

UGANDA CAS COMPLETION REPORT REVIEW

Progress toward attaining the main objectives of the FY01-03 CAS program—increasing the ability of the poor to raise their incomes, improving the quality of their lives, creating an enabling environment for structural transformation, and ensuring good governance and security—was mixed, and is judged moderately unsatisfactory. Noteworthy among CAS achievements were significant improvements in the mechanisms for public sector financial management, major increases in the coverage of basic health, education, and water services for the poor, and a strengthening of local government capacity. However, growing income inequalities and continued insecurity in the Northern and Eastern Regions hampered efforts to reduce poverty.

The relevance, quality and timeliness of AAA were generally good, but delays on the vital poverty reduction theme should have been avoided (para. 26). Uganda had above-average performance on completed projects during this period, but performance of the ongoing portfolio deteriorated as the review period advanced (paras. 27-29).

The CAS Completion Report (CASCR) provides a frank and thoughtful self-evaluation, despite analyzing a CAS which was not results-oriented. The CASCR's lessons have a strong poverty focus, and provide solid guidance for design of the new CAS (para. 31).

IEG recommends (paras. 32-34) that:

- *IDA consult promptly with other Joint Assistance Strategy (UJAS) donors to establish clear deadlines for implementation and enforcement of the new procurement law, completion of payroll reforms, and application of legal anti-corruption sanctions as components of future aid commitments.*
- *IDA encourage the Government to reduce its current high aid dependence by raising its tax effort (still low by Sub-Saharan standards), containing the size of the civil service, and promoting greater spending prudence.*
- *Future PRSCs develop full-fledged results frameworks, with matrices which demonstrate close logical linkages between interventions supported, outputs, and expected intermediate, and higher-level outcomes, buttressed with relevant performance indicators and robust monitoring and evaluation systems.*

CAS Objectives and Overview of Implementation

1. The overarching objective of the FY01-03 CAS was "to support Uganda's economic transformation and poverty reduction strategy spelled out in the Government's Poverty Eradication Action Plan (PEAP)/Poverty Reduction Strategy Paper (PRSP)."¹ This was to be accomplished via a series of Poverty Reduction Support Credits (PRSCs) focused on service

¹ This paragraph is based on the Uganda Country Assistance Strategy of December 18, 2000. While the original CAS covered only three years (FY01-03), implementation was extended by an additional two years, while consultations on the new Uganda Joint Assistance Strategy took place.

delivery.² Additional self-standing projects supported capacity building and infrastructure investment. IFC's program concentrated on infrastructure, small and medium enterprise development, and private sector capacity building.

2. The program supported four "pillars", with associated strategies and objectives, including to: (i) increase the ability of the poor to raise their incomes; (ii) raise the quality of life of the poor; (iii) create an enabling environment for economic growth and structural transformation; and (iv) ensure good governance and security.

3. Because of Uganda's strong track record on macroeconomic management during the 1990s, the CAS recommended continuation of the high-case lending scenario calling for nearly US\$1 billion in new commitments over FY01-03. A low case alternative – to be triggered by a significant deterioration in internal security, substantially increased military spending, or a reduced government commitment to reform -- would have reduced the three-year ceiling to US\$300 million.

4. According to the CASCR, actual commitments totaled US\$940 million. The modest shortfall relative to the high-case scenario was due mainly to small reductions in PRSCs I and II, and the slippage of a Capacity Enhancement Project to FY06. In addition, the Bujagali hydropower project did not materialize, but this affected only a partial loan guarantee, not the volume of lending. Annex Table 8 links the projects in the CAS program to the four pillars and compares actuals with planned commitments.

CAS Implementation by Objective³

Pillar I: Increasing the Ability of the Poor to Raise Their Incomes

5. The CAS called for progress in five areas in support of this objective. According to the CASCR, *agricultural output and exports* grew above-target, with substantial Bank support for research, expanded cotton production, and development of a demand-driven, private sector led advisory (extension) service. The 40 percent of farms benefiting from these services experienced substantially higher productivity gains.

6. The Bank supported improvement of *natural resource management* through three projects that closed during the CAS period and several ongoing projects. All closed projects had outcomes rated satisfactory, with likely sustainability and substantial institutional development impact. The results to date have mainly come in the form of outputs (establishing a national environmental authority, building local capacity, preparing water quality standards, construction of waste management facilities, etc.) and two localized intermediate results (reductions in

² PRSCs I, II, and III closed (in March 2002, June 2003, and September 2004, respectively). The outcome for PRSC I was rated satisfactory; and, for PRSCs II and III, moderately satisfactory.

³ Unless otherwise specified, readers are referred to the *Republic of Uganda Joint Assistance Strategy*, December 16, 2005, CASCR, Appendix 7, for data on lending, targets, benchmarks, degrees of achievement, and other program parameters.

hyacinth coverage on Lake Victoria and successful containment of an anthrax outbreak). The CASCR characterizes the overall situation as one of “growing environmental degradation.”

7. Inadequate maintenance of *rural roads* and lack of *access to energy* were identified as key constraints to rural development. The CAS quantified a 2016 target for road maintenance, but no target for rural energy. Nonetheless, according to the CASCR, evidence is compelling that several completed and ongoing road projects contributed to improved rural road maintenance, although its impact on market access for the poor is unknown. An Energy for Rural Transformation project (FY02) successfully established a Rural Electrification Agency, which has launched a variety of renewable energy projects. Two additional projects expanded generation capacity, which has translated into a modest advance in rural household access to electricity.

8. The final objective under this pillar—to *increase assets in the poorest regions*—was supported by the Second Northern Uganda Reconstruction Program, which assists northern and eastern communities to implement initiatives to improve socio-economic services and opportunities. Continuing hostilities have complicated implementation of this project, but the CASCR reports that large numbers of households are now utilizing sub-project facilities, over 9,000 vulnerable persons are receiving assistance, and 51 communities are benefiting from reconciliation efforts. The proportion of low-income households reporting ownership of selected assets increased during this period, as did several other non-income welfare measures. As the CASCR notes, however, the two most recent household surveys provide conflicting data about trends in assets versus incomes of the poor, so the poverty impact of these achievements is unknown.

