity building projects should be designed to achieve specific environmental quality outcomes on the basis of a well conceived strategy following a logical framework.
- Financial sustainability of newly established environmental agencies should be part of initial project design and systematically pursued during implementation through a proper fiscal and budgetary mechanism managed with the help of a well-performing M&E system.
- When project management capacity is well integrated into the institution to be built and strengthened (and not through a PMU), its institutional impact is greater.
- The creation of a new environmental institution and the strengthening of existing ones are lengthy participatory processes best implemented when the institutional entities themselves assume full ownership, benefit from strong political backing, and have adequate resources to carry out the activities involved.
- The building of an Environmental Authority cannot be done without considering training activities. However, that function is often best implemented outside the Authority itself by institutions whose purpose is the transmission of knowledge and research results.

Vinod Thomas  
Director-General  
Evaluation

# 1. Background

## The project context

1.1 The macroeconomic fundamentals achieved over the last decade and a half have contributed to a steady average annual GDP growth rate (6.4 percent from 1991 to 2000 and 5.4 percent subsequently). This rate was lower for agriculture (3.9 percent and 2.9 percent respectively for these periods), but still above one of the highest population growth rates in the world, around 3 percent per annum. However, agriculture is rapidly losing its share in aggregate GDP growth (from roughly one-third of the total at the time of project appraisal in 1994 to one-fifth in 2006) to industry and services. However, the sector remains the main employer of the labor force (70 percent in 2006, compared with 80 percent at appraisal), accounts for most of Uganda's exports (90 percent), and provides most of the raw materials for its industrial sector. Poverty is directly linked to the situation of the rural economy. Headcount poverty in rural areas, where 86 percent of the population resides, is 42 percent of the total compared to the national figure of 38 percent.<sup>1</sup> The rural economy, in turn, is closely dependent on sustainable management of the natural resources and environment.

1.2 Land, water, and other natural resources are crucial inputs for the agricultural sector and have steadily deteriorated over the past two decades. The most prominent "green" environmental issues in Uganda include: soil conservation, land and watershed management, water resource management (Lake Victoria/Nile Basin), degazettement of forest reserves, biodiversity conservation, and protected area management. "Brown" issues, such as water pollution and solid waste management, will become more important as the economy grows and urbanization increases. More specifically, they include: sanitation (sewerage and waste management) in the main urban centers of the country, excessive water extraction from Lake Victoria, eutrophication of the Lake from agriculture and sewerage, impacts of mining, future oil extraction (Lake Albert), and industrial (e.g., cement) production. While the extent of these impacts varies by region, they are greatest where population densities are highest – i.e., in urban centers and the rural southeast.

1.3 The National Environmental Action Plan (NEAP) process, which led to the project, arose from concerns about the rapidly degrading environment. It identified five environment-related challenges that remain highly relevant: (i) capacity building in environmental management; (ii) enhancing resource (land and water) productivity; (iii) management and use of biodiversity; (iv) environmental education and public awareness; and (v) environmental health and pollution management. The *State of the Environment Report*, prepared at the time of the project by the NEAP Secretariat, identified a number of serious natural resource problems directly linked to agriculture and rural development including soil erosion, transformation from shifting to more continuous cultivation, soil fertility problems, rangeland degradation, destruction of wetlands, fuelwood shortages,

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1. World Bank, Poverty Assessment for Uganda, 2005.

deforestation, and loss of biodiversity. Most of these problems persist and some have worsened over the past two decades.

1.4 Environmental management was identified as a key issue as early as 1987 by the Ministry of the Environment together with UNEP, a NEAP was initiated in 1990, and an Environment Policy Statement approved by the Cabinet in 1993. An Environmental Policy was adopted by the Government in 1994 and a National Environment Statute (NES) was passed in 1995 calling for establishment of the National Environmental Management Authority (NEMA) as a semi-autonomous agency,<sup>2</sup> charged with coordination and given a regulatory/compliance mandate for environmental management and safeguard issues. NEMA was to be governed by a Board of Directors with wide representation<sup>3</sup> and overseen by a Cabinet-level Policy Committee made up of ten Ministers and chaired by the Prime Minister with the objective of making the agency strong and independent. The World Bank was approached to help NEMA through an IDA credit. The Government of Uganda (GOU) initially declined but later accepted this proposal when USAID decided not to provide a grant for this purpose.

1.5 At the time of the project proposal, the Ugandan economy was growing at around 6% a year and the Government's strategy was to try to ensure that this growth would be sustainable through (i) implementation of macroeconomic policies that encouraged private investment and mobilized domestic savings; (ii) provision of social services; and (iii) addressing environmental issues. The Bank's CAS of 1995 concurred with these priorities. It was acknowledged that natural resources needed to be managed prudently and environmental problems addressed at an early stage, avoiding the alternative of growing at all costs now and cleaning up the environment later. The NEAP proposed a strategy for environmental management that sought to ensure that negative effects of economic policy and the core investment program were controlled to allow for sustainable natural resource management and, at the same time, provide support to redress priority environmental problems.

1.6 These objectives were later also considered in preparing the first Environmental Management Capacity Building Project (EMCBP I), the subject of this assessment, which was essentially conceived to help establish NEMA. In preparing the project, participation of communities as primary users and managers of land was considered important, as was requiring collective action to address externalities such as the rehabilitation of denuded hillsides or grazing areas that were managed as public goods. To prioritize and coordinate such actions, the NEAP concluded that the Government's capacity to analyze policies and institutional arrangements was extremely limited and needed to be strengthened.

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2. At the time of project appraisal, NEMA was under the Ministry of Natural Resources. It was later under the Ministry of Water, Land and the Environment (MWLE), and, since 2006, the Ministry of Water and the Environment (MWE).

3. Representative from the Ministry of Water, Lands and Environment (MWLE), academics and research organizations, NGOs, and the private sector.

## **2. Project Design and Implementation**

### **Project Design**

2.1 Several Bank missions fielded in the early 1990s closely followed the participatory NEAP process involving all relevant stakeholders and considered how best support its implementation. An appraisal mission was launched in June 1994 with a view to support the first five years of NEAP implementation, more specifically the establishment of NEMA together with some concrete activities such as capacity building and the creation of an Environmental Management System (EMS). This project was conceived along these lines. As the first environmental project in Uganda, its dual objectives were to: (i) build capacity for environment management at the national, district, and community levels through the establishment of NEMA; and (ii) strengthen selected districts (oriented toward support for the community component on natural resource management) and initiate a process for communities to address natural resource degradation problems of local concern.

2.2 The project objectives and the design of EMCBP I were responsive to the desire of the Government of Uganda (GOU) to address natural resource degradation problems, identified in the multi-stakeholders NEAP process, that were brought about by war and internal strife for over a decade and a half. It also reflected the Bank's Country Assistance Strategy (CAS) discussed by the Board on June 1, 1995. The objectives of the CAS were to reduce poverty within a stable macroeconomic context and promote economic growth duly considering the environment to ensure its sustainability. It was recognized that this would require adequate human capacity at all levels of Government. The project was approved in September 14, 1995 and became effective on January 1, 1996.

2.3 A second Environment Management and Capacity Building Project (EMCBP II) directly followed the first operation and is now well-advanced in its implementation. It aimed at further enhancing, strengthening, and consolidating what the first phase project set out to achieve by building on the results of EMCBP I. Accordingly, the central objective of the second project is to sustain environmental management at the national, district, and community levels.

