

IEG ICR Review
Independent Evaluation Group

1. Project Data: Date Posted : 01/12/2011

PROJ ID : P090881	Appraisal US\$M):	Actual
Project Name : Uganda Poverty Reduction Support Credit 5	Project Costs (US\$M): 135	137
Country : Uganda	Loan/ US\$M): Loan /Credit (US\$M): 135	137
Sector Board : PO	Cofinancing (US\$M): US\$M):	

Sector (s): Central government
administration (52%)
Health (12%)
General agriculture
fishing and forestry
sector (12%)
General education
sector (12%)
General water
sanitation and flood
protection sector
(12%)

Theme (s): Public expenditure
financial management
and procurement (29%
- P)
Administrative and civil
service reform (29% -
P)
Rural services and
infrastructure (14% -
S)
Nutrition and food
security (14% - S)
Education for all (14%
- S)

L/C Number : C4142; CH199

Board Approval Date :	01/17/2006	
Partners involved : United Kingdom (DFID), African Development Bank, Germany, Ireland, the Netherlands, Norway and Sweden	Closing Date :	11/30/2006 01/13/2007

Evaluator : Panel Reviewer : Group Manager : Group :
J. W. Van Holst Kris Hallberg Ali Khadr IEGCC
Pellekaan

2. Project Objectives and Components:

□ a. Objectives:

This operation was the first in a programmatic series of development policy operations comprising the following :

Uganda: Poverty Reduction Support Credit 5 (P090881)
Uganda: Poverty Reduction Support Credit 6 (P090219)
Uganda: Poverty Reduction Support Credit 7 (P101231)

Neither the Program Documents (PDs) nor the Development Financing Agreements provided a clear statement of the overarching development objectives of Poverty Reduction Support Credits (PRSCs) numbers 5, 6 and 7 to

Uganda. The closest to a statement of an overall objective is that "PRSC 5 is the first in a series of 3 PRSCs planned to support implementation of Uganda's third Poverty Eradication Action Plan (PEAP)." (PD, paragraph 11).

The ICR stated that the original PDO for the PRSC 5-7 was "The proposed grant/credit is a core operation to finance the implementation of selected strategic objectives of Uganda's Poverty Eradication Action Plan /Poverty Reduction Strategy Paper (PEAP/PRSP). The PRSC has been a core element of the Bank's support for Uganda, supporting four pillars of the PEAP : Economic Management (Pillar 1); Enhanced Production, Competitiveness and Incomes (Pillar 2); Good Governance (Pillar 4); and Human Development (Pillar 5)."

However, the source of this statement could not be found in any of the PDs for the PRSCs . Nevertheless, it was clear from the PDs that the PRSC series was intended to support selected strategic objectives in four of the five PEAP pillars. Therefore, for the purpose of this Review the objective of the PRSC series is interpreted to be : To achieve selected strategic objectives under Pillars 1, 2, 4 and 5 of the PEAP.

The pillars and strategic objectives for PRSC 5 are listed below (see paras 40 to 73 in the PD for PRSC 5).

Most of the strategic objectives were the same throughout the PRSC series with four exceptions as noted in Section 2 a of the ICRR for "Republic of Uganda: Poverty Reduction Support Credits (PRSCs) 5, 6 and 7" (P101231).

PEAP Pillar 1 - Economic Management : Strategic objective supported by the PRSCs was to :

(i) Maintain Macroeconomic Stability Consistent with Rapid Private Sector Led Growth - stimulated by increased access of the private sector to financial services .

PEAP Pillar 2 - Enhance Production, Competitiveness and Incomes : Strategic objectives supported by the PRSCs were:

- (i) Promote an Efficient and Competitive Private Sector;
- (ii) Increased and More Efficient Agricultural Production
- (iii) Strengthened Environmental and Natural Resource Management
- (iv) Strengthened financial sector in support of increased production of goods and services

PEAP Pillar 4 - Good Governance : Strategic objectives supported by the PRSCs were :

- (i) Strengthened Legal and Justice Systems - including increased efficiency in commercial justice; and
- (ii) Strengthened Public Sector Management and Accountability - including improved public financial management (PFM) and procurement, reduced corruption, improved public sector performance, and strengthened local government (LG) systems for better service delivery .

PEAP Pillar 5 - Human Development : Strategic objectives supported by the PRSCs were :

- (i) A better educated society - including increased access to and quality of primary, secondary and tertiary education;
- (ii) Healthier Ugandans - including improved utilization and quality of health care, improved access to maternity services, improved family planning, and improved children's access to immunization care; and
- (iii) Improved access to water and sanitation services - including improved access to safe water supply and sanitation and improved water facilities maintenance .

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

No

c. Components (or Key Conditions in the case of DPLs, as appropriate):

There were 11 prior conditions for this single tranche operation . The conditions were:

Pillar 1: Economic Management

1. Agreement between the Government and the donors on the Medium Term Expenditure Framework for 2004/07 and execution of the 2004/05 budget consistent with the approved budget allocation .

2. Submission by the Ministry of Public Service in collaboration with the Ministry of Finance, Planning and Economic Development a Cabinet memorandum on recommendations for controlling the size of public administration and for enhancing cost efficiency and effectiveness in the public sector targeting Health, Education, Agriculture, Water and Community Development and submission to IDA an Action Plan on the implementation of these measures by end of May, 2005.