9. On the pillar as a whole, the CASCR concludes that more concrete actions to address prevailing income inequalities and create income generating measures within and outside of agriculture would have been warranted. IDA interventions in raising agricultural productivity, expanding the rural road network, and improving rural household access to electricity yielded positive results, while environmental degradation proceeded apace. Given that the net impact of these interventions on the incomes of the poor is unknown, the outcome for this pillar is rated *moderately unsatisfactory*.

Pillar II: Directly Increasing the Quality of Life of the Poor

10. Uganda’s Health Sector Strategic Plan (HSSP), with which the CAS was closely aligned, called for: (i) decentralization of service delivery; (ii) budgetary preference for primary healthcare, and (iii) strengthened collaboration with the private sector. Under the sector-wide approach (SWAP) adopted for this sector, most Bank assistance was channeled through the budget, and through two closed projects -- the District Health Project (DHP) and the Sexually Transmitted Infections Project (STI). According to the CASCR, these initiatives jointly helped rebuild a health care system which had fallen into a state of near collapse in the late 1980s. The DHP mobilized more resources for health, fostered an improved use of funds, supported decentralization of health services, facilitated the restructuring of the Ministry of Health, and contributed to improvements in the functioning of existing health facilities. However, its pilots

for assessing cost-effectiveness failed, and its support for partnership initiatives with NGOs and the private sector was unsuccessful, leading to an OED outcome rating of unsatisfactory.

11. The STI project, as the largest single financial contributor to Uganda's national HIV/AIDS program in the 1990s, significantly increased district capacity in strategic and resource management and successfully promoted greater involvement by non-governmental organizations. It promoted condom distribution, although usage remained low at project closure. Anticipated improvements in care-seeking and in partner protection behavior did not materialize. Monitoring and evaluation were inadequate. Consequently, a June 2005 IEG Project Performance Assessment Report rated the project's outcome moderately unsatisfactory. Unsecured long-term funding jeopardized sustainability. A follow-on Uganda HIV/AIDS Control Project is designed to remedy these deficiencies. To date, according to the CASCR, this project has introduced HIV/AIDS instruction into nearly one-third of secondary schools and expanded services to inhibit mother-child transmission in over half of all hospitals. The satisfactory Small Towns Water project (closed June 2003) provided water to more people than originally planned, and is achieving full cost recovery for operations and maintenance.

12. Overall, Uganda's health indicators remained mixed during this period. CAS targets for immunization and health center staff training were exceeded, household income and food security increased, stunting was reduced, and rural access to *safe water* enhanced, albeit by less than the goal established in the PRSCs. On the other hand, infant and maternal mortality and total fertility stagnated or worsened, as did the incidence of malaria.

13. The IDA-supported Universal Primary Education (UPE) Policy modestly raised the primary net enrollment rates of children in the bottom quintile, with strong gains for low-income girls. Educational quality simultaneously deteriorated. Quantitative indicators (pupil/teacher, pupil/classroom, pupil/textbook) showed positive trends, but only the latter reached its benchmark level. The sustainability of the UPE is now at risk because of its heavy reliance on grants from donors. The Primary Education project (closed June 2001) was rated moderately satisfactory because, although it achieved some quantitative targets, the quality of instruction did not improve. The Education Sector Adjustment Credit (SWAP, closed December 2000) was rated satisfactory—it helped increase budgetary resources for primary education, strengthen management, and increase the efficiency of teacher employment. The Primary Education and Teacher Development Project, which also closed that year, built or rehabilitated numerous teachers colleges, coordinating centers, and classrooms, while training thousands of teachers. Since then, through four PRSCs, the Bank has supported a successful national recruitment drive for primary school teachers, in-service training, incentives for working in poor remote areas, and the expansion of school facilities. As the CASCR notes, the Bank's education interventions were effective in achieving good improvements in benchmark indicators, even as the quality of education remained a concern.

14. With support from the Small Towns Water Project and the PRSCs, all CAS performance targets (protected springs, boreholes drilled, and new wells constructed) were exceeded. Both rural and urban access to safe water showed major improvement, on track to exceed the corresponding MDG target, but the CASCR notes that a lack of progress in sanitation provision

and hygiene mitigation had important negative effects on achievement of MDGs in the area of infant, child, and maternal mortality.

15. Overall, the CASCR presents ample evidence of significant progress on all CAS service benchmarks, albeit without corresponding improvement in service quality or in improvements of the status of the poor. Therefore, the outcome of this pillar is rated *moderately satisfactory*.

Pillar III: Creating an Enabling Environment for Economic Growth and Structural Transformation

16. At 5.5 percent per annum, Uganda's average annual real *growth* during FY01-04 was above most Sub-Saharan comparators, although it fell short of the CAS benchmark of 7 percent, mainly due to external factors such as drought and higher fuel prices. Targets for *macroeconomic stability* were exceeded, as Uganda experienced low inflation, a gradually depreciating nominal exchange rate, and steady reserve growth. However, rising allocations for public administration and defense raised fresh concerns about spending discipline during FY04-05. The Bank contributed to the positive growth and stability results through its PRSCs, the Economic and Financial Management and Local Government Development Projects; and various high-quality ESW products, including annual public expenditure reviews, four fiduciary reports, and two HIPC tracking reports. The goal of increasing the share of poverty-related budgetary expenditures to at least 25 percent by FY03 was also exceeded, in part because the Poverty Action Fund received all the savings realized from debt relief under the Bank-supported HIPC initiative. That initiative significantly reduced Uganda's debt burden, although the economy remains highly vulnerable to export, donor, security, and weather shocks.⁴

17. Through these same instruments, the CAS supported strengthened tax administration and accountability. The benchmark of raising Uganda's tax effort was achieved for the period as a whole (10.9 percent of GDP in FY01, 11.9 percent in FY05), although, after FY03, the *ratio of tax revenue to GDP* receded somewhat, and remains well below the Sub-Saharan average.