### **Project Content**

2.4 The project was financed through an IDA credit in the amount of US\$11.8 million with a planned Government contribution of US\$2.7 million and no co-financing. Its objectives were not revised during implementation and the credit was almost all disbursed (US\$ 11.2 million). EMCBP I had two components: institutional support at the national level (US\$8.9 million at appraisal, or 68% of total baseline cost, and US\$10.6 million actually spent) and district and community environmental capacity building (US\$3.5 million or 26% but US\$1.76 million actually spent). The actual project cost was US\$14.5 million with 72.4% for NEMA and the rest for the district and community development. The first component would support the establishment of NEMA as a semi-autonomous agency under the Ministry of Natural Resources with horizontal linkages to

sectoral ministries, academic institutions, and NGOs and vertical linkages to districts -- strengthening six of them -- and communities. District environment officers and technical planning committees under NEMA would also support the six districts. NEMA's main programs as identified in the SAR<sup>4</sup> were to: (i) enhance the policy and regulatory framework at the national level; (ii) establish an environmental impact assessment program (EIA) to ensure that all development policies, strategies, programs, and projects at the national, district, and local levels are environmentally sound and sustainable; (iii) develop an Environmental Information System (EIS); (iv) build capacity for environmental economic analysis; (v) promote environmental education and awareness; (vi) establish an outreach program to support district environment policy and management; and (vii) support studies on the most urgent environmental issues identified in the NEAP (including soil and land degradation, fuelwood provision, biodiversity conservation, and deforestation) to identify remedial solutions. Most of the activities undertaken were training activities.

2.5 The second project component was intended to support the creation of an environmental management system that integrated all sectors of GOU and, together with NGOs, create the capacity to coordinate strategy, policy formulation, and management of natural resources at all levels of public administration. The activities proposed to attain this objective were: (i) build institutional capacity at the district and sub-county level for environmental management through the provision of basic equipment such as vehicles, bicycles, computers, office supplies, and funds for office renovations; (ii) training of district and community personnel in environmental management techniques; and (iii) identification and funding of micro-projects identified through a district level environmental management planning process. The general criteria for micro-projects to receive support under the project were to: (i) address environmental problems clearly identified by the community; (ii) directly benefit the community; (iii) ensure community initiative and ownership demonstrated through co-payment of the project; (iv) demonstrate technical and economic viability; and (v) be consistent with the sub-county development plan or environmental action plan. These were ambitious project activities.

2.6 The follow-on EMCBP II, in turn, consists of three components.<sup>5</sup> The first focuses directly on enhancing environment management capacity in districts and communities and empowering them to address environmental degradation problems and promote sustainable natural resource use for development through the planning and implementation of local initiatives. The second aims to enhance environmental management capacity in lead agencies at the national level. The third seeks to further enhance environment management capacity within NEMA through institutional support and strengthening. As under EMCBP I, financing would be provided for training, consultant services (primarily local, with a limited amount for international consultants in specialist fields for short-term assignments), equipment, vehicles, and incremental recurrent costs.

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4. Environmental Management Capacity Building Project-Uganda August 14, 1995. Staff Appraisal Report No 14015-UG, World Bank, Washington DC.

5. EMCBP II Project Appraisal Document February 2001. Report No : 21343-UG World Bank, Washington DC



## Implementation

2.7 Most of the project costs were allocated to the component establishing NEMA, which had to ensure its coordination role and provide assistance to line ministries and districts to implement policies and regulations on environmental matters. NEMA implemented its activities in coordination with the Ministry of Water, Lands and the Environment (MWLE), the National Policy Committee on the Environment (PCE), its Board of Directors and various Technical Committees. NEMA's organization into four departments: (i) District Support Coordination and Public Education; (ii) Environmental Monitoring and Compliance; (iii) Policy, Planning and Information; and (iv) Finance and Administration was further linked by the creation of several interdepartmental committees. NEMA headquarters in Kampala were built under EMCBP I.

2.8. The implementation of the activities at the district level has been complicated by the rapid increase in the number of districts in Uganda from 39 to 72 over the course of the two EMCBP projects. These activities were not coordinated properly with other Government plans (i.e., District Development Plans) or other World Bank<sup>6</sup> and Donor activities in support of decentralization. Partly as a result, several donors, such as DFID and GTZ, have essentially stopped their support for the environment, while others, such as USAID, have considerably reduced their environment-related activities. Lack of synergies with the other ongoing activities at the district level is partly responsible for the relative inefficacy of NEMA's district level activities

2.9 In the early stages of implementation, disbursement was slow because of lack of procurement expertise. There was no clear commitment from GOU to continue to fund NEMA once the project ended. However, a formal budget allocation mechanism was eventually established in the second phase of the project: NEMA would be supported under the Medium-term Expenditure Framework (MTEF) by the possibility of using resources from the Poverty Action Fund (PAF). Disbursement accelerated with the purchase of Management Information System (MIS) software and hardware (costing around US\$ 2 million).

## 3. Analysis

### Outcome

3.1 The project's major objectives were **highly relevant**. The two main objectives were to build environment management capacity at the national, district, and community levels and to strengthen selected districts while initiating a process for community-based natural resource management. The project had been identified during the highly participatory NEAP process in the first half of 1990. The NEAP identified the public

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6. For instance with the Local Government Development Programs LGDP I and II Credit No 3295-UG and 37730-UG but also other projects in agriculture and social fields.

sector mandates as including users of environment and natural resources in rural and urban areas in a way that supported sustainable economic development. It grouped the interventions to this effect into four main categories: (i) establishment and enforcement of regulations designed to control resource use directly, with enforcement taking place at the local level; (ii) incentives and taxation measures (i.e. economic instruments); (iii) investments by central and local governments to redress specific environmental problems; and (iv) dissemination of information on the environment to raise public awareness. Most of EMCBP I's interventions involved some of these actions with a focus on building NEMA's capacity and that of the districts. However, the project design to implement these objectives was weak; in particular, it targeted outputs with no causal links with environmental and social indicators.

3.2 The importance of the environment and natural resource management underlay both GOU's and the CAS's objective to promote sustainable development and reduce poverty. The subsequent PEAP (2000) identifies three conditions as pre-requisites for pro-poor growth: (i) structural transformation, including modernization of agriculture; (ii) expanding smallholder agriculture and rural non-farm enterprises; and (iii) for economic growth to be sustainable, modernization of agriculture should not "mine" soils and other natural resources and, thus, required their judicious management. EMCBP I was conceived on the premise that the environment is essential for achieving gains in poverty eradication that require a sustainable rural economy. The project responded to the PEAP objective of promoting sound agricultural practices and avoiding the mining of natural resources.

3.3 The primary goal of the subsequent CAS (2000) was to support GOU in its poverty reduction strategy with Bank assistance increasingly shifting to the sector level and crosscutting public sector management issues including the environment. An overarching consideration in the CAS was that development and growth needed to occur in an environmentally sustainable manner in view of the fact that the livelihoods of close to 90 percent of the Ugandan population depended on agriculture which, in turn, was directly dependent on the quality and management of the country's natural resource base. The activities financed under both phases of EMCBP help tackle the crosscutting public sector management issue of environmental degradation in rural areas. Development and diversification of the rural economy was seen as the best way to sustain pro-poor growth.

