A Note about the Design

Baskets are an integral part of Ugandan culture. The number of baskets of food carried to the market by a family is an indicator of the harvest level, with a bumper harvest filling many baskets. Families who are fairly well-to-do also carry more baskets from the market (indicating more purchases), and the bigger the basket, the greater the perception of prosperity.

Baskets also serve ceremonial purposes in traditional Ugandan culture. For example, at the introduction of a groom to the bride's family, the groom's party comes with numerous baskets filled with gifts to offer to the bride's family. In this context, baskets represent happiness, connectedness and a sense of sharing and belonging.

Coincidentally, the World Bank logo reflects some aspects of the spherical woven design of the basket, and the two images complement each other throughout this document. Lastly, the Ugandan national colors are woven into the recurring basket image to emphasize the significance of the collaborative relationship between the Government of Uganda and the World Bank.

"Working for a world free of poverty"
A Note about the Design

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The World Bank in Uganda
Country Brief 2005 - 2006

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### Abbreviations and Acronyms

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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>ADB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>AIDS</td>
<td>Acquired Immunodeficiency Syndrome</td>
</tr>
<tr>
<td>ARTP II</td>
<td>Agricultural Research and Training Project II</td>
</tr>
<tr>
<td>CSO</td>
<td>Civil Society Organization</td>
</tr>
<tr>
<td>DANIDA</td>
<td>Danish International Development Assistance</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>EAC</td>
<td>East African Community</td>
</tr>
<tr>
<td>EATTF</td>
<td>East Africa Trade and Transport Facilitation Project</td>
</tr>
<tr>
<td>EFMP II</td>
<td>Economic and Financial Management Project II</td>
</tr>
<tr>
<td>EMCBP II</td>
<td>Environmental Management Capacity Building Project II</td>
</tr>
<tr>
<td>ERTP</td>
<td>Energy for Rural Transformation Project</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GoU</td>
<td>Government of Uganda</td>
</tr>
<tr>
<td>HIPC</td>
<td>Heavily Indebted Poor Country Initiative</td>
</tr>
<tr>
<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
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<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>ICSID</td>
<td>International Centre for Settlement of Investment Disputes</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communications Technologies</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Association</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>LG</td>
<td>Local Government</td>
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<tr>
<td>LGDP II</td>
<td>Local Government Development Program II</td>
</tr>
<tr>
<td>LVEMP</td>
<td>Lake Victoria Environmental Management Project</td>
</tr>
<tr>
<td>MAP</td>
<td>Multi-Country HIV/AIDS Program</td>
</tr>
<tr>
<td>MDG</td>
<td>Millennium Development Goals</td>
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<td>MDRI</td>
<td>Multi-lateral Debt Relief Initiative</td>
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<tr>
<td>MFI</td>
<td>Micro-finance Institution</td>
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<tr>
<td>MIGA</td>
<td>Multilateral Investment Guarantee Agency</td>
</tr>
<tr>
<td>MSI</td>
<td>Millennium Science Initiative</td>
</tr>
<tr>
<td>MoEMD</td>
<td>Ministry of Energy and Mineral Development</td>
</tr>
<tr>
<td>MoFPED</td>
<td>Ministry of Finance, Planning and Economic Development</td>
</tr>
<tr>
<td>MoES</td>
<td>Ministry of Education and Sports</td>
</tr>
<tr>
<td>MoGLSD</td>
<td>Ministry of Gender, Labor, and Social Development</td>
</tr>
<tr>
<td>MoLG</td>
<td>Ministry of Local Government</td>
</tr>
<tr>
<td>MoWHC</td>
<td>Ministry of Works, Housing and Communications</td>
</tr>
<tr>
<td>NAADS</td>
<td>National Agricultural Advisory Services</td>
</tr>
<tr>
<td>NARO</td>
<td>National Agricultural Research Organization</td>
</tr>
<tr>
<td>NARS</td>
<td>National Agriculture Research System</td>
</tr>
<tr>
<td>NECDP</td>
<td>Nutrition and Early Child Development Project</td>
</tr>
<tr>
<td>NEMA</td>
<td>National Environmental Management Authority</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>NUSAF</td>
<td>Northern Uganda Social Action Fund Project</td>
</tr>
<tr>
<td>PAMSU</td>
<td>Protected Areas Management and Sustainable Use Project</td>
</tr>
<tr>
<td>PE</td>
<td>Public Enterprise</td>
</tr>
<tr>
<td>PEAP</td>
<td>Poverty Eradication Action Plan</td>
</tr>
<tr>
<td>PMA</td>
<td>Plan for the Modernization of Agriculture</td>
</tr>
<tr>
<td>PRSC</td>
<td>Poverty Reduction Support Credit</td>
</tr>
<tr>
<td>PSCP II</td>
<td>Private Sector Competitiveness Project II</td>
</tr>
<tr>
<td>PS-PEP</td>
<td>Public Service Performance Enhancement Program</td>
</tr>
<tr>
<td>RSISTAP</td>
<td>Road Sector Institutional Support Technical Assistance Project</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>REA</td>
<td>Rural Electrification Agency</td>
</tr>
<tr>
<td>RTFP</td>
<td>Regional Trade and Facilitation Project</td>
</tr>
<tr>
<td>S&amp;T</td>
<td>Science and Technology</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SMMRP</td>
<td>Sustainable Management of Mineral Resources Project</td>
</tr>
<tr>
<td>UBoS</td>
<td>Uganda Bureau of Statistics</td>
</tr>
<tr>
<td>UIA</td>
<td>Uganda Investment Authority</td>
</tr>
<tr>
<td>UJAS</td>
<td>Uganda Joint Assistance Strategy</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
</tbody>
</table>
The World Bank is an international organization comprised of 184 member countries (shareholders) that are jointly responsible for the institution’s financing and policy formulation. The World Bank Group is composed of 5 independent but closely associated institutions: The International Bank for Reconstruction and Development (IBRD); The International Development Association (IDA); The International Finance Corporation (IFC); The Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). The term “World Bank” refers specifically to two of the five, IBRD and IDA.

Since the founding of the World Bank Group in 1944 to reconstruct war torn Europe, its primary mission has been economic development. Today the Bank’s mission is to fight poverty and improve the living standards of people in the developing world. To this end, the Bank provides loans, credits, grants, knowledge, policy advice and technical assistance to low and middle income countries. With these instruments, the Bank supports its client countries’ efforts in making investments, building capacity and forging partnerships in the public and private sectors to achieve sustainable economic growth and development.

For more information about the World Bank Group see www.worldbank.org, or visit our Public Information Centre at the World Bank, Lumumba Avenue, Kampala. Phone: 256 41 231 061.
The International Bank for Reconstruction and Development (IBRD)
- www.worldbank.org
- Established 1945, 184 Member Countries
- Cumulative lending: $407.4 billion
- Fiscal 2005 lending: $13.6 billion for 118 new operations in 37 countries

With the largest country membership and the broadest mission, IBRD aims to reduce poverty in middle-income and credit-worthy poorer countries by providing them with loans, guarantees, and analytical and advisory services in order to promote development and eradicate poverty. The IBRD’s financial strength enables it to borrow in capital markets at low cost and offer clients good borrowing terms.

In contrast to the IBRD, IDA targets the world’s poorest countries with low per capita income. These countries have little or no capacity to borrow money on the international financial markets, because of the high interest rates they would have to pay. IDA provides them with interest-free concessional credits and grants in support of homegrown strategies and efforts to reduce poverty. In Uganda and other countries, IDA works in close collaboration with donor partners to provide such support.

