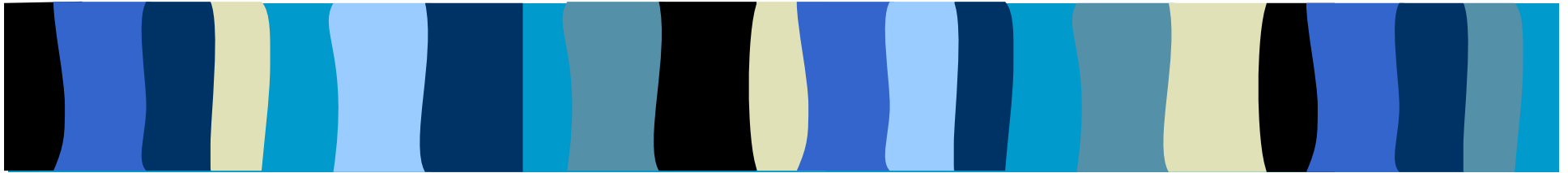


Uganda PRSC



Social Development Training Seminar

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Why Programmatic?

- Macroeconomic policies less of a constraint
 - Structural adjustment agenda “achieved”
- Public sector performance key constraint
 - Public sector reform projects have not delivered
 - Corruption no less common in Bank projects (procurement audit in 3 sectors)
 - Little systematic attention to service delivery
 - Projects tend to undermine public institutions in an aid-dependent country



Innovations in Bank Processes

■ Bank and Government Teams

- Stove-pipe approach undermines Government's efforts to coordinate and reform institutions
- A single integrated Bank team to prepare PRSC
- Cross-cutting and sector-specific staff interacting
 - Recruitment and payroll main problems in education
 - Procurement of drugs in health
- Government responded with a multi-sector team
- Emphasis on results and medium-term agenda
- Country director decisive once reached decision



The Country Context

- Champions for change
 - President “Inflation is indiscipline”
 - Economic team
- Consultation
 - Poverty Eradication Action Plan
- Stability of the government team
- Capacity building by empowerment
 - EdSAC



Government's Credibility

■ Delivered results

- peace
- rescinded export taxation
- stable currency due to prudent fiscal policy
- progress in budgetary process
- roads and education priorities
- did not shy away from bad news
(expenditure tracking survey results)



Challenges

- Increase private and public investment
- Behavioral change — takes time
- Decentralization
 - 30% of expenditure (all basic services)
- Increase transparency
 - information for empowerment
- Increase participation



PRSC Content and Design

■ 4 pillars of PEAP/PRSP

- Growth and economic transformation
- Governance and security
- Increasing incomes of the poor
- Improve quality of life of the poor

■ Implementation of PEAP/PRSP

- Selectivity
 - other IDA instruments; other donors
- In a sequenced fashion



PRSC Components

- 1. Efficient and equitable use of public resources
 - Comprehensive budget and results-orientation
- 2. Cross-cutting public sector reforms
 - Public service and pay
 - Financial management and procurement
 - Transparency, participation and anti-corruption
 - Monitoring and evaluation
- 3. Education, health, water/sanitation



Other Credit Features

- A series of annual credits
 - in line with government budget cycle
- From conditionality to partnership
 - ex post “conditionality”
- Finances all public spending
 - but reform program more focused



Other Credit Features cont.

- Underlying government processes and systems become central to lending
 - avoids creating parallel donor systems
 - creates fiduciary concerns (CFAA, CPAR)
- Primary goal is building experience within government to manage reform
 - decision-making shifts from donor to recipient



Is Uganda Unique?

■ Analytic base

- If it can be built in Uganda, it can be done anywhere
- PERs, household, firm, facility surveys, PPA, service facility surveys
- 100 staff -- duty to help build capacity for evidence-based decision-making
- demand for information follows supply



PRSC Team

- Team work essential
- Instead of a stream of Bank missions now coordinated
- Sector programs in education and health major strength
- Several donors on board over time
- Used to results -- ready to take a risk