3.4 The project's **efficacy** was **modest** in terms of building capacity for environmental management at the national and district levels, which was not fully achieved in its first phase. However, from a more narrow perspective, efficacy can be assessed as generally satisfactory based solely on the performance indicators (as summarized in Annex B to this report) at the end of the project. The table shows that many of the output targets were achieved. NEMA helped define the laws, regulations, and guidelines for environmental management in Uganda. These have included EIA guidelines (1998), public hearing guidelines (1999), and regulations on effluent discharge (1999), waste management (1999), wetland, lakeshore, and riverbank management (2000), and development in mountainous areas (2000). A substantial number of workshops and training events were offered although there is no indication regarding their quality or impact on the functioning of NEMA or the districts. The high turnover of the political appointees who were trained under the project (e.g., members of the District

environmental committees), in particular, raises questions as to the true capacity building impact of these activities over the medium term.

3.5 Other achievements under the national level component included: (i) initiation of an internal monitoring and evaluation system for the environment and natural resources; (ii) construction of an Environment Information Network (EIN) to link lead agencies at the national and local level, (iii) implementation and enforcement of EIA policy through recorded inspections and extensive training, awareness, and education programs; (iv) studies on soils and biodiversity; (v) participation in international conventions and national meetings to ensure mainstreaming of the environment in the national Poverty Eradication Action Plan (PEAP) and sectoral Plan for Modernization of Agriculture (PMA). NEMA also produces a national *State of the Environment Report* summarizing the environmental situation of the country every two to three years.

3.6 The project's component for district and community level capacity building also had several achievements, including establishment of District and Local Environment Committees, recruitment of District Environment Officers, training of these committees and officers, and initial assistance to some districts in setting priorities through the elaboration of District Environmental Action Plans (DEAPs). EMCBP II continued most of these activities at the national, district, and local level but with the additional challenge that the number of districts has increased from 39 during the first phase of the project to 56 at the beginning of the second phase and 72 today.

3.7 NEMA's establishment is the foremost accomplishment of EMCBP I. Its well-designed and equipped headquarters building is testimony to this. Perhaps even more importantly, NEMA ensured enactment of a number of new environmental laws and regulations and contributes to their implementation. Practical guidelines such as for EIA, waste management, and strategies for biodiversity and soil conservation have also been elaborated. However, NEMA may have been too absorbed by the delivery of training, which could have been largely outsourced to research institutions, universities, and consulting firms. This might have resulted in greater sustainability of these activities by strengthening other institutions that could then provide such training for a fee after the EMCBP projects conclude. It would also have freed up time for NEMA staff to focus more on their primary functions, coordination and enforcement. Enforcement of the new environmental regulations has been uneven. Monitoring of environmental conditions has also been poor.<sup>7</sup> As a result, the *State of the Environment* publication, which is supposed to provide the results of the monitoring of the important environmental variables in the country, lacks specificity and clear indicator trends over time.

3.8 NEMA is still in a building phase but is now focusing more on delivering results on the ground. Progress on establishing Environmental Liaison Units (ELUs) in key lead agencies under EMCBP I was slow and problematic and this continues to be the case during EMCBP II. Lead Agencies appear to be unsure about the functions of ELUs and

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7. The Internal Monitoring and Evaluation system (IM&E) and the EIN were not completely established at the end of EMCBP I. Delay in procurement of the equipment has affected the progress of implementation of EIN, the Environment Information network linking agencies at the national and district level.

reluctant to take firm steps toward their establishment. Some notable exceptions exist, however, as in the Ministry of Works and Transport, which understood its role with regard to the new EIA legislation in vigor. But in general the lead agencies do not yet have adequately financed and staffed environmental units sufficient to make a difference on the ground.

3.9 Similarly, efforts to strengthen selected districts have been inconclusive so far. While this component has been improving over the life of EMCBP I and II in the context of an increasing general trend toward government decentralization, it still needs to be further strengthened to make a significant difference in terms of stemming deterioration of the rural environment. The rapid increase in the number of districts in Uganda has not facilitated the task. In addition to training events, the first project supported elaboration of 7 District Environmental Plans (DEAPs) and 67 Sub-county Environmental Action Plans (SEAPs), 50 micro-projects, and 7 district information systems (see Annex C).

3.9 The micro-projects (which averaged only US\$ 1000 per project) were not consistently identified through DEAPs or SEAPs, raising questions as to how these projects were identified and doubts as to how well they, in fact, respond to local environmental priorities, on the one hand, and on the utility of the sub-national Environmental Plans, on the other. The projects visited by IEG were not conclusive, could well have been better implemented by other agencies, and/or simply subsidized activities that would probably have happened anyway. No financial analysis was provided to the mission for any of these activities. The evaluation mission also requested to see some DEAPs in the field but local officers had difficulty finding them.<sup>8</sup> No district or sub-district maps indicating land use were on display or even available in any of the offices visited. In short, while district level environmental units were established and their officers trained, it is not evident that this has made a real difference in terms of the preparedness of the districts to address the deterioration of the local environment.

3.10 EMCBP's institutional building effect at the national level is generally satisfactory, but political and budgetary support remains uncertain. NEMA is now well established as the institution responsible for implementing national environment laws and regulations in Uganda. The technical staff is of high quality and NEMA's leadership has been steady and professional. However, the Authority could have been more effective if it had received stronger political support and a more predictable budget. An overlap of responsibilities with the Ministry of Water and Environment<sup>9</sup> seems to have been solved for the time being. But the electoral campaign in early 2006 exemplified the lack of political support, the degazetting of forest and wetlands (10 percent of the land in Uganda) being a way to court voters.

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8. One local officer, for example, after searching his one room office unsuccessfully when asked by the mission to show the local DEAP "recalled" that he had lent it out to someone, but couldn't remember to whom or when.

9. The reappearance of a Department of Environment in the Ministry has been a controversial matter since its abolishment was a pre-condition for project effectiveness (Supervision report, October 2000. However the PA of EMCBP II noted that "although NEMA is located in the Ministry of Water, Lands and Environment, it is able to operate with a high degree of autonomy and there is no overlap between MWLE's regulatory and developmental functions."

3.11 As a result of key policy and institutional reforms supported by the project, Uganda today possesses a broad legislative, policy, and institutional framework for the environment. The second project is seeking to further strengthen this effort and continues to support enforcement of existing legislation including the National Environment Statute by: (i) implementation of environmental strategies; (ii) field inspections, (iii) development of additional regulations and guidelines, (iv) training in compliance assistance; and (v) expanding public awareness about environmental laws and regulations. Thus the institutional building of NEMA under EMCBP I was generally satisfactory but needed to be further strengthened under the follow-on project.

3.12 In contrast, the Environmental Liaison Units (ELUs) in the lead agencies and districts are only slowly being built. NEMA has increased its efforts to establish working links with lead agencies and districts. Some of the lead agencies initially resisted the environmental constraints which NEMA sought to impose, a situation that improved when communications with the ELUs began to pass through the Permanent Secretaries of the Ministries concerned. During EMCBP II, a comprehensive review of major sectoral policies will be undertaken to assess the mainstreaming of the environment in key sectors.