Pillar 4: Good Governance

3. Ministries of Public Service and of Finance, Planning, and Economic Development jointly commit to an updated pay reform strategy and target salary adjustments for the medium term .

4. Implementation of the National Anti-Corruption Action Plan commences.

5. IGG verifies asset declarations of Ministers and in case of breach appropriate action is taken by relevant authorities in accordance with the law by May 2005.

6. Ministry of Finance, Planning, and Economic Development drafts a revised Audit Bill (2002) to ensure adequate operational independence of the Auditor General .

7. Local Government Amendment Bill (Procurement) is tabled in Parliament.

Pillar 2: Enhancing Production, Competitiveness and Incomes

8. Satisfactory implementation of core undertakings by April 2005 as agreed in the October 2004 Joint Plan for the Modernization of Agriculture (PMA) Annual Review.

Pillar 5: Human Development

9. Satisfactory implementation of the undertakings agreed in the education sector review in November 2003 and confirmed by the 2004 review.

10. Satisfactory implementation of the undertakings agreed in the health sector review in November 2003 and confirmed by the 2004 review.

11. Satisfactory implementation of undertakings agreed in water and sanitation sector review in September 2003 and confirmed by the 2004 review.

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

See the ICRR for "Republic of Uganda: Poverty Reduction Support Credits (PRSCs) 5, 6 and 7" (P101231) which addresses these issues for the entire programmatic series . The development partners listed in section 1 did not co-finance PRSC 5 - although some (DFID and the AfDB) provided parallel financing.

3. Relevance of Objectives & Design:

This operation has been assessed as part of a programmatic series . Please see Section 3 of the ICRR for Republic of Uganda: Poverty Reduction Support Credits (PRSCs) 5, 6 and 7" (P101231).

4. Achievement of Objectives (Efficacy):

This operation has been assessed as part of a programmatic series . Please see Section 4 of the ICRR for Republic of Uganda: Poverty Reduction Support Credits (PRSCs) 5, 6 and 7" (P101231) for the assessment of the series.

5. Efficiency (not applicable to DPLs):

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

	Rate Available?	Point Value	Coverage/Scope*
Appraisal		%	%
ICR estimate		%	%

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

6. Outcome:

This outcome rating is for the entire programmatic series . See Section 6 of the ICRR for "Republic of Uganda: Poverty Reduction Support Credits (PRSCs) 5, 6 and 7" (P101231) for the rationale.

a. Outcome Rating : Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating:

This assessment of the risk of development outcomes rating is for the entire programmatic series . See Section 7 of the ICRR for "Republic of Uganda: Poverty Reduction Support Credits (PRSCs) 5, 6 and 7" (P101231) for the assessment of the series .

a. Risk to Development Outcome Rating : Moderate

8. Assessment of Bank Performance:

This assessment of Bank performance is for the entire programmatic series . See Section 8 of the ICRR for Republic of Uganda: Poverty Reduction Support Credits (PRSCs) 5, 6 and 7" (P101231).

at -Entry :Moderately Satisfactory
a. Ensuring Quality -at-

b. Quality of Supervision :Moderately Satisfactory

c. Overall Bank Performance :Moderately Satisfactory

9. Assessment of Borrower Performance:

This assessment of Government performance is for the entire programmatic series . See Section 9 of the

ICRR "Republic of Uganda: Poverty Reduction Support Credits (PRSCs) 5, 6 and 7" (P101231).
a. Government Performance :Moderately Satisfactory

b. Implementing Agency Performance :Moderately Satisfactory

c. Overall Borrower Performance :Moderately Satisfactory

□ 10. M&E Design, Implementation, & Utilization:

This assessment of M&E quality is for the entire programmatic series . See Section 10 of the ICRR for "Republic

of Uganda: Poverty Reduction Support Credits (PRSCs) 5, 6 and 7" (P101231).

a. M&E Quality Rating : Modest

11. Other Issues (Safeguards, Fiduciary, Unintended Positive and Negative Impacts):

Please see Section 11 of the ICRR for "Republic of Uganda: Poverty Reduction Support Credits (PRSCs) 5, 6

and 7" (P101231) for a discussion of these issues pertaining to the entire series .

12.

12. Ratings :	ICR	IEG Review	Reason for Disagreement /Comments
Outcome : Moderately Satisfactory		Moderately Satisfactory	
Risk to Development Significant Outcome :		Moderate	See Section 12 of the ICRR for "Republic of Uganda: Poverty Reduction Support Credits (PRSCs) 5, 6 and 7" (P101231).
Bank Performance : Moderately Satisfactory		Moderately Satisfactory	
Borrower Performance : Moderately Satisfactory		Moderately Satisfactory	
Quality of ICR :			

NOTES:

NOTES

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

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

13. Lessons:

The lessons for the overall series are presented in the ICRR for "Republic of Uganda: Poverty Reduction Support Credits (PRSCs) 5, 6 and 7" (P101231).

14. Assessment Recommended? Yes No

15. Comments on Quality of ICR:

a. Quality of ICR Rating :