18. To promote economic growth, the first Private Sector Competitiveness Project, which closed in FY03, supported: (i) improvements in the business environment, and (ii) enhanced know-how through markets, banks, and industrial partners. According to a 2001 impact assessment, this project helped nearly double the annual sales of beneficiary firms, increase their knowledge about how markets function, and create around 60,000 new jobs. In FY05 a Phase Two was approved, aimed toward promoting sustainable conditions for enterprise creation and growth. An on-going Privatization and Utility Reform Project has successfully supported divestiture of many public enterprises, strengthened the regulatory agencies for telecommunications and electricity, and supported the near-elimination of subsidies to public enterprises and improvements in the quality and coverage of utility services.

⁴ Uganda Poverty Reduction Strategy Paper – Joint Staff Advisory Note; August 2005.

19. Power and transportation were considered the two priority sectors for *infrastructure improvement*. The power infrastructure was to be strengthened by the unbundling of the state-owned electricity company and investments in new capacity, both of which occurred. However, the benchmark of increasing private sector participation at every stage of power production was only partially achieved. During the CAS period, system losses remained high, billing collection performance uneven, and electricity access low. Consequently, the outcome of one of the three CAS instruments to these ends -- Power III (closed in FY02) -- was rated moderately unsatisfactory for having failed to improve sectoral efficiency and performance and for violation of a financial covenant.⁵

20. The CAS objective of *increased funding for maintenance of the main road network* appears to have been met, although the data available to the CASCR are not entirely apt for determining this. Since 1999, the Bank has supported Uganda's 10-year District and Urban Road Investment Program with three investment projects, one technical assistance project, and the PRSCs. The investment projects supported extensive upgrading, rehabilitation, and maintenance of national and district roads, but no data are yet available on the impact of these investments on average travel times and vehicle operation costs. In addition, technical assistance to improve the efficiency and operational capacity of the road agency and ministry of transportation has been provided since 1998, and has translated into improved multi-annual budgeting capabilities.

21. As the CASCR notes, the strategy selected to *improve the environment for the private sector*, namely strengthening bank supervision and increasing financial sector competition, was relevant, given the salience of high credit costs as a constraint on private business.. The Bank supported this objective through two projects focused on privatization and passage of legislation promoting improved regulation and supervision of banks and microfinance institutions. The Uganda Commercial Bank Limited was eventually privatized, but by means other than the Bank's Financial Markets Assistance Project, which was ultimately rejected by the Ugandan Parliament. As for the effectiveness of PRSC 2 in this area, the CASCR cites extensive write-offs of commercial loans by a leading commercial bank as one piece of evidence for the effectiveness of "sustained supervision of commercial banks." Another is a recent IMF review which concluded that Ugandan banks are now high capitalized and have very small non-performing loan portfolios by developing country standards. The Fund also noted that the introduction of a credit reference bureau was helpful for deepening access to credit.⁶

22. As the CASCR notes, the shift to direct budgetary support and the strong links of the PRSCs and AAA to the Medium Term Expenditure Framework have improved budgetary predictability, enhanced accountability, improved the impact of public expenditures, and strengthened the macroeconomic policy framework. Strengthening of oversight has readied the financial sector to play a more constructive role in future private sector development. However,

⁵ Aside from outcomes, there were also issues regarding project design and implementation. Power Projects III and IV and the Bujagali Hydropower Project were criticized in a 2001 Inspection Panel Report for violations of Bank appraisal and supervision procedures. The latter project was also stalled by the financial difficulties of the original private sponsor and by charges of corruption.

⁶ Uganda: Fifth Review of the Poverty Reduction Growth Facility, August 2005.

results in the infrastructure sectors were mixed, and economic growth remained below the CAS target. Therefore, the outcome under this pillar is rated *moderately satisfactory*.

Pillar IV: Ensuring Good Governance and Security

23. The CAS called for *effective decentralization*, as a prerequisite for good governance. Local Government Development (LGDP) Projects I and II (FY00 and 03) and the Makerere Pilot Decentralized Service Delivery project (FY02) are building capacity for service delivery and management in the Ministry of Local Government and in local governments and testing private sector service delivery mechanisms. The CAS *decentralization* objective called for the strengthening of local government capacity, to be measured by the number of districts eligible for grants under LGDP I. By the end of FY04, approximately half of all districts had qualified, compared to none in FY2000. Therefore, the benchmark is regarded as met.

24. The objective of more *transparent public expenditure* was supported via the Institutional Capacity Building Project, which focused on building central government capacity through consolidation, improved hiring procedures and training, and subsequently by the PRSCs, which supported passage of a new Public Procurement Law and the associated regulatory framework. All three transparency indicators – procurement and financial accountability reforms, a sustainable pay reform program, and a reduced perception of corruption – were met, but with significant shortcomings. Implementation of the new Public Procurement Law has been hampered by the lack of adequate staffing and budget. Government support for pay reform has stalled, and the trend toward a reduction in the number of civil servants reversed.

25. As the CASCR points out, since FY00, two of six WBI governance indicators improved, two remained essentially unchanged, and two deteriorated, adding that the magnitude of these changes was in all cases statistically insignificant. The recent joint IDA-IMF review expressed concern about Uganda's slow progress on governance, calling for a clear demonstration of Government commitment to reform, a strengthening of implementation details, and avoidance of further interventions favoring individual investors and businessmen.⁷ Given that the achievements in decentralization were offset by the meager impact to date of IDA's governance interventions, the outcome of this pillar is rated *moderately unsatisfactory*.

AAA and Portfolio Performance

26. Most of the planned economic and sector work was carried out (Annex Table 3), and rated satisfactory by QAG (for strategic relevance and coherence, highly satisfactory). A 2003 Client Survey indicated that Bank analytical and advisory services were well regarded for the quality of its knowledge and policy advice, in particular in the areas of infrastructure development and education. Clients also noted shortcomings in IDA's involvement in poverty reduction, as evidenced by three-year delays in the delivery of two promised poverty overviews.