3.13 Given the nature of the project (capacity building), an **efficiency** analysis was not undertaken. An ERR was not estimated in the appraisal report nor was it intended to be calculated after the project closed. Monitoring data were sketchy and do not allow for a cost-benefit analysis of the results of these activities on the ground. Nor is there any indication of the cost of the individual activities undertaken, thus making it impossible to assess their cost-effectiveness. The cost per participant of the various training events cannot be calculated easily with the information received by the IEG mission. Thus, it is not possible to readily determine the project's efficiency.

3.14 In summary, EMCBP I's **outcome** was just **moderately satisfactory** in terms of building environmental management capacity for sustainable development in Uganda. Further progress is being made as NEMA learns by doing and seeks to have greater impact on the ground. However, NEMA's financial – and hence institutional – sustainability following the second project remains unclear. The first project was relevant and helped to successfully establish the legal and regulatory framework for the environment in Uganda and to build NEMA from the ground up. But it did not yet have a significant impact on the ground through effective cooperation with the lead agencies and districts. The new approach -- to work more closely with lead agencies -- is based on a forward-looking strategy that identifies key actions and policies and seeks to equip these agencies with knowledge and technical support to better mainstream the environment in their daily activities while also devolving some EIA responsibilities and enforcement to them. NEMA's management structure has been revised to facilitate this orientation. NEMA will nonetheless have to continue to build capacity among its partners -- including agencies, districts, and NGOs -- by joint activity rather than just training, which should be outsourced to a greater extent to institutions of higher learning, research institutes, extension services, private companies, NGOs and consultants. Unless it works more closely with and strengthens these other institutions and partners, the two EMCBP projects may not achieve one of their most important objectives of building a long lasting capacity in the public sector for environmental management in Uganda.

## **Risk to development outcome**

3.16 The policy and financial risks anticipated at the project appraisal were shown to be real but NEMA's continued existence is likely. Fortunately, a second project, which was not anticipated at the time EMCBP I was agreed to, will lower the project risk by providing time to address some of the political and associated budgetary uncertainties that characterized the first project. Without this second phase, the first project's achievements would likely have been in jeopardy. Continuation of the activities under EMCBP II, therefore, was appropriate. To implement the NEAP recommendation to build capacity, especially the creation of a new environmental agency, requires time as experiences in other parts of the world have shown. The follow-on project, which is *de facto* a second phase of the original operation, was decided upon before the end of the project based on the experience of the project context that had to deal with weak leading institutions and Districts. However, at the time of the IEG mission, the project risk was still significant. NEMA's ability to make a difference on the ground needed to improve and a more permanent financing mechanism has not been implemented yet.

3.17 The risks envisaged for the NEMA component were that the Authority would become isolated and bureaucratic, would lack Government support with repercussions in terms of its budget allocation, and that its responsibilities would overlap with those of the Ministry of Water, Land, and Environment (MWLE), resulting in duplication and lack of autonomy. NEMA has been less than fully effective not because it has acted in isolation but because of the reticence of the lead agencies and due to lack of stronger political support at the highest levels of government. The project was restructured during EMCBP II to strengthen interaction with the lead agencies, but limitations on personnel and budget in these agencies remains problematic for the ELUs. On the financing side, insufficient or slow counterpart funding was a recurrent problem during EMCBP I's implementation.

3.18 At the time of the IEG evaluation mission, the budgetary allocation was no longer being made through the Ministry of Water and Environment and NEMA had received a note from the Ministry of Finance indicating that resources for the environment will be included in the Medium Term Expenditure Framework (MTEF). According to this source, counterpart funds are to be allocated for donor funding and for the purpose of formulating environmental regulations, developing environmental standards, ensuring compliance with environmental laws, and restoring degraded environments as required by the National Environment Act. As of mid-2006, one hundred percent of NEMA staff salaries were still being financed by IDA, but GOU was expected to pick up part of this cost as the IDA support is expected to decline progressively until the closing date of EMCBP II. The uncertainty surrounding future funding for NEMA at closing of the second project continues to be a major risk but the disappearance of NEMA in the present national and global environmental context is unlikely.

3.19 For the district component, the risk of not obtaining or maintaining adequately trained staff and sufficient funding to implement environmental laws and regulations at the end of EMCBP II likewise exists. The risks identified at appraisal of EMCBP I were related to the best way to create capacity at the district level and to implement the micro-projects. As of the time of the IEG mission, personnel at the district level did not yet have

sufficient capacity to carry out their responsibilities. While NEMA's desire to decentralize some environmental management functions to the district, county, and even sub-county levels is laudable, this process is clearly still incipient despite the training effort made. To expect to build capacity in 72 districts down to the county and sub-county levels is, in fact, unrealistic in light of EMCBP I's experience and based on what was witnessed in the field in some of the focus districts by the IEG mission. In short, the current approach, if not improved, is not likely to bring the desired environmental results in rural areas. In the past, other donors or organizations such as USAID and IUCN have provided financial assistance to some districts for environmental management activities, but possibilities for additional funding for such purposes appear to have diminished in recent years. As concerns the micro-projects, in turn, NEMA did not always identify investments consistent with DEAP priorities and could have worked more effectively with the appropriate counterpart ministries and other donors. If not carefully managed, this situation could be repeated in the future with similarly limited results.

3.20 On the more positive side, the fact that NEMA as a whole was legally responsible of the implementation of the project, and not a PMU, considerably decreased the risk of the project's having a reduced institutional impact by the time it closed. Many of those interviewed by the IEG mission recognized NEMA's contribution to the defense of the environment in Uganda. At the same time, some also observed that its good efforts and funding of the Authority's activities are sometimes diverted for political purposes and that governance issues due to political interference occasionally constrain the efficient attainment of targets, especially at the district level. However, NEMA's budget process has improved considerably and is preparing for implementation of its anticipated budgetary allocation and a proposed future Sector Development Program. A sophisticated software/hardware management and monitoring system has recently been put in place and is expected to continue to be of central importance after EMCBP II closes. The risk of improper governance and political meddling still exists however, but some of the environmental damages that occurred during the life of both EMCBPs were related to pre-electoral permissiveness which allowed some potential voters to continue to "mine" forests, wetlands, and water bodies. On balance, the institutional impact was important resulting in a professional and motivated staff.

3.21 Overall, the **risk to development outcome is substantial**, and it could become more significant in the absence of reasonable and sustainable funding for NEMA and if political will to support environmental protection objectives weakens. It is difficult to imagine NEMA disappearing because of the reputation it has acquired and the growing environmental awareness in the country, built in part by the project. However, financing of NEMA over the long-term remains a serious issue. A National Environment Fund (NEF) was envisaged in EMCBP I but got nowhere and the status of alternative future funding sources was still uncertain at the time of the IEG mission.<sup>10</sup> One possibility

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10. A report was prepared for NEMA in 2000 on this subject "Operationalization of the National Environment Fund" but the means proposed to capitalize the fund through GEF (creation of a fund to run an agency does not fit the GEF funding criteria), Debt-for Nature Swap (but there is little commercial debt in Uganda) and tax on natural resources and Tourism (which are unlikely to satisfy IMF for macro-economic reason), all sources of funding that were deemed not feasible.

would be to generate greater revenues through enforcement of regulations, inspections, and EIA fees. While some funds have been generated from these sources, the mechanisms for collecting or frameworks for regulating these types of programs have not been adequately developed. Regulations need to be completed with binding guidelines, standards, and procedures. The delay in addressing this fundamental priority undermines the financial sustainability of NEMA. Within Uganda itself, the Bwindi/Mgahinga Trust Fund to protect the mountain gorilla's habitat, also recently assessed by IEG, is a good example of successful capitalization of a fund supported by a GEF biodiversity project to ensure its sustainability.<sup>11</sup> Corruption and the lack of political will could have both a direct negative impact on natural resource management and undermine the authority of NEMA. This situation needs to improve as GOU needs assume full ownership of NEMA's agenda.