The International Development Association (IDA)
- www.worldbank.org/ida
- Established 1960, 165 Member Countries
- Cumulative commitments: $161 billion
- Fiscal 2005 lending: $8.7 billion for 160 new operations in 66 countries

The IFDC was established to promote economic development through the private sector. The aim is to invest in private enterprises by providing equity, long-term loans, structured finance, and advisory services to clients in countries deemed too risky by commercial investors.

The International Finance Corporation (IFC)
- www.ifc.org
- Established 1956, 178 Member Countries
- Committed portfolio: $24.6 billion (includes $5.3 billion in syndicated loans)
- Fiscal 2005 commitments: $5.4 billion for 236 projects in 67 countries

The IFC was established to promote economic development through the private sector. The aim is to invest in private enterprises by providing equity, long-term loans, structured finance, and advisory services to clients in countries deemed too risky by commercial investors.

The Multilateral Investment Guarantee Agency (MIGA)
- www.miga.org
- Established 1988, 165 Member Countries
- Cumulative guarantees issued: $14.7 billion (Amounts include funds leveraged through the Cooperative Underwriting Program)
- Fiscal 2005 guarantees issued: $1.2 billion

MIGA encourages foreign investment in developing countries by providing guarantees against possible losses caused by noncommercial risks such as currency inconvertibility, war, civil conflict, or breach of contract. It also provides technical assistance to help countries disseminate information on investment opportunities as well as dispute mediation if necessary.

The International Centre for Settlement of Investment Disputes (ICSID)
- www.worldbank.org/icsid
- Established 1966, 142 Member Countries
- Total cases registered: 184
- Fiscal 2004 cases registered: 25

ICSID helps encourage foreign investment by providing international facilities for conciliation and arbitration of investment disputes, thereby promoting an atmosphere of mutual confidence.
The World Bank Group’s central objectives in Uganda are: eliminating poverty, promoting growth, reducing inequity, and improving opportunities for people. However, addressing these issues and facilitating economic transformation is not at all easy. It calls for broadening the decision-making process to involve all key stakeholders, particularly the sector ministries, development partners and civil society. It also requires a departure from the traditional combination of adjustment operations and discrete investment programs to a comprehensive reform program financed through the budget via a series of Poverty Reduction Support Credits (PRSCs).

Uganda’s progress thus far is promising. Uganda is one of the few countries in Sub-Saharan Africa that has recorded sound macroeconomic management, rapid economic growth (averaging over 6% per annum for the past decade), and effective poverty reduction (down from 56% to 38% between 1992 and 2003). As a result, Uganda ranked 144 out of 177 countries on the 2005 Human Development Index, moving it from the “low human development” to the “medium human development” category for the first time. There are still many challenges ahead, however, including very low annual per capita income (US$ 270), low life expectancy at birth (43 years), and the high prevalence of HIV/AIDS (about 6.5%).

Personally, I am very excited to be working in a dynamic country like Uganda and it is my personal belief, as well as the Bank’s, that Uganda will meet its poverty eradication goals...

Uganda’s fifth PRSC (an IDA financing composed of a US$ 112.5 million grant and a US$ 22.5 million credit) was approved by the World Bank Board of Directors in January 2006 to support the Government of Uganda’s implementation of a far-reaching reform agenda based on its Poverty Eradication Action Plan (PEAP). This long series of PRSCs is evidence of the Bank’s holistic long-term strategy, whereby a country leads in owning and directing its development agenda, while the Bank and other partners respond with support that is defined in their respective business plans.

Statement by the Country Director

“I am excited to be working in a dynamic country like Uganda and it is my personal belief, as well as the Bank’s, that Uganda will meet its poverty eradication goals...”

Judy O’Connor
Country Director for Tanzania and Uganda
The World Bank is strongly committed to supporting the Government of Uganda’s efforts in reducing poverty and promoting sustainable growth. Working closely with other development partners, the Bank supports the implementation of policy actions identified in the country’s Poverty Eradication Action Plan (PEAP) through the provision of policy advice and financial support.

Towards this end, in 2005 the World Bank in Uganda and six development partners prepared the Uganda Joint Assistance Strategy (UJAS), which redefines Uganda’s relationship with its partners. The UJAS was presented to and approved by the World Bank Board of Executive Directors in January 2006. This innovative strategy is generating new principles and merging aid models based on: client ownership, strong linkages to results, improved coordination, and more predictable finance flow. The UJAS demonstrates the commitment of all partners to work together to improve the lives of the people of Uganda. As outlined in the UJAS, in the coming years, the Bank will strive to help Uganda achieve its PEAP and Millennium Development Goal outcomes. Support will be primarily at the sector level (e.g. agriculture, health, education, and water and sanitation), as well as on cross-cutting public sector management issues. To further promote growth, the Bank will also focus on investments in infrastructure, including energy and transport.

The World Bank Country team in Kampala and at our headquarters in Washington, D.C. strongly believe that the people of Uganda can meet their development challenges and in doing so attain a higher quality of life. To help achieve this, the Bank will continue to provide policy advice, backed by financial resources, to support the development priorities selected by the people of Uganda.

This country brief provides highlights of the Bank’s recent work in Uganda. I am pleased to report on the important results attained to date, and am confident that much more will be achieved in the coming years.

Grace M. Yabrudy
Country Manager for Uganda
Uganda’s Fight Against Poverty

Since 1987, Uganda has achieved significant economic and social progress:

- Economic growth averaged almost 6.5% over the past decade. Growth was 5.9% in 2005, with a projected growth rate of 4.9% in 2006, far above the sub-Saharan Africa average of 2.4% (but less than the originally projected 6.6% because of energy shortages and bad weather in 2005/06).
- Gross domestic savings increased from 6% of GDP in 2001 to 9% in 2005.
- Between 2000 and 2005, exports increased from 11.2% of GDP to 14.5%.
- Inflation has been maintained at about 5% per year.
- The poverty rate declined from 56% in 1992/93 to 38% in 2002/03.
- Almost 60% of Ugandans now have access to safe drinking water.
- Net primary school enrollment for both girls and boys aged 6-12 years stands at about 86%, with children of poorer families as likely to attend primary school as those from better-off families.
- The gender gap (ratio of girls to boys) in primary and secondary schooling improved from 93% in 1992 to 99% today and from 67% in 1997 to 86% today, respectively.
- Close to 70% of the population aged 15 years and above is literate.
Uganda’s impressive growth rates and economic transformation are the result of many interrelated factors, including:

**Strong political commitment combined with high technical expertise**

- Supported by the President, sectoral ministries have implemented wide-ranging reforms in the education, health, transportation, communications, trade, agriculture, marketing, and water and sanitation sectors, greatly improving service delivery to the benefit of the population. For example, reforms in commodity pricing and marketing – dismantling of price controls and state monopolies in the export market, combined with liberalization of the foreign exchange regime – resulted in increased share of the market prices received by small holder farmers.

- The Ministry of Finance, Planning and Economic Development (MoFPED) and the Bank of Uganda (BoU) have implemented prudent financial sector reforms.

- Financial and technical support from development partners have been instrumental in the successful implementation of these reforms.

**Political stability and security**

- Improvements in security and the investment climate have fostered confidence and made Uganda more attractive to investors.

- Successful devolution of political, administrative and fiscal powers to lower level governments through decentralization has improved service delivery and made it possible to deliver more public services to rural areas.