27. The portfolio for completed and evaluated projects achieved a satisfactory performance in recent years. By share of total commitments, 85 percent of projects closed and evaluated by

⁷ Joint Staff Advisory Note; *ibid*.

IEG during FY01–05 had outcomes rated satisfactory or higher (Annex Table 4), above the average for the Africa Region (76 percent) and in line with the Bank as a whole (83 percent).

28. On the other hand, the performance of the ongoing portfolio has been mixed (Annex Table 5). After improving dramatically from FY01-03, it experienced a sharp decline, with projects at risk (by commitment) rising from an average of 9 percent during the initial three years to above 30 percent during FY04-05. The CASCR identifies the major causes of this decline as a lack of timely counterpart funds, as well as problems in procurement and financial management.

29. PRSCs have become the dominant instrument of new lending during this period. The CASCR notes that early PRSCs of this period had less than fully developed results frameworks. For example, a well-developed strategy for addressing rural poverty only began to emerge in FY04, when a rural development objective was incorporated into PRSC III. Reportedly, subsequent PRSCs are giving increased attention to the elaboration of results frameworks.⁸

IEG Assessment of CAS Outcome

30. The CAS experience was mixed. Support for macroeconomic stability (including debt reduction), improved financial sector soundness, and a strengthened road network (Pillar 3) produced positive results, but the CAS only partially achieved its goals for power sector transformation and economic growth. The benefits of major expansions in service delivery (Pillar 2) were blunted by their modest impact on the poor and their often deficient quality. The delivery of outputs, such as legislation, produced no meaningful improvement in Uganda's internationally low quality of governance (Pillar 4). Finally, CAS success in promoting higher agricultural growth and exports contrasted with its inability to slow the pace of environmental degradation. Inconclusive data on poverty trends make it hard to discern the net effect on incomes of the poor (Pillar 1). The CASCR does note that "the worsening poverty numbers over the CAS period and the increase in regional disparities suggest that progress has not translated into welfare improvements for the poor..." Balancing these considerations, the outcome of Bank assistance during this period is rated *moderately unsatisfactory*.

Assessment of the CAS Completion Report

31. The CASCR provides a frank and thoughtful assessment of the CAS experience, but was obviously hampered by the CAS's lack of a results focus, its vague and often inappropriate performance indicators, and its weak monitoring mechanisms. Despite these drawbacks, the CASCR carefully examines the content of each of the CAS pillars, and provides as much evidence about their outputs and outcomes as could reasonably be expected. Finally, the CASCR's lessons have a strong poverty focus and provide solid guidance for the design and implementation of the forthcoming CAS.

⁸ OED rated the outcome of PRSC I satisfactory, and those for PRSCs II and III moderately satisfactory, observing that "although one of two key objectives was enhancement of the earning power of the poor, neither...was ever able to settle on an effective strategy toward this end."

Findings and Recommendations

32. The process of implementing governance reforms during the CAS period was too slow, and the perception of corruption remains high. The issue is: How should donors respond in the framework of the forthcoming Uganda Joint Assistance Strategy (UJAS)? Ensuring predictability of aid flows need not impede IDA, in concert with the other UJAS donors, from establishing firm timetables for expected enforcement of the new procurement law, completion of payroll reforms, and the application of meaningful anti-corruption sanctions. The volume and instrumentalities of promised aid (share of direct budgetary support) should be closely matched to the quality and timeliness of implementation.

33. The GOU should be encouraged to reduce its current high aid dependence by raising its still low (by Sub-Saharan standards) domestic resource mobilization, containing the size of the civil service, and maintaining spending discipline, since the size of the fiscal deficit, were it not financed by current large net aid inflows, would be unsustainable. The agrarian nature of the economy limits the speed with which domestic resource mobilization can increase, so efforts to improve expenditure efficiency will need to play a central role.

34. PRSC matrices need to display a stronger link between policy actions and monitorable indicators, identifying intermediate results expected as an outcome of the strategy and instruments proposed.