## Bank Performance

3.22 The **quality at entry** of EMCBP I was **moderately satisfactory**, although there were some shortcomings in the preparation and appraisal stages. The project objective was highly relevant and was appropriately identified through the participatory NEAP process. Capacity building was indeed an important constraint that needed to be tackled as a priority. The attempt to promote a decentralized approach through the project given that Uganda's major environmental issues were rural was also appropriate even if a bit too supply-driven. However, the activities proposed for both components of the project focused too narrowly on capacity building and overly emphasized the provision of a large number of training events on different topics to politicians and civil servants at the central and district levels. Bank support, in turn, focused mainly on inputs (vehicles, computers, training events...) and processes (DEAPs, etc.) rather than on the achievement of specific environmental quality outcomes. To build capacity to prepare development plans within which the environment is duly considered is appropriate, but to largely limit an environmental project to the production of DEAPs with no provision for their actual implementation is a suboptimal use of scarce development resources. The performance indicators chosen, moreover, are of little relevance to judge the actual results of environment-related investments by the government.

3.23 The project was also conceived without duly considering linkages with other relevant Bank, other donor, and NGO projects and activities. This precluded important potential synergies between agriculture, rural poverty reduction, health, infrastructure development, and the environment. For instance, there were few links with Bank-supported agriculture and local government development programs. It is not clear from project appraisal what the Bank wanted to accomplish with respect to soil conservation, and land management, for example, or with watershed management, which are key for sustainable agriculture and hence rural development and poverty alleviation in Uganda. Among the major outputs envisaged by the project were district development plans and capacity building in order to do them. The micro-projects proposed were rarely linked to the DEAPs or other local development plans and had negligible budgets, while the type of activities to be undertaken were not subject to financial analysis or clearly represented

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11. See World Bank, IEG, PPAR, Report No. 39859, May 25, 2007.



local priorities from an environmental perspective (presumably to have been identified in the corresponding DEAPs). The district component was too ambitious. The project also failed to consider the increasing pollution-related challenges (e.g., the need for improved solid waste management) in the fast growing urban centers, especially Kampala.

3.24 Bank performance during **supervision** was **moderately satisfactory** with several shortcomings in the implementation of the activities undertaken, and especially in ensuring adequate long-term financing for NEMA by the time of project closing. Procurement-related problems were chronic and were adequately raised during supervision. A computerized system of financial management and monitoring was finally put in place but has not yet been fully exploited. Supervision activities were expensive for this type of project, \$50,000 per mission with limited visits in the field. These missions essentially focused on disbursement and were of minor usefulness to correct the limitations identified in the project appraisal. Performance reporting was candid but the ratings were unconditionally satisfactory no matter what and so there was little incentive for any improvement in the pending issues identified, often repeatedly. The absence of a proper M&E system did not permit assessment of the cost effectiveness of project activities. The supervision missions did not take the steps required to ensure replenishment of the NEF even though the October 2000 mission indicated that this was a priority.

3.25 The rating of **overall Bank Performance** is **moderately satisfactory**. Project design had some limitations in its conceptualization and identification of the activities to be implemented, even though the relevance of building capacity was substantial. Some components were over-ambitious given the project duration. In the initial phase the project was too supply-driven. The Bank missed an opportunity to engage institutions of higher education and research centers to help generate and share environment-related local knowledge on which sustainable capacity building should rest. Supervision missions could have been less mechanical and adjustment of project activities could have focused less on inputs and processes and given greater attention to what was actually happening on the ground through an effective Monitoring and Evaluation (M&E) effort. The ICR lacked specifics<sup>12</sup> and, thus, did not help much in further clarifying things for the second project.

3.26 The Bank did not play a role in terms of coordinating donor activities for the environment. A representative of the agency that was responsible for coordinating donor environment-related activities at the time of the IEG mission observed that no one from the Bank had participated in coordination meetings during the preceding 18 months and that requests to the Bank for information about its activities had not been adequately answered. The local environmental NGOs with which IEG met made similar observations. These interlocutors recognized that the Bank had a positive influence in putting the environment on the Government's agenda but felt that the sustainability of

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12. The comments in the ICR Review in this regard were appropriate: lack of specific discussion of any results on the ground that could be attributed to the project in terms for instance on a preliminary response to the gazetting of environmental assessment guidelines, or a discussion of the micro-projects, or an indication of the environmental indicators and the impacts they show.

NEMA was not sufficiently at the heart of project follow-up. Finally, the extent to which environmental and natural resource management concerns are present in the Poverty Reduction Support Credits (PRSCs), which are now the centerpiece of the Bank's lending program in support of the PEAP, is not clear. Despite positive feedback regarding the helpfulness of periodic supervision missions from Washington, the absence of a full-time specialist with clear responsibility for the environment in the Bank's office in Kampala appears to be an important reason for this state of affairs.

3.27 Extension of EMCBP I by designing and implementing a second project has been important in terms of moving forward in pursuit of its development objectives. But the future sustainability of these efforts was in doubt on the part of all major stakeholders (i.e., NEMA, other donors, local environmental NGOs, as well as inside the Bank itself) at the time of the PPAR mission. Bank country management was aware of the problem, indicated that environment continued to be a priority, and was seeking to maintain the focus on such concerns by undertaking an environmental audit of the entire portfolio and perhaps a Sector or Country Environmental Analysis (SEA or CEA). A future SWAP involving the environment and natural resource management was also under consideration. At the closing of EMCBP II, the financing of NEMA is not completely settled yet.

### **Borrower performance**

3.28 Performance of both the **central and district governments** was **moderately unsatisfactory** during the first phase of the project. The environment seems to be a much stronger priority for the Bank than for the government. This was in part due to the supply-driven approach of the Bank. While important legislation has been passed by the parliament, its enforcement did not receive adequate political support. Politics was interfering at both the national and district levels to the detriment of the environment and protected natural resources.<sup>13</sup> District Funds were sometimes used for political patronage rather than to help resolve pressing environmental issues. At the national level, project counterpart funds were inadequate and irregular. Counterpart funding reviews during supervision consistently rated performance as unsatisfactory. This impacted negatively on project implementation and led to delays in undertaking certain activities. This problem apparently has continued as the Bank had to discuss with the Ministry of Finance the option of changing disbursement percentages to allow one hundred percent financing during the Mid-Term Review for EMCBP II.<sup>14</sup> Project financial management was also a continual problem.

3.29 The Government formally included an allocation for NEMA in the national budget for 2006.<sup>15</sup> This can be considered an indication of GOU's general support for

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13. The mandates of NEMA and the National Forestry Authority (NFA) have become seriously threatened as a consequence of a Presidential statement on January 18, 2006 stating that authorities were no longer to evict anyone (regardless of tenure) from forest reserves and wetlands. This has been taken as a political issue in many areas of the country and has been interpreted as a permission to encroach.