**Forward-looking government action and effective donor partnerships**

- Uganda prepared its first Poverty Eradication Action Plan (PEAP) in 1997, providing a model for the poverty reduction strategy approach worldwide.

- Uganda’s Poverty Reduction Support Credits (PRSCs) have been emulated in the Africa region and beyond for their approach in enhancing policy dialogue and country ownership, thus fully integrating the operation with the country’s poverty reduction strategy.

- Uganda was the first country to benefit from debt relief under the Heavily Indebted Poor Country (HIPC) Initiative in 1998, and to reach the Completion Point under the Enhanced HIPC Initiative in 2000.

- The Uganda Joint Assistance Strategy (replacing the Country Assistance Strategy), developed in 2005/06, is the first to respond to the 2005 Paris Declaration on Aid Effectiveness.

In March 2006, Uganda qualified for additional debt relief under the Multi-lateral Debt Relief Initiative (MDRI), and was one of the first countries to establish a macroeconomic program intended for “mature stabilizers” with the IMF under the Policy
Support Instrument. The MDRI writes off the debt of the world’s most indebted countries that have reached completion point under the enhanced HIPC and continued with strong macroeconomic management, public financial management and poverty reduction.

Under the MDRI, Uganda is eligible for 100% debt relief from the IMF, the African Development Fund, and IDA. Overall, Uganda will receive a total of US$ 3.7 billion in debt service relief, with savings of $50 million per year, peaking at $138 million in 2022.

The World Bank is proud to have contributed to Uganda’s successes to date, and enjoys a healthy working relationship with the Government of Uganda as well as the various other partners and stakeholders involved in the fight against poverty.
Challenges to Growth and Poverty Reduction

Uganda still faces many challenges, including accelerating economic growth, eradicating poverty and reducing inequality. In the next few years, defining and implementing a new wave of reforms that build on previous efforts will be critical in order to attain sustained growth. The continued support of all development partners is critical for Uganda to achieve the economic and social development goals identified in the PEAP and the Millennium Development Goals (MDGs).

One of the key challenges in achieving sustainable improvements in poverty indicators derives from the high numbers of HIV infections. The World Bank has strongly supported Uganda’s efforts in its fight against AIDS by committing close to US$ 145 million for HIV/AIDS-related programs. Uganda was also one of the first countries to establish an effective program to deal with the AIDS pandemic. Sustained efforts at the highest level of government to combat the disease have resulted in a dramatic decline in the HIV prevalence rate from approximately 18.5% in the early 1990s to 6.4% in 2004, but more work remains to be done to reduce the devastating impacts of the disease on individuals as well as on the economy.

Another challenge stems from Uganda’s high population growth rate of 3.2% per year. The current rate of population growth has significant negative impacts on agricultural systems, the environment, labor markets, the health system, and the educational system. Rapid and widely-shared economic growth will be difficult, if not impossible, to achieve if the population growth rate is not reduced. Thus, effective population policies will be critical to avoid straining the economy, and to achieve further reductions in poverty.

Other key constraints to the implementation of the PEAP reform programs include external shocks, power shortages, security issues (particularly in Northern Uganda), and governance, which all constrain future development. Sustained implementation of the PEAP, fiscal discipline, and continued efforts to fight corruption are also vital.
# Uganda’s MDGs and PEAP Targets and Status

<table>
<thead>
<tr>
<th>Millennium Development Goals</th>
<th>2007/08 PEAP Target</th>
<th>2013/14 PEAP Target</th>
<th>2015 MDG Target</th>
<th>Status in 2005 (or latest available)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Eliminate extreme poverty and hunger</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poverty headcount ratio</td>
<td>n/t</td>
<td>28</td>
<td>28</td>
<td>38</td>
</tr>
<tr>
<td>Prevalence of child malnutrition (% of children under 5)</td>
<td>n/t</td>
<td>n/t</td>
<td>12</td>
<td>23</td>
</tr>
<tr>
<td><strong>2. Achieve Universal Primary Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net primary enrolment rate (% of relevant group)</td>
<td>90 boys</td>
<td>100 boys</td>
<td>100 boys</td>
<td>87 boys</td>
</tr>
<tr>
<td></td>
<td>89 girls</td>
<td>100 girls</td>
<td>100 girls</td>
<td>86 girls</td>
</tr>
<tr>
<td>Primary completion rate (% of boys and girls)</td>
<td>69</td>
<td>n/t</td>
<td>100</td>
<td>56</td>
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<tr>
<td><strong>3. Promote gender equality and empower women</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Ratio of girls to boys in primary education</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>99</td>
</tr>
<tr>
<td><strong>4. Reduce child mortality</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 5 mortality rate (per 1,000)</td>
<td>n/t</td>
<td>n/t</td>
<td>53</td>
<td>152</td>
</tr>
<tr>
<td>Infant mortality rate (per 1,000 live births)</td>
<td>68</td>
<td>n/t</td>
<td>32</td>
<td>88</td>
</tr>
<tr>
<td>Immunization, DPT3 (% children)</td>
<td>90</td>
<td>n/t</td>
<td>100</td>
<td>83</td>
</tr>
<tr>
<td><strong>5. Improve maternal health</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maternal mortality ratio (per 100,000 live births)</td>
<td>354</td>
<td>n/t</td>
<td>126</td>
<td>505</td>
</tr>
<tr>
<td>Deliveries in health centers (% of total)</td>
<td>50</td>
<td>n/t</td>
<td>n/t</td>
<td>24</td>
</tr>
<tr>
<td><strong>6. Combat (halt and reverse) HIV, malaria and other major diseases</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prevalence of HIV (% of adults)</td>
<td>5</td>
<td>n/t</td>
<td>&lt;20</td>
<td>6.2</td>
</tr>
<tr>
<td><strong>7. Ensure environmental sustainability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forest area (% of total land area)</td>
<td>27</td>
<td>30</td>
<td>&gt;24</td>
<td>24</td>
</tr>
<tr>
<td>Access to safe water (% total population)</td>
<td>n/t</td>
<td>100 urban</td>
<td>90</td>
<td>65 urban</td>
</tr>
<tr>
<td></td>
<td></td>
<td>90 rural</td>
<td></td>
<td>55 rural</td>
</tr>
<tr>
<td>Access to improved sanitation (% of population)</td>
<td>n/t</td>
<td>100 urban</td>
<td>90</td>
<td>65 urban</td>
</tr>
<tr>
<td></td>
<td></td>
<td>80 rural</td>
<td></td>
<td>56 rural</td>
</tr>
<tr>
<td>Titled land (% of total land area)</td>
<td>17</td>
<td>25</td>
<td>n/t</td>
<td>12</td>
</tr>
<tr>
<td><strong>8. Develop a global partnership for development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service (as a % of export earnings)</td>
<td>238</td>
<td>187</td>
<td>n/t</td>
<td>305</td>
</tr>
</tbody>
</table>

‘Data not available’ denoted by n/a; ‘No target established’ denoted by n/t
The World Bank is strongly committed to assisting Uganda in addressing these challenges and meeting its PEAP goals. Bank priorities are linked to overarching goals such as the MDGs, and influenced by directions set out in new development assistance models such as the Strategic Framework for Assistance to Africa, the Africa Action Plan, and the Paris Declaration of Aid Effectiveness (see Annex A). Adherence to these models should provide exciting opportunities for development growth in the future, and Uganda is well positioned to take advantage of them.