Annex Table 1. Economic and Social Indicators, 1998-2004

Series Name	Uganda					Burkina Faso	Ghana Average 1998 - 2004	Kenya Average 1998 - 2004	Malawi	Tanzania			
	1998	1999	2000	2001	2002						2003	2004	
Growth and Inflation													
GDP growth (annual %)	4.9	7.9	5.4	6.1	6.8	4.7	5.7	5.9	4.3	4.6	1.3	2.1	5.6
GNI per capita, Atlas method (current US\$)	290	290	270	250	240	250	270	266	274	336	379	176	290
GNI per capita, PPP (current international \$)	1,130	1,200	1,250	1,320	1,400	1,450	1,520	1,324	1,074	1,983	1,009	581	553
GDP per capita growth (annual %)	2.1	4.9	2.3	3.1	3.9	1.9	3.1	3.0	1.8	2.6	-0.8	0.0	3.3
Inflation, consumer prices (annual %)	0.0	6.4	2.8	2.0	-0.3	7.8	3.3	3.1	1.8	19.9	7.4	25.2	5.8
Composition of GDP (%)													
Agriculture, value added	42.1	38.4	37.3	36.4	31.0	32.4	32.2	35.7	32.8	35.9	19.6	36.6	44.9
Industry, value added	18.1	19.9	20.3	20.2	21.6	21.2	21.2	20.4	17.8	24.6	18.4	16.4	15.9
Services, etc., value added	39.8	41.7	42.4	43.4	47.5	46.4	46.6	44.0	49.4	39.4	62.0	47.0	39.3
External Accounts													
Exports of goods and services (% of GDP)	9.7	12.3	11.3	12.1	11.9	12.3	13.7	11.9	9.6	40.2	25.8	27.8	15.5
Imports of goods and services (% of GDP)	20.6	24.4	23.2	24.3	26.5	26.4	27.5	24.7	24.4	55.2	32.2	40.2	25.7
Current account balance (% of GDP)	-5.6	-4.9	-6.1	-6.5	-7.0	-6.2	-3.7	-5.7	-10.9	-3.8	-2.3	-7.2	-7.3
Total debt service (% of exports of goods and services)	20.8	13.8	7.8	4.7	6.4	7.1	..	10.1	14.0	16.1	19.3	10.4	12.4
External debt (% of GNI)	60.0	58.8	60.8	67.4	69.5	73.8	..	65.1	52.9	113.7	55.1	160.9	81.5
Total reserves in months of imports	4.5	5.8	6.2	7.0	6.3	6.6	6.7	6.2	4.8	2.2	3.1	3.4	6.2
Fiscal Accounts (% of GDP)													
Current revenue, excluding grants 1/	10.6	11.6	11.3	10.8	12.2	12.1	12.6	11.6	12.5	19.5	22.5	19.5	11.2
Total Expenditure 1/	16.3	17.9	26.7	21.6	24.4	24.9	25.9	22.5	22.7	28.3	26.6	34.7	17.4
Overall budget balance, excluding capital grants 1/	-5.7	-6.3	-15.4	-10.8	-12.3	-12.8	-13.3	-10.9	-8.6	-5.2	-2.9	-15.3	-6.3
Gross domestic savings	5.4	7.4	7.9	6.5	5.1	6.6	7.9	6.7	6.37	8.01	8.56	-2.36	6.83
Social Indicators													
Health													
Life expectancy at birth, total (years)	..	42	..	..	43	43	..	43	44	55	46	38	44
Immunization, DPT (% of children ages 12-23 months)	54	54	58	61	72	81	..	63	59	78	75	82	84
Improved sanitation facilities (% of population with access)	..	..	..	..	41	..	..	41	12	58	48	46	46
Improved water source (% of population with access)	..	..	..	..	56	..	..	56	51	79	62	67	73
Mortality rate, infant (per 1,000 live births)	..	..	85	..	..	81	..	83	107	61	78	115	104
Education													
School enrollment, primary (% gross)	4.0	4.0	4.1	4.2	4.3	..	..	4.1	1.4	40.5	45.7	..	13.9
School enrollment, primary (% gross)	143.3	132.5	133.9	136.4	140.7	..	..	137.4	43.5	79.5	92.2	143.8	68.4
School enrollment, secondary (% gross)	9.8	10.0	16.9	16.8	19.7	..	..	14.6	10.3	37.2	31.1	34.1	5.7
Population													
Population, total (million)	21.9	22.6	23.3	23.9	24.6	25.3	25.9	23.9	11.6	20.0	30.7	10.5	34.4
Population growth (annual %)	2.7	2.8	2.9	2.9	2.8	2.7	2.5	2.8	2.4	1.9	2.1	2.1	2.2
Urban population (% of total)	11.9	11.9	12	12.1	12.2	12.3	12.4	12.1	17.1	44.3	37.0	15.5	33.3

Source: WB WDI as of September 8, 2005.

1/ WB Africa region database

Annex Table 2. Proposed and Actual Commitments for Uganda FY01-05 (US\$ million)

<i>List of Projects</i>	<i>Proposed FY</i>	<i>Approval FY</i>	<i>Proposed Amount (High-case)</i>	<i>Approved Amount</i>
I- Programmed Projects FY01-03				
PRSC I	2001	2001	225	150
Power SIL 4 (<i>Power IV</i>)	2001	2002	57.8	62
Natl Agricultural Advisory Services SIL (<i>Agricultural Extension II</i>)	2001	2001	40	45
Privatization & Utility Sector Reform ^{1/}	2001	2001	48.5	48.5
Regional Trade Facilitation	2001	2001	15	20
HIV/AIDS Control SIL	2001	2001	30	47.5
Northern Uganda Social Action Fund (<i>Northern Uganda Reconstr II</i>)	2002	2003	90	100
Energy for Rural Transformation	2002	2002	30	49.2
Public Service Perform. Enhancement (<i>Capacity Building/Civil Service Ref</i>)	2002		40	Slipped ^{2/}
Road Development Apl 2	2002	2002	90	64.5
Environmental Management Capacity Building II	2002	2001	15	22
PRSC II - Rural Development	2003	2003	200	150
Lake Victoria II	2003		30	Slipped ^{3/}
Bujagali Hydropower	2003		100	Reformulated
Road Development Apl 3	2003	2005	85	Slipped
II- Non-Programmed Projects FY01-03				
Oil Shock Supplemental-SAC III		2001		25.4
Makerere PII Decentralized Service Delivery		2002		5.0
Local Government Development II		2003		125.0
Protected Areas Management and Sustainable Use Project SIL		2003		27.0
Lake Victoria Environmental Management Project- Supplemental		2003		4.5
Total FY01-03			1,096.3	945.6
III- Projects FY04-05				
PRSC 3		2004		150.0
National Resource Dev. TA		2004		25
Economic and Financial Management II- Supplemental		2004		14.6
PRSC 4		2005		150
Private Sector Competitiveness 2		2005		70
Road Development Apl 3	2003	2005		107.6
Total FY01-05			1,096.3	1,462.8

Footnote: Proposed and approved amounts are greater than the amounts shown in the CASCR. On the proposed side, the above table includes the Bujagali Hydropower project. On the approved side, it includes 2 supplemental loans (Lake Victoria Envirmt Mgmt. and the Economic and Fin. Mgmt II).

1/ Approved before the CAS 2001

2/ Lending for \$70 million in the pipeline for FY06. Lending is still not approved.

3/ Lending for \$40 million in the pipeline for FY07. Lending is still not approved.

Source: Uganda CAS 2001 and WB Business Warehouse as of August 12, 2005.