14. May, 2005. MTR of PE-P073089 EMCBP II.

15. The WB was notified that on July 1, 2005. NEMA would receive a budget vote.

environmental management. But it remains to be seen if the level of such funding will be sufficient to adequately support the institutions, especially NEMA, responsible for protecting the environment. At the end of the project second phase, the situation is not yet clear.

3.30 **NEMA's performance was satisfactory.** The Authority has proven itself managerially and professionally. Standards are high but have often been frustrated by lukewarm political backing and insufficient budget to be able to fully implement its activities and to enforce the law. Quality staff have been recruited. Internal management is facilitated through five internal committees: (i) Top Management Committee (meeting weekly) providing policy direction; (ii) Senior Management Committee (monthly); (iii) Contracts Committee and Procurement and Disposal Unit; (iv) Human Resource Development Committee; and (v) General Staff meeting at least once every quarter. Financial management and procurement, however, were problematic during most of EMCBP I and continued to be so during the second project, but NEMA's good preparation for a possible new budget support approach bodes well for the future.

3.31 As of the time of the IEG mission, some important institutional improvements within NEMA had already taken place, including creation of three teams that meet on a bi-monthly basis, specifically: (i) a Lead Agency team to monitor work performance and linkages with these agencies; (ii) an Environment Regulations and Enforcement Team of licensing, permits, inspections, EIA and audit monitoring; and (iii) a Local Government Team to oversee implementation in the districts. However, inter-departmental, district, and inter-ministerial coordination all require further enhancement. And environmental regulations still appear to be unevenly applied and overly influenced by political considerations. Monitoring has not yet been developed to the point of allowing cost effectiveness analysis, as in the case of training activities for instance. NEMA also does not seem to have put adequate effort in coordinating donors. Nor had the precise division of labor between NEMA and the Ministry of Water and Environment, which had been newly restructured at the time of the IEG mission, yet been completely defined.

3.32 On balance, and given the good performance of NEMA, **Government performance** has been **moderately satisfactory**. The long-term existence and professionalism of NEMA does not seem to be in question anymore in Uganda, but there is still ample room to improve its institutional and financial capacity and even more so with respect to the environmental management capacities and effectiveness of the lead agencies, districts, and communities. This task is complicated by the continual increase in the number of districts in the country. The M&E was still poor when the mission visited the project but a computer monitoring system was being established. It was not clear if the cost effectiveness of activities and by location could readily be calculated from the new system. Sustained government financial commitment at an adequate level was not assured at the time of the IEG mission and GOU was not effectively coordinating donor activities in response to the NEAP. However, a budget line to finance NEMA was under discussion.

## Monitoring and Evaluation

3.33 Design of the project monitoring system did not focus on outcomes but on outputs and did not permit an analysis of the cost effectiveness or results of project activities. The methodology to assess NEMA's capacity was not clear and the district activities, which were intended to be learning experiments, were not properly monitored so there is no clear basis to gauge their effectiveness or draw conclusions about the likely usefulness of future such activities or whether to scale up such initiatives. The very general breakdown of the institutional support components that were monitored, in short, does not permit a systematic evaluation of the effective capacity building of NEMA or its likely sustainability. No cost effectiveness assessment of project actions was planned during preparation and data collection methods and analysis were not discussed either in the appraisal document or the ICR.

3.34 The implementation of M&E was modest. The causal link between inputs, outputs, and outcomes having not been clearly defined up-front, the information provided by the monitoring of the activities was of limited use. The elements to be monitored were overall aggregates precluding meaningful measurement of effectiveness. The M&E system was still poor when the IEG mission visited the project but a computer monitoring system was being established. The monitoring system had a negligible use to redirect activities during the life of the project. The project invariably identified more training to be done and the same activities were repeated during the entire project.

3.35 Overall, M&E is rated **modest**. The project outputs have been reached. However, the effectiveness of the activities supported by the project in terms of changing the degradation of the country's environment cannot be determined, the cost of project activities cannot be calculated, and little information is provided to gauge the financial sustainability of new institution which it helped create. This should have become important task for the second phase project.

## 4. Conclusion

4.1 EMCBP I's outcome is assessed as **moderately satisfactory**. The primary reason for this assessment is that NEMA's capacity was created and strengthened and the institution appears to be here to stay. It has the potential to fulfill an important safeguarding role for the country's environment and renewable natural resources. The participatory approach to diagnose the main constraints to environmental management in Uganda through the NEAP was a positive example of capacity building. However, viewed ex-post, EMCBP I's activities seem to have consisted primarily in providing inputs and training with no clear focus on specific environmental improvements and outcomes on the ground. As a result, a firm assessment as to what was really achieved under EMCBP I and at what cost is difficult to make. The output indicators are clear but cost per outputs, essentially workshops, cannot be calculated. How project outputs have impacted what has happened on the ground and in the districts at the end of EMCBP I, in short, is unclear. Thus, it is not possible to determine what impact, if any, the project had

on agriculture, more sustainable natural resource use, and rural poverty alleviation. It is hoped that this will become clearer as a result of the implementation and subsequent evaluation of EMCBP II. Meanwhile, environmental degradation in both rural and urban areas does not seem to have diminished significantly over the past decade.

4.2 Even though the project's objective was capacity building, it seems to have missed the importance of strengthening institutions whose purpose it is to transmit knowledge, especially institutions of higher learning. These institutions should be the cornerstone of any long-term strategy aimed at ensuring the preparation of future environmental managers in Uganda. NEMA's ability to maintain competent and committed staff is likewise open to question and will depend greatly on future levels of domestic financial and political support. NEMA's staff is solicited by international organizations, private sector, and NGOs, proving its quality and numerous staff have left in recent years to take advantage of opportunities elsewhere. However, it is valid to ask after almost a decade of capacity building if NEMA can draw on a wider pool of well-trained professionals in the environmental field in Uganda? The response seems to be not yet. Other relevant questions include the following: What is the level of the potential recruits in the districts? When will NEMA discontinue attempting to fill education gaps through workshops and courses and focus instead on its coordination and enforcement role? Could other national institutions provide the training more efficiently and sustainably? It is important that the Bank also consider these aspects germane to long-term capacity building.

4.3 The continuity of Bank involvement over the past decade and a half has been important to put the environment more firmly on the country's agenda. Addressing this agenda, however, is still very much a work in progress. The urban environment, for example, has barely been touched, and will become more important as more rural migrants flock to the cities. How NEMA's activities will be financed after EMCBP II is unclear. But the fact that the project had no separate PIU has helped to strengthen NEMA in its entirety and would seem to ensure a smooth transition from IDA support when the second project is closed, assuming adequate alternative – ideally domestic – future financial and political support are forthcoming. Bank country management is planning an "environmental audit" of the entire portfolio and a possible SWAP which should help to build off the positive results and address pending challenges from both EMCBP I and II.

4.4 NEMA did a good job under the circumstances of lukewarm political support and budget uncertainties. Financial management and procurement under EMCBP I appear to have improved during the second project. A computerized management and monitoring budgeting system is slowly being put together to support better management of agency financing, disbursement, and activity monitoring.