In addition to responding to these international drivers, at the country level, specific Bank activities and funding for Uganda are integrated with the PEAP, and coordinated via the Uganda Joint Assistance Strategy (UJAS). The UJAS represents the core strategy of eleven development partners for 2005–09, provides the basis for the partners’ support for the implementation of the PEAP, and puts into practice the principles of the Paris Declaration of Aid Effectiveness. It was prepared collaboratively by the World Bank Group, the African Development Bank (AfDB), Germany, the Netherlands, Norway, Sweden, and the UK’s Department for International Development (DFID) in 2005. During 2006, Austria, the European Commission, Denmark and Ireland also joined the UJAS.

The UJAS provides an important strategic framework for dialogue, including issues of corruption, governance, and public financial management, while providing the space for each partner to exercise sufficient flexibility in its response to evolving trends, based on mandate and comparative advantage.

As outlined in the UJAS, three key activities underpin the work of the Bank in Uganda:

The World Bank’s Vision

Mission Statement

To fight poverty with passion and professionalism for lasting results.

To help people help themselves and their environment by providing resources, sharing knowledge, building capacity, and forging partnerships in the public and private sectors.
Programs/Projects: In line with the PEAP objectives, financial support is provided for key government programs and development projects that aim to reduce poverty.

Policy dialogue: Policy dialogue, knowledge sharing and analytical and advisory work in areas of importance to national policy dialogue between development partners and the Government of Uganda.

Partnerships: Consistent with the principles of UJAS and the Paris Declaration on Aid Effectiveness, the Bank supports collaboration with the Government, other development partners, and stakeholders to coordinate financing strategies and instruments of development assistance.

Recent World Bank Analytical Work

World Bank staff in each country undertake studies and reports, known as ‘Economic and Sector Work’ (ESW) and ‘Advisory and Analytical Activities’ (AAA). These technical documents assist the Bank and the Government of Uganda in assessing policy choices, making critical decisions regarding program execution, and evaluating the success of ongoing or completed programs. In 2005/06, Bank staff led and produced several key reports on Uganda.

2005 ESW AND AAA

- Poverty Assessment
- Public Expenditure Review
- Conflict Analysis Policy Note
- Legal and Judicial Sector Assessment
- Water Supply Delivery Impact Assessment
- Accounting and Auditing Assessment Report
- Financial Sector Assessment Program Update
- Poverty-Natural Resource Management Analysis
- Uganda Electricity Distribution Company Transit Tariff
- Anti-Money Laundering/Combating the Financing of Terrorism Assessment

2006 ESW AND AAA

- Insolvency Assessment
- Financial Sector Follow-up
- Debt Sustainability Analysis
- Diagnostic Trade Integration Study
- Using Assessment to Improve Pedagogy
- Country Economic Memorandum
- Improving Aid Effectiveness in the Education Sector in Uganda
- Canadian International Development Agency Health Systems Support
- Land - Poverty and Social Impact Assessment
Uganda joined the World Bank Group in 1963 beginning with a credit from IDA for electric power development in 1961. Since then, the Bank has made available more than US$ 4.1 billion in loans and credits and about US$ 600 million in grants. As per the strategy laid out in the UJAS, all current Bank-funded projects and programs in Uganda are aligned with the five pillars of the PEAP. In FY 2005/06, the Bank funded 22 development projects in Uganda (including the PRSC), with combined commitments of over US$ 1.2 billion in all major sectors. Collectively, these government-owned projects aim to support poverty reduction, create economic growth and achieve sustainable development.

The Bank also seeks to respond to development challenges in Uganda through Poverty Reduction Support Credits (PRSCs). PRSCs provide resources to the government budget in support of the authorities’ implementation of a far-reaching multi-

World Bank Lending by Sector (April 2006)
sectoral reform agenda based on the PEAP. Due to their broad-based focus, PRSCs support the PEAP pillars of: Economic Management; Enhancing Production, Competitiveness and Incomes; Governance; and Human Development.

Uganda’s first PRSC (approximately US$ 150 million) was approved in 2001. It focused on measures to improve public service delivery and addressed cross-cutting public sector issues. The fifth PRSC worth US$ 135 million (composed of a US$ 112.5 million grant and a US$22.5 million credit) was approved in January 2006, while the sixth PRSC is expected to be approved during FY 2006/07. These PRSCs will support government reform programs concentrating on: strengthening the public sector to enhance service delivery and improve policy making; creating a conducive environment for private sector development; and tackling corruption using a variety of existing and new measures. As with previous PRSCs, they will continue to support sector programs in water and sanitation; health; education; and agriculture; as well as cross-cutting issues like gender, environment and population.
In Uganda, the main policy framework underpinning poverty eradication, through sustained growth, is spelled out in the Government’s Poverty Eradication Action Plan (PEAP). The PEAP is the Government’s overall development strategy and policy framework, providing guidance to all sectors and partners in focusing their policies and programs. Uganda’s most recent PEAP seeks key strategic results in areas of increased GDP growth, reduced poverty and inequality, and improved human development. This PEAP covers the timeframe 2004/05 through 2007/08, and is based on five pillars.

**Economic Management** - Pillar 1 outlines the Government’s objectives of maintaining macroeconomic stability and promoting private sector-driven, export-led growth. In particular, it stresses the importance of restricting inflation, improving domestic resource mobilization and reducing the fiscal deficit. It also places emphasis on improving budget execution, reducing donor dependency, and improving both external and domestic debt sustainability.

**Enhancing Production, Competitiveness and Incomes** - Pillar 2 places emphasis on policy frameworks to modernize agriculture in order to boost production and household income, and improve competitiveness to develop the private sector. The PEAP highlights efforts to: increase investment in transport infrastructure and in energy systems; remove bureaucratic obstacles and explore cost-effective ways of delivering business development services to micro, small and medium size enterprises; increase the outreach of financial services, particularly to farmers; expand agricultural research and extension services, rural infrastructure, energy, market information and other agricultural services; and improve incentives for sustainable management of natural resources.
Security, Conflict Resolution and Disaster Management - Pillar 3 ties together a range of interventions that link defense and security sector reform; conflict resolution; small arms control; disaster preparedness and management (including refugees); and rehabilitation and reconstruction in conflict-affected areas.

Good Governance - Pillar 4 adopts a comprehensive approach to governance addressing: democracy; human rights; the judicial system; transparency; accountability; and public service reform, with the overall objective of strengthening government and public sector management.

Human Development - Pillar 5 focuses on human development as both a necessary condition for and a central objective of development, and notes the particular impact of health and education on the overall rate of economic growth. Other priorities address water supply, social development, and the strengthening of social protection for vulnerable groups. In addition, improvements in other areas including gender, nutrition, sanitation, HIV/AIDS, and fertility are considered essential.
World Bank Total Commitments in FY 2005 / 2006

In FY 2005/06, the World Bank supported the PEAP by funding the Government of Uganda projects in the accompanying table. More detailed information on each project is provided in the following section.

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Project</th>
<th>World Bank Commitment (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Economic and Financial Management Project II</td>
<td>$48.64</td>
</tr>
<tr>
<td>2</td>
<td>Economic Management</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Enhancing Production, Competitiveness and Incomes</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Security, Conflict Resolution and Disaster Management</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Governance</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Human Development*</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Cross-Pillar Support</td>
<td></td>
</tr>
</tbody>
</table>

*There is substantial support for the Human Development pillar embedded in the NUSAF and LGDP II projects, as well as in PRSC5
Economic and Financial Management Project II (EFMP II)

Total World Bank commitment: US$ 48.64 million
Implementing Ministry: Ministry of Finance, Planning and Economic Development
Other Partners/Support: Nordic Development Fund; Royal Netherlands Government; DFID
Effectiveness date: August 2000
Completion date: December 2006

Objectives:
• To improve the effectiveness and efficiency of public expenditure with the goal of enhancing the quantity and quality of public services delivered to the people of Uganda.