**Annex Table 3: Uganda – Planned Non-Lending Program and Actual Deliveries
(FY 2001-2005)**

FY	AAA Coverage / Subject matter	Report title	Delivered to Client Status (Oct. 2005)
FY 2001	PRSP Progress Report	PRSP Progress Report	Actual
	Poverty Overview	Poverty estimates from the Uganda National Household Survey	Slipped 04
	PER	PER and Budget Process in Uganda and Tanzania	Actual
	Accountability and Corruption	Country Financial Accountability Assessment (CFAA)	Actual
		Country Procurement Assessment Report (CPAR)	Actual
	Rural development	Agriculture Modernization	Actual
		Land Reform	Actual
	CG meeting	CG meeting	Actual
	Country Performance Portfolio Review (CPPR)	Country Performance Portfolio Review FY2002-2003 ^{1/}	Actual
		Additional Products:	
		Uganda Book	Actual
		Country Framework Paper	Actual
		Review of Urban Water Priv. Sector Part.	Actual
		Power sector reform and regulation strategy workshop	Actual
FY 2002	Support for PRSP: Progress Report	PRSP Progress Report	Actual
	PER	PER	Actual
	Expenditure tracking	Budget and Medium Term Expenditure	Actual
	Accountability and corruption	Economic Monitoring: HIPC Tracking	Actual
	Decentralization	Decentralized systems : Case studies of international initiatives	Slipped FY04
		A comparative analysis of decentralization in Kenya, Tanzania and Uganda	Slipped FY05
	Rural development	PPIAF: Rural Electric Strategy	Actual
	Private sector development	Trade Export Competitiveness	Slipped FY04
	Debt sustainability	Debt sustainability	Slipped FY03
	CG meeting		Not delivered
	CPPR	Country Performance Portfolio Review FY2002-2003 ^{1/}	Actual
		Additional Products:	
		Uganda FSAP	Actual
		Health Tracking	Actual
		Poverty (Household Survey)	Actual
		Greater Great Lakes regional strategy for demobilization and reintegration	Actual
FY 2003	Support for PRSP: Progress Report	PRSP Progress Report	Actual
	CAS	CAS	Slipped FY06
	Poverty Overview	Poverty Assessment	Slipped FY05
	Expenditure tracking	Budget Strategy and Performance 2002/03	Actual
	Accountability and corruption	HIPC tracking update	Actual
	Health, education and water studies	Post Primary Education Sector Work	Actual
		Health care on the frontlines : survey evidence on public and private providers in Uganda	Actual
		Review of Urban Water Priv. Sector Part.	Moved forward to FY01
		Water Supply Delivery Impact Asmt	Slipped FY05
	CG meeting	CG meeting	Actual
	PER	PER	Actual
	CPPR	Country Performance Portfolio Review FY2002-2003 ^{1/}	Actual
		Additional Products:	
		Debt sustainability	Actual

Annex Table 3: Uganda – Planned Non-Lending Program and Actual Deliveries (Cont.)
(FY 2001-2005)

FY	AAA Coverage / Subject matter	Report title	Delivered to Client Status (Oct. 2005)
2004	(not included in the CAS)		
		Strategic Country Gender Assessment	Actual
		Export Growth and Competitiveness	Actual
		Investment Climate Assessment	Actual
		CIFA (PER/CFAA/CPAR/ LGIFA Integrated)	Actual
		Investors' Round Table	Actual
		Uganda Health Sector Performance	Actual
		Tertiary Education Sector Report	Actual
		Poverty estimates from the Uganda National Household Survey II, 2002/2003	Actual
		PRSC: results of a stocktaking study	Actual
		Decentralized systems : Case studies of international initiatives	Actual
		Trade Export Competitiveness	Actual
2005	(not included in the CAS)		
		Uganda Poverty-Nat Res Mgmt Analysis	Actual
		Global Patnership of Putput-based Aid: UEDC Transition Tariff Support	Actual
		PER	Actual
		Observance of Standards and Codes for Accounting and Auditing Report	Actual
		FSAP Update	Actual
		Conflict Analysis Policy Note	Actual
		Anti-money Laund. & Combating Fin. of Terrorism Assessment	Actual
		Uganda Legal & Judicial Sector Assmt	Actual
		A comparative analysis of decentralization in Kenya, Tanzania and Uganda	Actual
		Poverty Assessment	Actual
		Water Supply Delivery Impact Asmt	Actual

1/ The 2001-2003 CPPR exercises were covered in the publication Uganda Country Performance Portfolio Review FY2002-2003
Sources: Uganda CAS FY01, Uganda CASCR FY05, WB Business Warehouse, Controller's and Imagebank.

Annex Table 4. IEG Project Ratings for Uganda, FY01-05

Project ID	Approval FY	Exit FY	IEG Outcome	IEG Sustainability	IEG ID Impact
TRANSPORT REHABILITATION PROJECT	1994	2001	SATISFACTORY	LIKELY	SUBSTANTIAL
AGRIC. RES & TRG. PHASE I	1993	2001	SATISFACTORY	NOT EVALUABLE	SUBSTANTIAL
PRIMARY EDUC. & TEAC	1993	2001	MODERATELY SATISFACTORY	LIKELY	SUBSTANTIAL
EDUC SECTOR ADJ CRED	1998	2001	SATISFACTORY	LIKELY	SUBSTANTIAL
EMCBP	1996	2001	SATISFACTORY	LIKELY	SUBSTANTIAL
FIN MKTS ASSISTANCE	1999	2001	NOT RATED	NOT APPLICABLE	NOT RATED
UG POWER III	1991	2002	MODERATELY UNSATISFACTORY	UNLIKELY	MODEST
INST. CAPACITY BLDG	1995	2002	SATISFACTORY	HIGHLY LIKELY	SUBSTANTIAL
Cotton Subsector Development Project	1994	2002	SATISFACTORY	HIGHLY LIKELY	SUBSTANTIAL
SAC III	1997	2002	MODERATELY SATISFACTORY	LIKELY	MODEST
UG-PRSC 1 (FY01)	2001	2002	MODERATELY SATISFACTORY	NON-EVALUABLE	MODEST
ICB-PAMSU	1999	2003	MODERATELY SATISFACTORY	LIKELY	SUBSTANTIAL
UG-Small Towns Water (BD FY94)	1994	2003	SATISFACTORY	LIKELY	HIGH
Sexually Transmitted Infections	1994	2003	MODERATELY UNSATISFACTORY	LIKELY	SUBSTANTIAL
District Health	1995	2003	UNSATISFACTORY	LIKELY	MODEST
PRIV. SECTOR COMPETI	1996	2003	SATISFACTORY	LIKELY	HIGH
UG-PRSC II	2003	2003	MODERATELY SATISFACTORY	NON-EVALUABLE	MODEST
UG-Loc Govt Dev Prgm SIL (FY00)	2000	2004	SATISFACTORY	UNLIKELY	SUBSTANTIAL
UG EL NINO EMERG RD REP	1998	2004	SATISFACTORY	LIKELY	MODEST
UG-Nakivubo Channel Rehab SII (FY99)	1999	2004	SATISFACTORY	LIKELY	MODEST
UG-PRSC 3 (FY04)	2004	2004	MODERATELY SATISFACTORY	NON-EVALUABLE	MODEST