## **5. Lessons**

5.1 Five main lessons may be drawn or confirmed from the experience of this project:

- Environmental capacity building projects should be designed to achieve specific environmental quality outcomes on the basis of a well conceived strategy following a logical framework.
- Financial sustainability of newly established environmental agencies should be part of initial project design and systematically pursued during implementation through a proper fiscal and budgetary mechanism managed with the help of a well-performing M&E system.
- When project management capacity is well integrated into the institution to be built and strengthened (and not through a PMU), its institutional impact is greater.
- The creation of a new environmental institution and the strengthening of existing ones are lengthy participatory processes best implemented when the institutional entities themselves assume full ownership, benefit from strong political backing, and have adequate resources to carry out the activities involved.
- The building of an Environmental Authority cannot be done without considering training activities. However, that function is often best implemented outside the Authority itself by institutions whose purpose is the transmission of knowledge and research results.

## Annex A. Basic Data Sheet

### UGANDA ENVIRONMENTAL MANAGEMENT AND CAPACITY BUILDING PROJECT (Credit 2777-UG)

#### Key Project Data *(amounts in US\$ million)*

	<i>Appraisal estimate</i>	<i>Actual or current estimate</i>	<i>Actual as % of appraisal estimate</i>
Total project costs	14.5	14.5	100
Credit amount	11.8	10.6	89
Cofinancing	-	-	-
Cancellation	-	0.8	-

#### Cumulative Estimated and Actual Disbursements

	<i>FY96</i>	<i>FY97</i>	<i>FY98</i>	<i>FY99</i>	<i>FY00</i>	<i>Fy01</i>	<i>Fy02</i>	<i>FY03</i>	<i>FY04</i>
Appraisal estimate (US\$M)	2.2	4.9	7.2	9.2	11	11.8	11.8	11.8	11.8
Actual (US\$M)	0.8	1.7	2.8	4.7	7.3	9.2	9.3	9.3	9.3
Actual as % of appraisal	36	35	59	51	66	78	79	79	79
Date of final disbursement:	01/08/2002								

#### Project Dates

	<i>Original</i>	<i>Actual</i>
PCD	-	12/03/1993
Appraisal	-	06/15/1994
Board approval		09/14/1995
Effectiveness	02/14/1996	02/14/1996
Mid-term	06/30/1999	04/20/2000
Closing date	06/30/2001	06/30/2001

**Staff Inputs** *(Actual/Latest Estimate)*

<b>Stage of Project Cycle</b>	<b>Staff weeks</b>	<b>US\$ ('000)</b>
Identification/Preparation	47	214,013
Appraisal/Negotiation	58	261,571
Supervision	50	330,358
ICR	12	23,110
Total	167	829,053

**Mission Data**

<b>Stage of Project Cycle (month/year)</b>	<b>No. of persons</b>	<b>Specializations represented</b>	<b>Implemen. progress</b>	<b>Dev. objectives</b>
Identification/Preparation				
11/1993	1	Task Team Leader		
	1	Environmental Specialist		
	1	Institutional Specialist		
	1	Economist		
04/1994	1	Task Team Leader		
	1	Environmental Specialist		
	1	Ecologist		
	1	Institutions Specialist		
	1	Community Action Specialist		
	1	Community Environment Mgt. Specialist		
	1	Information Specialist		
	1	Project Economist		
Appraisal/Negotiation				
06/1994	1	Task Team Leader		
	1	Community Dev. Specialist		
	1	Environmental Specialist		
	1	Financial Analyst		
Supervision				
10/2000	1	Task Team Leader	S	S
	1	Environmental Specialist		
	1	District Dev. Specialist		
	1	Program Assistant		
04/2000	1	Task Team Leader	S	S
	1	Financial Mgt. Specialist		
	1	Inst'l & District Dev. Specialist		



<i>Stage of Project Cycle (month/year)</i>	<i>No. of persons</i>	<i>Specializations represented</i>	<i>Implemen. progress</i>	<i>Dev. objectives</i>
07/1999	1	Task Team Leader	S	S
	1	Environmental Specialist		
	1	Financial Mgt. Specialist		
	1	District Dev. Specialist		
12/1998	1	Task Team Leader	S	S
10/1998	1	Task Team Leader	S	S
	1	Environmental Specialist		
09/1998	1	Financial Analyst	S	S
04/1998	1	Task Team Leader	S	S
	2	Environmental Specialist		
ICR				

### Other Project Data

Borrower/Executing Agency:

#### FOLLOW-ON OPERATIONS

<i>Operation</i>	<i>Credit no.</i>	<i>Amount (SDR million)</i>	<i>Board date</i>
Environmental Management Capacity-Building Project II	3477-UG	SDR17.1 million	March 20, 2001



## Annex B. Performance indicators

### Key Performance Indicators/Log Frame Matrix for EMCBP I, indicating status during EMCBP II

Component Activities	Indicators	Actual/Latest Estimate	Updated Estimate (June, 2006)
<b>Institutional Support Component</b>			
Completion of Annual Work Plan (AWP)	Work Plans prepared on an annual basis	Five (5) annual work plans were prepared to operationalize a comprehensive five-year strategic plan.	Ten (10) Annual Work Plans prepared to operationalize the old Strategic Plan and the 5-year EMCBP II work Plan
Annual Review Workshop	Workshops completed on schedule	Planned workshops were completed on schedule	Annual Planning and Review Workshops with DEOs implemented yearly according to 5-year plan.
Recruitment of Senior Staff	Senior Staff recruited in Year 1	All established positions were filled in the first year of the project	All established positions filled, and new temporary positions created. Some positions fall vacant due to normal labor movement, and are promptly refilled.
Incorporation of the Training Needs Assessment in the AWP	Assessment incorporated in the AWP in Year 1	No	New Training Needs Assessment completed in 2003 and partially implemented.
Completion of Training Program	Annual training program implemented	End of Year 5 of the project	Local Capacity Building training programme on schedule. Most national level training completed. Few remaining workshops a wait completion of consultancy documents for review.
Completion of Workshops for Line Ministries	Workshops completed in Year 1	3 out of 5 workshops planned for Year 1 were held	All planned workshops completed.
Establishment of horizontal and vertical linkages	Network installed in Year 1	All planned installations completed	Horizontal Network established with 7 key lead agencies. Vertical network limited to district resource centres – 25 established.
Training Needs Assessment (Pilot Districts) have been incorporated in the AWP	Assessment incorporated in the AWP in Year 1	Completed	Specialized Training for 7 DEOs of old focus (pilot) districts completed based on old training needs assessment.