Description:
• Provides technical assistance and training to improve efficiency and effectiveness of planning and budgeting processes for central and local governments.
• Builds capacity and undertakes procurement to strengthen financial management processes to achieve more timely, transparent and accurate financial accounting information for both local and central governments.
• Assists in improving capacity to: manage national statistics; undertake national surveys; and collect, process, store, and disseminate statistical information.
• Supports the establishment of a global distance learning centre in supporting capacity building programs for the public and private sectors.

Results (as of June 30, 2006):
• Improved capacity for planning and budgeting at the LG level and more skills in formulating budgets and linking budgets at local and national levels.
• Installed an Information Sharing Network for MoFPED resulting in increased internal communication, online availability of financial and economic information, and faster decision making.
• Updated tax policy framework and selected tax laws (stamp duty, gaming and casino) to provide a better tax management environment. 21 GoU staff were trained in basic tax revenue forecasting and analysis, 5 in tax policy formulation and analysis, and 4 in in-depth tax revenue forecasting and analysis.
• Trained 388 staff from central government and Parliament in planning and budgeting processes.
• Identified new Non-Tax Revenue sources and recommended upward revision of selected rates, expected to generate at least Ush 11.4 billion of revenue per year.
• Automated accounting processes at 16 government ministries and 5 LGs using the Integrated Financial Management System, resulting in: increased accountability and transparency at the 21 sites where the IFMS has been implemented; improved financial reporting and accountability; reduction of budget overruns; minimization of secretive transactions, as the system makes ‘public’ all key activities and expenditures.
• Increased the number of qualified accountants in government (both local and central) from 12 in 1999 to 253 in 2006. As a result, there has been a reduction in objections to financial reports submitted to the Accountant General’s Office.
• Harmonized financial classification (chart of accounts) between central and local government, leading to better financial planning, tracking, accounting and reporting.
• Supported enactment of the Public Finance and Accountability Act of 2003, providing better financial management in line with International Accounting Practices.
• Established a computerized public debt management system providing more accurate and timely reports on Uganda’s debt portfolio.
• Increased access to statistical information via relocation of the Uganda Bureau of Statistics from Entebbe to Kampala.
• Developed a Distance Learning Center to provide a facility of cost-effective capacity building.
Private Sector Competitiveness Project II (PSCP II)

| Total World Bank commitment: | US$ 70 million |
| Implementing Ministry: | Ministry of Finance, Planning and Economic Development |
| Other Partners/Support: | |
| Effectiveness date: | June 2005 |
| Completion date: | January 2010 |

Objectives:

To create sustainable conditions for enterprise creation and growth through:

- Enabling Ugandan enterprises to compete successfully in international and local markets.
- Reducing the cost of doing business in Uganda mainly by computerization of the land registration in order to enable and encourage domestic investment.
- Creating an infrastructure and finance platform for the transformation of Uganda enterprises.

Description:

- Provides grants to firms to improve their productivity, by supporting investment in innovation, technology adaptation, skills development, branding and market differentiation.
- Invests in the Government’s plan to establish a modern industrial and export processing park, an Internal Container Terminal and a regional transport hub.
- Provides grants to support the deepening of the financial sector. Enables financial institutions to develop new products and increases outreach to Small and Medium Enterprises and rural areas.
- Invests in the transformation and modernization of public institutions that interface with the private sector, i.e, land registration.
- Supports a high level and analytical dialogue between the private and the public sector. Strengthens private sector institutions to act as a catalyst for growth and private sector development.
Results (as of June 30, 2006):

- Enabled over 200 enterprises to innovate and improve their competitiveness through provision of expertise and preparation of business and marketing plans.
- Provided 4 innovation grants to firms for reaching new regional and European export markets, with innovative products.
- Reduced the time to search for a land title in the Ministry of Lands from 5 days to 30 minutes by improving the management and staffing of the land registry, and by computerizing records.
Privatization and Utility Sector Reform Project (PUSRP)

Total World Bank commitment: US$ 48.56 million
Implementing Ministry: Ministry of Finance, Planning and Economic Development
Other Partners/Support: 
Effectiveness date: January 2001
Completion date: January 2006

Objectives:

- To improve the quality, coverage, and economic efficiency of commercial and utility services, through privatization, private participation in infrastructure, and an improved regulatory framework.
- To achieve: a higher level of private investment and better quality and access to services in the telecommunications, water, electricity, and transport sectors; divestiture and improved efficiency in the remaining public enterprises; and a strengthened regulatory framework and institutions in relevant sectors.

Description:

- Provides technical assistance and training to help the government design and implement a privatization program to build capacity for the privatization process.
- Funds environmental audits and severance payments.
- Assists in strengthening MoFPED’s oversight of public enterprises by providing technical assistance and training.
- Supplies additional technical assistance to implement reform strategies and establish regulatory agencies.

Results (as of June 30, 2006):

- Reduced the public enterprise (PEs) sector by 90% since 1992 through privatization. Recorded major impacts in the tourism, agro-processing and manufacturing sectors, as firms increased sales, production and market sizes.
- Realized an 80% decrease in direct and indirect subsidies to PEs since 1999. Concurrently, the GoU increased its earnings from tax revenues from the newly privatized enterprises.
- Achieved a ratio of private investment to GDP of 16.9% in 2004, almost identical to the target ratio of 17%.
Signed the concession agreement for the Uganda Railways Corporation in early 2006.

Expanded the market size of the telecommunication sector to 1.5 million subscribers, of which 93% are mobile phones; doubled fixed lines to 90,000. Increased the penetration rate from 0.28 telephones per 100 people in the population in 1998 to 5.8 in 2005. Created over 135,000 jobs (direct and indirect) via employment in internet cafes and telephone kiosks, and in support services including accounting, marketing, equipment sales, installation and maintenance.

Increased production capacity in the electricity sector to over 300 MW, although recent actual production has only been 135 MW. Increased percentage of the population connected to the grid to 5%, up from 3% in 1999.

Increased access to potable water to 65% of the population, at 20% less cost than in 1999.

Strengthened institutional capacity in: the Ministry of Finance, Planning and Economic Development (Privatization Unit and Parastatal Monitoring Unit); the Capital Stock Market; the Uganda Stock Exchange; the Institute of Corporate Governance; National Environmental Management Authority; the Electricity Regulatory Authority; and the Uganda Communication Commission.
Fourth Power Investment Project

**Total World Bank commitment:** US$ 62 million

**Implementing Ministry:** Ministry of Energy and Mineral Development

**Other Partners/Support:** Nordic Development Fund and Norwegian Agency for Development Cooperation (US$ 18 million)

**Effectiveness date:** April 2002

**Completion date:** December 2006

**Objectives:**

- To help improve power supply to meet demand by supporting critically needed investments in the power sector.
- To strengthen the government’s capacity to manage reform, privatization, and development in the power and petroleum sub-sectors.