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	Inst Dev Impact % Subst (\$)	Inst Dev Impact % Subst (No)	Sustain-ability % Likely (\$)	Sustain-ability % Likely (No)
Uganda average	1,528.0	21	84.7	85.0	35.2	60.0	73.3	87.5
Africa average	12,789.6	313	75.9	69.2	41.0	43.5	69.3	62.7
Bankwide average	100,144.2	1,280	82.7	77.7	55.6	51.6	83.4	76.2

Source: WB Business Warehouse Table 4.a.5 as of December 2, 2005

Annex Table 5. Portfolio Status Indicators by Fiscal Year, FY98-05 (US\$ million)

Country	2001	2002	2003	2004	2005
Uganda					
# Proj	24	23	21	19	20
# Proj At Risk	1	2	1	6	7
% At Risk	4.2	8.7	4.8	31.6	35.0
Net Comm Amt	1,209.6	864.5	961.2	886.9	1,030.5
Comm At Risk	158.0	95.0	20.0	260.6	336.1
% Commit at Risk	13.1	11.0	2.1	29.4	32.6
Burkina Faso					
# Proj	9	9	12	13	11
# Proj At Risk	1	0	2	1	2
% At Risk	11.1	0.0	16.7	7.7	18.2
Net Comm Amt	323.1	344.2	469.3	513.3	457.0
Comm At Risk	41.3	0.0	43.6	41.3	42.6
% Commit at Risk	12.8	0.0	9.3	8.0	9.3
Ghana					
# Proj	23	21	17	14	16
# Proj At Risk	2	1	3	3	3
% At Risk	8.7	4.8	17.6	21.4	18.8
Net Comm Amt	1,045.8	1,207.7	878.3	865.3	1,024.3
Comm At Risk	52.9	5.0	92.1	149.5	293.1
% Commit at Risk	5.1	0.4	10.5	17.3	28.6
Kenya					
# Proj	14	13	12	11	12
# Proj At Risk	3	5	5	5	2
% At Risk	21.4	38.5	41.7	45.5	16.7
Net Comm Amt	804.3	701.0	762.7	629.7	619.7
Comm At Risk	187.8	421.5	342.8	290.0	90.0
% Commit at Risk	23.4	60.1	44.9	46.1	14.5
Malawi					
# Proj	11	9	11	11	12
# Proj At Risk	2	3	1	1	4
% At Risk	18.2	33.3	9.1	9.1	33.3
Net Comm Amt	399.3	287.7	412.2	371.8	369.0
Comm At Risk	60.6	44.3	15.0	48.2	132.6
% Commit at Risk	15.2	15.4	3.6	13.0	35.9
Tanzania					
# Proj	18	22	24	23	21
# Proj At Risk	1	2	2	0	4
% At Risk	5.6	9.1	8.3	0.0	19.0
Net Comm Amt	907.0	1,233.0	1,418.7	1,444.5	1,333.0
Comm At Risk	41.2	71.1	17.0	0.0	133.4
% Commit at Risk	4.5	5.8	1.2	0.0	10.0

Source: WB Business Warehouse Table 3a.4 Projects at Risk by Year as of August 12, 2005.

Annex 6. IBRD/IDA Net Disbursements and Charges Summary Report for Uganda (US \$million)

FY	Gross Disb.	Repayments	Net Disb.	Charges	Fees
2001	167.1	15.8	151.3	15.2	0.0
2002	256.2	21.1	235.1	16.2	0.0
2003	353.6	28.2	325.4	18.8	0.0
2004	291.0	36.6	254.4	22.5	1.7
2005	315.5	47.6	267.9	24.0	2.7
Total (FY01-05)	1383.4	149.3	1234.1	96.6	4.4

Source: WB Loan Kiosk, Net Disbursements and Charges Report as of September 8, 2005.