<b>Component Activities</b>	<b>Indicators</b>	<b>Actual/Latest Estimate</b>	<b>Updated Estimate (June, 2006)</b>
Pilot Districts training initiatives completed	Training in Pilot Districts implemented in Years 2, 3, 4 & 5	Completed	All training in the now 27 focus district completed.
Personnel, Accounts and MIS systems in place	System in place in Year 1	Completed	Revised Personnel, Accounts and MIS systems in place and operational.
Annual report prepared	Reports prepared and submitted on time	Yes	Annual Progress Reports prepared every Financial year (now 9 reports). In addition, two Annual Corporate Reports prepared (2003 completed, 2005 nearing completion)
Annual report submitted	Audit reports completed on time during the life of the project	Yes	Annual Audit Reports submitted by October each year. Nine (9) reports so far completed)
State of the Environment Report completed	Report prepared and submitted on time in Years 2 & 4	Yes	Six (6) NSOERs completed for 1994, 1996, 1998, 2000, 2002, & 2004. Preparation of 2006 started.
<b>Community and District Environmental Capacity Building Component:</b>			
District Facilitators	6 District Facilitators each trained. 6 in Years 1 & 2	28 District Facilitators trained. 189 Sub-county Facilitators trained	District Facilitators training extended to train community trainers under non-formal environment education. To-date, approx. 1,720 trainers have been trained in 43 districts.
Participatory Rapid Appraisals	Parish RPAs completed yearly. 12 RPAs each completed in Years 1, 3, 4, & 5 and 18 in Year 2	Participatory consultations done in each village	Participatory consultations completed in all villages in done
District Environmental Action Plans	3 plans each finished and submitted in Years 2, 3, 4 & 5	7 DEAPs completed	15 DEAPs completed
Sub-county Environmental Action Plans	3 plans each finished and submitted in Years 2, 3, 4 & 5	68 SEAPs completed	542 SEAPs completed in 34 district 2,513 PEAPs completed in 50 districts

<b>Component Activities</b>	<b>Indicators</b>	<b>Actual/Latest Estimate</b>	<b>Updated Estimate (June, 2006)</b>
Additional District Training by NEMA	Tbd at MTR	Training undertaken in the following areas: policy development, by-law development, environmental reporting, project management, PRA training, EIA training, database management	Training in Environmental Education, Public Awareness, EIA and Environment Management completed in all 27 focus districts and another 23 non-focus districts. Training in Policy Development, Byelaw development, Use of economic instruments in environment management, database management and DEAP process completed in 27 focus districts. Training in ecosystems management and restoration programmes completed in only 20 focus districts. 25 District Resource centres established.
Information Systems	3 systems each established and working in Years 1 & 2	7 district information systems established	25 District Resource centres established.
Micro-Projects Funded	12 micro-projects each completed in Years 1, 3, 4 & 5 and 18 in Year2	49 micro-projects funded in 7 districts	123 new micro-projects funded in 23 districts, bringing to a cumulative total of 173.



## Annex C. Persons Met

### *Government of Uganda and Parastatal Organizations*

Hon. MUTAGAMBA Maria	Minister of Water and the Environment
Hon. ERIYO Jesca	Minister of State for the Environment
NAMUYANGU Jenipher Byakatonda	Minister of State for Water
TUGENINEYO Charles	Assistant to the Minister for the Environment
NSUBUGA Senfuma	Director/Commissioner Water Resources Mgt.
ARYAMANYA-MUGISHA Henry	NEMA Executive Director
SAWULA Gerald Musoke	Deputy Executive Director, NEMA
MURAMIRA Eugene	Director Policy Planning & Information NEMA
	Head Internal Monitoring and Evaluation, NEMA
OGWANG John	Director District Support and Public Education, NEMA
ADIMBA Beatrice	Staff, District- Support Coordination
BERABO Emmy	District Support Coordinator
LWANGA Margaret	District Environmental Officer, Tororo
CRONGO John	Deputy CAD Tororo
OGEMA Julius	Secretary Production, Natural resources and Security, Tororo
ONYANGO Emkar John	Environment/Wetlands Officer, Tororo District
OGWAL LAMECHYKS Pizzharo	NRMS, NEMA
OGWAL Francis	EIA Coordinator, NEMA
WAISWA A.	Information, Education, Communication Officer
WINGI Luna	District Support Officer, NEMA
LURFALA Evelyne	EIA Officer, NEMA
AANYU Margaret	Environmental Audits & Monitoring Officer
EVANISTO Byekwaso	EIA Officer, NEMA
UWIMBABAZI Berina	Natural Resources Management Specialist
MATONU George	Senior Legal Counsel, NEMA
AKELLO Christine	Environmental Information Systems Specialist
KITUTU M.	GIS Remote Sensing Officer, NEMA
MPABULUNGI F.	Environmental Economist, NEMA
KAGGUSO Ronald	Director Finance and Administration, Uganda Wildlife Authority (UWA)
EDIGOLD Monday	Natural Resource Officer Mbararo District
MUSINGWINE Jeconious	Natural Forest Management Specialist, National Forest Authority (NFA)
MUGUMYA Xavier	Bugamba Sector Manager, NFA
ABONEKA Michael	District Environment Officer, Kabale District
SABIITI Paul	Local government
RUTARINARA Peace	Chairperson Natural resources and Production Committee, Kabale District Local Government
NAMAKULA Gertrude	Warden Community Tourism, UWA
MUGIRI Ghad	Chief Warden, Bwindi Mgahinga UWA
HAMUHANDA David RWA	Ranger Guide, Mkuringo Tourism Sector
KAMNHARGINE Ephraim	Commissioner for Antiquities and museums
AKANKWASA, Damian B.	Director, Tourism Business Development & Planning

WAFULA Moses Mapesa	Uganda Wildlife Authority Executive Director
MWANDHA Sam	Uganda Wildlife Authority Director, Field Operations
SEGUYA Andrew G.	Uganda Wildlife Authority Executive Director Uganda Wildlife Education Centre

***Private sector and Non-Governmental Organizations***

MAWAWNA Robert	Quality and Management Control Officer Ugandan Manufacturers Association (UMA)
MUGYENYI Onesmus	Manager and Research Fellow ACODE (Advocates Coalition for Development and Environment)
MUHWEZI Wilson	Research Fellow ACODE
TUMISHAKA Godber	Executive Director ACODE
KAKURU Kenneth	Director, Greenwatch Uganda
KARUGABA Alice	Managing Director, N.I. Ltd.
KAZOORA Cornelius	IMUL Ltd. Trust Administrator, Bwindi Mgahinga Conservation Trust (BMCT)
DUTKI Z. Geo	Programme Manager, BMCT
BWIZA Charity	Director, Makerere University Institute of Environment and Natural resources
KANSIIME Franck	Executive Director, Uganda Wildlife Education Center
SEGUYA Andrew	Executive Director, Ugandan Manufacturers Association (UMA)
OBONYO Hilary	Mudodo Women Tree Planting, Tororo
OGOALLA Royce	President, Cman Rwotto Environmental Conservation and Protection Association (RECPA), Ntungamo

***Multilateral and Bilateral Partners***

CRAENEN Kathelyne	Belgian Embassy, Coordinator of Donors' Environment Actions FAO Investment Center, Senior Adviser for Agriculture
KASIKANDE Margueritte	EU Environment Specialist
ECAAT Justin	UNDP Environment Specialist
NTEZA Paul	UNDP Program Officer Income Generation and Sustainable Livelihood
MUROAYA Stephen	UNCDD Officer Development Cooperation Advisor
WINDMEISSER Annette	Head of German Development Cooperation
TOLLERVEY Alan	Livelihoods Adviser DFID Uganda



***World Bank Staff and Consultants\****

YABRUDY Grace

GAUTAM Madhur

MACLEAN-ABAROA Ronald

ABURA-OGWANG David

LUTZ Ernst

JOHNSON Nathalie

Country Manager and Resident

Representative

Senior Economist (Agriculture, Environment)

Lead Public Sector Specialist Governance,

Decentralization and Poverty Reduction, WBI

Policy and Planning Advisor, PAMSU Policy

Unit World Bank/Gou-MTTI

Sr. Economist

Project Team Leader

\* Including Bank-financed consultants.