**Description:**

- Supports power system expansion and rehabilitation via:
  - Installation of Units 14 and 15 at Kiira Hydro Power Station (including turbines, governors, generators, exciters, hydro-mechanical equipment, and switchyard extension equipment).
  - Completion of the installation of Unit 13 at Kiira.
  - Upgrading of the Supervisory Control and Data Acquisition (SCADA) and telecommunications system.
  - System rehabilitation, making critically needed improvements to ensure operational safety and reliability, and efficient evacuation of the increased output from the power stations.
  - Provision of institutional support, including: project design and supervision of Units 14 and 15 transmission rehabilitation and SCADA; and technical and economic evaluation of Unit 15.
  - Concessioning of the Uganda Electricity Distribution Company’s (UEDCL) assets to Umeme Limited, a private consortium involving Globeleq Ltd., and Eskom Enterprises, which is mandated to manage UEDCL’s business for the next 20 years.
  - Ensures environmental monitoring by financing procurement of required equipment for the implementation of the environmental monitoring plan and the recruitment of an environmental officer to oversee it.
• Supports power sector development and reform by building capacity at MEMD and ERA through:
  • Studies on water management in Lake Victoria.
  • Development of an energy end-use efficiency program including information dissemination to selected large consumers based on analysis of energy audits previously carried out.
  • Annual consumer satisfaction surveys.
  • Sector studies and feasibility studies for future projects under the government’s energy sector development and reform program.
  • Training of the staffs of ERA and MEMD in power sector regulation, licensing, tariff setting, energy policy, energy efficiency and procurement.
  • Provision of consultancy services to assist MEMD and ERA in overall project implementation and sector reform, policy and energy pricing.
  • Improvements in the safety of hydropower dams and expansion of geothermal energy development.
• Builds capacity for petroleum sector development and reform via:
  • Acquisition of petroleum product quality monitoring equipment.
  • Provision of specialized advisory services to MEMD.
  • Training of MEMD staff in the monitoring of petroleum industry activities, product quality testing, and safety.
  • Studies on supply options to enhance competition; improving product quality; and lowering consumer prices.

Results (as of June 30, 2006):
• Testing of Units 14 and 15 is underway.
• Signed contract for Namanve substation in March 2006.
• Tests for upgrade of SCADA and telecommunication systems are ongoing.
• Negotiated and signed system expansion and rehabilitation contracts for Lira, Lugazi, Masaka West and Mbarara North Substations in March 2006; these became effective in May 2006.
• Established and operationalized mobile laboratories for petroleum quality monitoring.
• Completed policy studies on power sector reform and development, including: two power sector consumer surveys, one study on tariff stabilization, and one on a dam safety framework.
Energy for Rural Transformation Project (ERTP)

**Total World Bank commitment:** US$ 49.15 million

**Implementing Ministry:** Ministry of Energy and Mineral Development

**Other Partners/Support:** Global Environment Facility (US$ 12.12 million)

**Effectiveness date:** July 2002

**Completion date:** August 2008

**Objectives:**

- To develop a functioning conducive environment and related capacity for commercially oriented and sustainable service delivery of rural/renewable energy and information communication technologies (ICTs).
- To increase rural electricity access through grid extension, independent power producers, mini-grids and solar energy.
- To offer incentives for private operators to provide basic telephone and internet access facilities in areas where they are not yet commercially viable.
- To contribute to global environment protection by reducing greenhouse gas emissions through promotion of enhanced use of renewable energy sources.

**Description:**

- Establishes a 10 year multi-sectoral program that is private sector-led with government support where projects benefit from subsidies to buy down capital costs.
- Implements GoU’s goal of making electricity accessible to at least 10% of the population in rural areas; promotes access to modern energy services in rural communities, in collaboration with other agencies.
- Develops Rural Electrification Master Plan in collaboration with Rural Electrification Agency (REA) and the systems operator.
- Encourages efficient use of traditional fuels.

**Results (as of June 30, 2006):**

- Established the REA to act as the Secretariat of the Rural Electrification Board by the end of 2004; recruited and fully trained all key professional and support staff.
• Held regional and district workshops country-wide to promote the ERT Program. As a result, 12 applications were made to REA for consideration.

• Electricity supplied to 1500 consumers in Arua and Nebbi for 18 hours per day by West Nile Rural Electrification Company (WENRECO), via a heavy fuel oil generator.

• Used the ERT energy package design for health centers in one health center III (HCIII) at Kyamusisi in Mityana district; package includes a solar panel to provide electricity to the health center.

• Initiated construction of the Kakumiro-Kagadi and Rukungiri-Kanungu lines, which are expected to supply surrounding areas with grid extension lines.

• Trained 221 rural based Photo Voltaic (PV) technicians in solar system installation servicing, maintenance and quality assurance.

• Supported Uganda National Bureau of Standards to adopt and gazette critical solar PV standards, and to draw up an enforcement program.
Road Development Program I, II and III

| Total World Bank commitment: | US$ 263.1 million (Phase I US$ 90.98 million; Phase II US$ 64.52 million; Phase III US$ 107.60 million) |
| Implementing Ministry: | Ministry of Works, Housing and Communications (Road Agency Formation Unit) |
| Other Partners/Support: | Nordic Development Fund |
| Effectiveness date: | February 2000 |
| Completion date: | June 2010 |

Objectives:

- To improve access to rural and economically productive areas by removing major constraints to transport services.
- To strengthen the road sector management.

Description:

- **Phase one (to be completed in 2006):** Upgrades to paved standard Busunju–Kiboga–Hoima (143 km) and Pakwach–Nebbi–Arua (130 km) roads. Conducts studies on: Sector Policy and Management; Transport Sector Strategy; Update of District Road Rehabilitation & Maintenance Strategy; Road Sector Environmental Policy & Management Study; the Implementation of RAFU; and Road Management & Financing Study.

- **Phase two (to be completed in 2006):** Further upgrades national roads to paved (bitumen) standard and strengthens paved roads; finances a road safety improvement and an audit study action plan; involves civil works to improve accident “blackspots” on major corridors.

- **Phase three (to be completed in 2010):** Rehabilitates the Busega – Mityana Road (57 km); upgrades from gravel to paved bitumen standard the Kampala-Gayaza – Bugema – Zirobwe – Wobulenzi Road (68 km), Soroti – Lira Road (125 km) and Atiak – Moyo Road (91 km), including construction supervision; involves the detailed design for upgrading about 300 km of selected district feeder roads to the national road standard; includes feasibility studies for upgrading of a further 600 km of priority national roads; constructs new Road Authority headquarters building, and provides institutional support to the establishment of the Road Authority.
Results (as of June 30, 2006):

Phase one
- Completed Pakwach-Nebbi-Arua road (2003) and Pakwach-Nebbi road (2004); Busunju-Kiboga-Hoima road is 60% complete.
- Completed studies on: Transport Sector Strategy (2000); District Roads Rehabilitation & Maintenance Strategy (2000); Road Sector Environmental Policy & Management Study (1999); Study on the Implementation of RAFU (1998); and Road Management and Financing Study (2002). Recommendations from all are being implemented.

Phase two:
- Partially completed Karuma-Olwiyo road (88% complete), Olwiyo-Pakwach road (39%), Fort Portal–Hima road (34%), Hima-Kasese-Kikorongo and Kasese–Kilembe roads (45%), and Kikorongo–Katunguru and Equator Roads (44%).
- Provided traffic police with 6 police patrol motorbikes, 6 communications equipment, 18 breath alcohol meters and 18 speed measuring instruments.
- Completed Transport Master Plan study (2005).