Annex Table 7: Uganda - Millennium Development Goals

	1990	1994	1997	2000	2003
Goal 1: Eradicate extreme poverty and hunger					
Percentage share of income or consumption held by poorest 20%	..	..	..	5.9	..
Population below \$1 a day (%)	87.7	..	86.1	84.9	..
Population below minimum level of dietary energy consumption (%)	..	..	26	..	19
Poverty gap ratio at \$1 a day (incidence x depth of poverty)	52.7	..	44.8	45.6	..
Poverty headcount, national (% of population)	..	55	44	..	..
Prevalence of underweight in children (under five years of age)	23	25.5	..	23	..
Goal 2: Achieve universal primary education					
Net primary enrollment ratio (% of relevant age group)	52.7	..	..	..	..
Primary completion rate, total (% of relevant age group)	..	..	..	58	63
Proportion of pupils starting grade 1 who reach grade 5	..	..	..	63.6	..
Youth literacy rate (% ages 15-24)	70.1	73.8	76.3	78.7	80.2
Goal 3: Promote gender equality and empower women					
Proportion of seats held by women in national parliament (%)	12	..	18	18	25
Ratio of girls to boys in primary and secondary education (%)	77.2	..	89	94.4	96.3
Ratio of young literate females to males (% ages 15-24)	75.8	79.5	82	84.4	85.7
Share of women employed in the nonagricultural sector (%)	43.2	..	..	..	..
Goal 4: Reduce child mortality					
Immunization, measles (% of children ages 12-23 months)	52	59	54	61	82
Infant mortality rate (per 1,000 live births)	93	92	..	85	81
Under 5 mortality rate (per 1,000)	160	156	..	145	140
Goal 5: Improve maternal health					
Births attended by skilled health staff (% of total)	38.3	37.8	..	39	..
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	..	880	..
Goal 6: Combat HIV/AIDS, malaria, and other diseases					
Contraceptive prevalence rate (% of women ages 15-49)	..	14.8	..	22.8	..
Incidence of tuberculosis (per 100,000 people)	159.2	302.9	318.4	339.2	411.2
Number of children orphaned by HIV/AIDS	..	..	..	910000	940000
Prevalence of HIV, total (% of population aged 15-49)	..	..	..	5.1	4.1
Tuberculosis cases detected under DOTS (%)	..	..	58	49.8	44
Goal 7: Ensure environmental sustainability					
Access to an improved water source (% of population)	44	..	..	..	56
Access to improved sanitation (% of population)	43	..	..	..	41
Access to secure tenure (% of population)	..	..	..	..	..
CO2 emissions (metric tons per capita)	0	0	0.1	0.1	..
Forest area (% of total land area)	25.9	..	..	21.3	..
GDP per unit of energy use (2000 PPP \$ per kg oil equivalent)	..	..	..	..	..
Nationally protected areas (% of total land area)	..	..	..	..	24.6
Goal 8: Develop a global partnership for development					
Aid per capita (current US\$)	38.5	38	38.1	35.2	38
Debt service (% of exports)	..	..	..	..	..
Fixed line and mobile phone subscribers (per 1,000 people)	1.7	1.6	2.9	10.9	32.7
Internet users (per 1,000 people)	..	0	0.1	1.7	4.9
Personal computers (per 1,000 people)	..	0.5	1.5	2.6	4
Unemployment, youth female (% of female labor force ages 15-24)	..	..	..	..	..
Unemployment, youth male (% of male labor force ages 15-24)	..	..	..	..	..
Unemployment, youth total (% of total labor force ages 15-24)	..	..	..	..	..
Other					
Fertility rate, total (births per woman)	7	..	6.6	..	6
GNI per capita, Atlas method (current US\$)	320	180	300	270	250
GNI, Atlas method (current US\$) (billions)	5.6	3.6	6.5	6.3	6.2
Gross capital formation (% of GDP)	12.7	14.7	16.8	19.8	20.7
Life expectancy at birth, total (years)	46.8	..	42.5	42.1	43.2
Literacy rate, adult total (% of people ages 15 and above)	56.1	60.7	63.9	67	68.9
Population, total (millions)	17.4	19.8	21.4	23.3	25.3
Trade (% of GDP)	26.6	27.8	34.2	34.4	38.7

Note: Figures in italics refer to periods other than those specified.

Goal 1 targets: Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day. Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

Goal 2 targets: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Goal 3 targets: Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015.

Goal 4 targets: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.

Goal 5 targets: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.

Goal 6 targets: Have halted by 2015 and begun to reverse the spread of HIV/AIDS. Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.

Goal 7 targets: Integrate the principles of sustainable development into country policies and program and reverse the loss of environmental resources. Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation. Have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers.

Goal 8 targets: Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system. Address the special needs of the least developed countries. Address the special needs of landlocked countries and small island developing states. Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term. In cooperation with developing countries, develop and implement strategies for decent and productive work for youth. In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries. In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.

Source: World Development Indicators database, April 2005

Annex Table 8: FY01-05 CAS--Proposed versus Actual Program (US\$ million)

	<i>Planned</i>	<i>Planned US\$ m</i>	<i>Purpose</i>	<i>Actual</i>	<i>Actual US\$ m</i>
FY01	PRSC I - Service Delivery	225.0	2,3,4	PRSC I - Service Delivery	150.0
	Power IV	57.8	3	Moved to FY02	0.0
	Agric Extension II	40.0	1	National Agricultural Advisory Services	45.0
	Privatization & Utility Sector Reform	48.5	3	Privatization and Utility Sector Reform	48.5
	Regional Trade Facilitation	15.0	3	Regional Trade Facilitation	20.0
	HIV/AIDS Control	30.0	2	HIV/AIDS Control	47.5
			<i>Additional Actual Projects:</i>		
			Supplemental Credit to SAC III	25.4	
			Env. Management Capacity Building II	22.0	
FY02	Northern Uganda Reconstruction	90.0	1	Northern Uganda Social Action Fund (to FY03)	0.0
	Energy for Rural Transformation	30.0	1	Energy for Rural Transformation	49.2
	Capacity Building/ Civil Service Reform	40.0	3,4	Cap. and Perf. Enhancement Program (to FY06)	
	Roads II	90.0	1	Roads II	64.5
	Env Management Capacity Building II	15.0	1	to FY01	
			<i>Additional Actual Projects:</i>		
			Power IV	62.0	
			Decent. Service Delivery Makerere U. Training Pilot	5.0	
FY03	PRSC II - Rural Development	200.0	1,3,4	PRSC II - Rural Development	150.0
	Lake Victoria II	30.0	1	to FY07	0.0
	Roads III	85.0	1	to FY05	0.0
	Bujagali Hydropower	100.0	3	reformulated	0.0
			<i>Additional Actual Projects:</i>		
			Protected Areas Management and Sustainable Use	27.0	
			Northern Uganda Social Action Fund	100.0	
			Local Government Development II	125.0	
			Lake Victoria Envirmt. Mgmt-Supplemental	4.5	
	Sub-Total FY01-03	1,096.3			945.6
FY04	PRSC III			PRSC III	150.0
				National Resource Dev. TA	25.0
				Economic and Financial Management II-Supplemental	14.6
FY05	PRSC IV			PRSC IV (instead of II)	150.0
				Private Sector Competiveness II	70.0
				Road Development Apl. III	107.6
	TOTAL FY 01-05				1,462.8

In support of Pillar 1: Actions that directly increase the ability of the poor to raise their income.

In support of Pillar 2: Actions that directly increase the quality of life of the poor.

In support of Pillar 3: A framework for economic growth and structural transformation.

In support of Pillar 4: Good governance and security.