Phase three:
- Completed prequalification of contractors for all roads contracts; also completed evaluation of proposals for improvement of accident black spots.
- Completed architectural design for Uganda National Road Authority Offices; structural design is in progress.
- Preliminary socio-economic studies completed and detailed studies are due to commence by end of 2006 for 600 km of national roads.
Road Sector Institutional Support Technical Assistance Project (RSISTAP)

**Total World Bank commitment:** US$ 31.76 million  
**Implementing Ministry:** Ministry of Works, Housing and Communications (Roads Agency Formulation Unit)  
**Other Partners/Support:**  
**Effectiveness date:** August 1998  
**Completion date:** December 2007

**Objectives:**

- To strengthen the road management capability of the MoWHC, through spinning off road administration and execution activities of the Ministry, and the creation of an autonomous performance-based Road Agency.
- To improve on the road sector policy and management, through redefinition of the role of MoWHC towards regulatory and monitoring functions, with emphasis on: sector policy formulation; investment planning; public expenditure management; performance monitoring of sector agencies; and road safety and environmental protection.
- To prepare physical infrastructure components for inclusion in the proposed Road Development Program (RDP); to support market integration, and thus contribute to economic growth, poverty alleviation, and improved access to social services.

**Description:**

- Strengthens the road sector management capacity through provision of technical advisory services by: establishing and staffing Road Agency Formation Unit (RAFU) as the nucleus of the proposed Road Agency; and establishing and staffing a new Environmental Liaison Unit in MoWHC.
- Provides technical advisory services for studies on: creation of an autonomous road agency; road safety audit and improvement; road network management policy; and development of a Management Information System (MIS).
- Undertakes Infrastructure Preparation Studies, including feasibility studies, detailed engineering design and environmental impact assessments, and prioritized investment programs for rehabilitation of roads.
Results (as of June 30, 2006):

- Created an autonomous performance based road agency known as the Road Agency Formation Unit (RAFU) in 1998 to improve sector policy and management.
- Improved the quality of output and shortened the time taken for procurement processes for major civil works by approximately 50%, compared to the time taken under previous management arrangements.
- Established an Environmental Liaison Unit in MoWHC.
- Completed “Road Safety Audit and Improvement” and “Road Network Management Policy” studies; recommendations from both are being implemented.
- Developed the strategic plan for a MIS; system is being implemented.
- Completed 8 infrastructure preparation studies.
- Completed “Road Fund Study” and pre-investment study for Nile Bridge at Jinja.
- Formally established the Uganda National Road Authority.
### Regional Trade and Facilitation Project (RTFP)

<table>
<thead>
<tr>
<th><strong>Total World Bank commitment:</strong></th>
<th>US$ 20 million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Implementing Ministry:</strong></td>
<td>Ministry of Finance Planning and Economic Development (via the African Trade Insurance Agency)</td>
</tr>
<tr>
<td><strong>Other Partners/Support:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Effectiveness date:</strong></td>
<td>February 2002</td>
</tr>
<tr>
<td><strong>Completion date:</strong></td>
<td>June 2011</td>
</tr>
</tbody>
</table>

#### Objectives:
- To develop private sector-led growth in member countries (Burundi, Kenya, Malawi, Rwanda, Tanzania, Uganda, Zambia, DRC and Madagascar) by improving access to financing for productive transactions and cross-border trade.

#### Description:
- Focuses on facilitating trade and investment by covering political risk (through IDA funds) and credit risk (by private sector partners) for short-term trade transactions with private institutions in Africa Trade Insurance Agency (ATI) member countries.
- Complements Common Market for Southern and Eastern Africa (COMESA) regional integration activities, in particular, the introduction of a free trade area in 2000.

#### Results (as of June 30, 2006):
- Issued 20 policies and/or policy renewals.
- Covered a total transaction value of US$ 130.9 million.
- Utilized ATI’s own underwriting capacity of US$ 23.6 million.
- Helped mobilize US$ 107.3 million in private and public coinsurance/reinsurance capacity (achieving an effective gearing of 1:5.5).
- Generated a premium for ATI’s own account in the amounts of US$ 1.47 million (gross) and US$ 1.28 million (net), respectively.
• ATI has supported:
  • 6 different insureds’ countries: Belgium, China, Kenya, Mauritius, South Africa, and Uganda
  • 2 African multi-lateral organizations: Preferential Trade Area (PTA) Bank and Shelter Afrique
  • 14 different insureds: Africa Merchant Bank, Afro Meat, Air Connection, Earth Oil Kenya, Fortis Bank, HuaWei, Jaco Commercial Agencies, Nova Holdings, PTA Bank, Red Lands Roses, Siemens, Shelter Afrique, Subati Flowers and Vert Fresh
  • 6 sectors, including: agribusiness, manufacturing, mining, real estate, services and telecommunications
  • 4 ATI risk countries: Burundi, Kenya, Tanzania and Zambia
  • ATI-country exports to over 30 buyers worldwide
National Agricultural Advisory Service (NAADS)

**Total World Bank commitment:** US$ 45 million

**Implementing Ministry:** Ministry of Agriculture, Animal Industry and Fisheries

**Other Partners/Support:** International Fund for Agricultural Development (US$ 17.5 million); DFID; European Union; Royal Netherlands Government, Development Cooperation Ireland; DANIDA

**Effectiveness date:** November 2001

**Completion date:** July 2008

**Objectives:**

- To have a decentralized, farmer-owned and private sector-led agriculture advisory service delivery achieved through increased farmer access to information, knowledge and technology using a demand-driven approach.
- To establish appropriate farmer institutions with capacity developed for effective agricultural service delivery by the private sector; to avail advice and information to different categories of farmers in a cost-effective manner; to ensure that farmer-prioritized enterprises are developed and linked to markets; to enhance the service provider and institutional capacity to readily meet farmer demand for agricultural advisory services.
- To put in place systems that ensure effective NAADS performance at all levels of implementation, and to support effective program management and coordination.

**Description:**

- Comprises one of seven core program components under the Plan for Modernization of Agriculture.
- Provides agricultural advisory services to farmers, including program orientation, farm advisory services, information and communications, and service provider capacity development.
- Provides funding to poor farmers to adopt improved technology and management practices in their farming enterprises to enhance the productivity, economic welfare, and sustainability of their farming operations.

**Results (as of June 30, 2006):**

- Implemented NAADS in 49 districts and 344 sub-counties countrywide.
- Identified 32,026 farmer groups to participate in NAADS and registered 21,272 farmer groups (~ 383,000 farming households) at their respective sub-counties, providing direct benefits from delivery of agricultural advisory services.
• Issued 2,250 advisory service contracts to private service providers which have been successfully implemented by farmers since the inception of NAADS in July 2001.

• In FY 2005/06, farmers prioritized, developed and promoted 44 different enterprises, including crops, livestock, apiculture and aquaculture.

• Within the prioritized enterprises, farmers promoted 41 different technologies including: improved breeds of livestock (e.g., cattle, goats, pigs & poultry); crops (e.g., groundnuts, sorghum, maize & rice); production enhancement technologies (e.g., herbicides, fertilizers & pesticides); and improved beehives.

• Demonstrated technologies at over 8,000 technology development sites.

• Developed capacity of over 1,500 private service providers (including NGOs) in areas such as: NAADS implementation guidelines; proposal writing; and improved management practices.

• Farmers and members of the Parish Coordination Committees Participatory conducted planning, monitoring and evaluation of grassroots program implementation.

• Independent studies found substantial positive impacts from NAADS regarding the availability and quality of advisory services for farmers, resulting in promotion of adoption of new crop and livestock enterprises and modern technologies.

• Attained 27% higher values of crop production and 41% higher incomes in NAADS sub-counties relative to non-NAADS sub-counties.
Agricultural Research and Training Project II (ARTP II)

**Total World Bank commitment:** US$ 26 million

**Implementing Ministry:** Ministry of Agriculture, Animal Industry and Fisheries (via National Agricultural Research Organization)

**Other Partners/Support:** European Union; DANIDA; DFID; International Development Research Centre; Forum for Agricultural Research in Africa; International Maize and Wheat Improvement Center (CIMMYT); Rockefeller Foundation; Global Environment Facility; Gatsby Trust; USAID

**Effectiveness date:** December 1999

**Completion date:** June 2007

**Objectives:**

- To generate new knowledge, strategies and technologies to support the Plan for Modernization of Agriculture (PMA).
- To design and implement improved procedures and capacities for scaling up the application of new technology.
- To support capacity building of the reformed National Agricultural Research System (NARS).

**Description:**

- Supports national strategic research activities to generate technologies for enhancing productivity of major commodities.
- Supports ongoing adaptive research to address specific problems of major farming systems; supports adaptive research to respond to serious emerging problems; establishes an Agricultural Research & Development Fund to support a competitive research grant; finances recurrent expenditures of NARO.
- Strengthens and gives priority to technology dissemination and adoption of existing on-the-shelf technologies through partnership with other extension providers and stakeholders.
- Strengthens and transforms NARO into an R&D institution to promote transfer and adoption of improved technologies; supports NARO to update the National Agricultural Research Strategy and Plan of 1991; strengthens NARO’s capacity to carry out economic and impact analysis of research technologies; finances staff emoluments and civil works for the rehabilitation of NARO Secretariat headquarters.
Results (as of June 30, 2006):

• More than 40% of key intermediaries such as NAADS, NGOs and seed companies report improved access and better choice of NARO’s research outputs since 2001.

• Farmers in selected areas adopted more than 50% of NARO’s research outputs.

• Developed 6 innovative approaches to technology delivery, now employed by 80% of NARO’s institutes and 80% of Agricultural Research and Development Centers (ARDCs).

• Developed at least 46 research outputs on crops, livestock, agro-forestry and agricultural engineering packages including technologies and methodologies to increase productivity.

• Rationalized and made operational 9 ARDCs; 7 have been elevated to Zonal Agricultural Research and Development Institutes (ZARDIs).

• Developed Outreach and Partnership Initiative Strategy and Guidelines.

• Implemented NARO-MAK-ICRA Experiential Learning Initiative; first phase completed and lessons learned documented.

• Supported formulation of the National Agricultural Research Policy (2003), the National Agricultural Research Systems Act (assented to November 2005), and the ongoing NARS reform process.

• Revised NARO’s research strategy; Medium-Term Plan is already in place.

• Completed a Core Functional Analysis and subsequently recruited 20 critical staff.

• Established new Agricultural Research Council; started process of nationalizing Public Agricultural Research Institutes (PARIs) and establishing NARO Council Secretariat.
Lake Victoria Environmental Management Project (LVEMP)

**Total World Bank commitment:** US$ 16.6 million  
**Implementing Ministry:** Ministry of Water, Lands and Environment; Ministry of Agriculture, Animal Industry and Fisheries  
**Other Partners/Support:** Global Environment Facility (US$ 13.2 million)  
**Effectiveness date:** March 1997  
**Completion date:** December 2005

**Objectives:**
- To maximize the sustainable benefits to riparian communities using resources within the basin to: generate food, employment and income; supply safe water; and sustain a disease-free environment, while conserving biodiversity and genetic resources.
- To harmonize national management programs to achieve a reversal of environmental degradation.

**Description:**
- Focuses on objectives in 10 components: fisheries management; fisheries research; water hyacinth control; water quality/quantity monitoring; industrial and municipal waste management; land use management; wetlands management; catchment afforestation; institutional framework and capacity building (via support to Makerere University Zoology Department and training); and support to Lake Victoria Fisheries Organization.

**Results (as of June, 2006):**
- Fully operationalized the Lake Victoria Fisheries Organisation.
- Funded 51 out of 349 registered Beach Management Units; 15 fully trained and operational as of December 2005.
- Increased Central Government Fish Inspectors from 4 in 1997 to 16 in 2004; local Fish Inspectors increased from 0 in 1997 to 45 in 2004.
- Increased fish ponds from 300 in 1999 to 4,500 in 2004; fish farmers increased from 250 in 1999 to 3,000 in 2004; number of fingerlings produced rose from 50,000 to 8 million between 1999 and 2004; supported 14 hatcheries.
- Identified and documented 34 biodiversity-rich areas (not yet gazetted).
- Cumulative reduction in water hyacinth cover averaged 84% over the period 1999-2005, with a peak of 96% in 2005.
• Established a lake-wide water quality monitoring system to monitor 17 key water quality parameters; upgraded water quality lab to “state of the art” conditions; developed a Water Balance Model for Lake Victoria.

• Ten industries in Kampala adopted self monitoring to reduce industrial and municipal effluents in the Lake Victoria Basin; trained 9 communities on the lakeshore in garbage and waste management; rehabilitated the Bugolobi Sewerage Treatment Plant.

• Completed a full inventory and resource survey of Lake Victoria wetlands, resulting in 15 district wetland maps and a regional wetlands atlas.

• Developed the Nabugabo Wetland Management Plan.

• At least 7 communities adopted measures for wise use of wetland resources.

• Established 42 tree nurseries (25 functioning) to improve tree cover in the Lake Victoria catchment area; 5.7 million seedlings were produced as of 2005, covering 2,000 ha.

• Funded 121 micro-projects in 74 communities, benefiting ~700,000 people. Projects included 74 water supply projects, 13 fish handling units, 7 health units, 5 primary school blocks, and 3 fish farming units.

• Supported 13 PhD and 22 MSc courses in the Makerere University Dept. of Zoology and other aquatic and non-aquatic components; overall, 168 short courses were undertaken.
Environmental Management Capacity Building Project II (EMCBP II)

**Total World Bank commitment:** US$ 22 million  
**Implementing Ministry:** Ministry of Water and Environment (via National Environment Management Authority (NEMA))  
**Other Partners/Support:**  
**Effectiveness date:** June 2001  
**Completion date:** July 2006

**Objectives:**

- To create and establish an efficient mechanism for sustainable environmental and natural resources management at the national, district and community levels.

**Description:**

- Builds capacity for environmental management, planning and monitoring within partner institutions and districts.  
- Monitors the environment and disseminates environmental information.  
- Develops environmental laws, policies and guidelines for regulating environmental management.  
- Promotes, encourages and ensures enforcement of environmental standards, regulations and the National Environment Act Cap 153.  
- Ensures integration of environmental concerns into policies, plans and programs at the national, district and local levels.  
- Promotes awareness programs and increases public knowledge about environmental issues.

**Results (as of June 30, 2006):**

- Employed and trained full-time District Environment Officers/ Municipal Environment Officers in all 56 districts and 4 municipalities; all have functioning District Environment Committees and Local Environment Committees.  
- 20 districts have fully integrated environmental considerations in their District Development Plans.  
- Disbursed funds to 121 micro-projects in 23 districts by 31st December 2005.  
- Trained trainers and community mobilisers in 43 districts to create capacity within communities for implementation of environment conservation and restoration activities.
• Revised several sectoral policies for environmental coverage, including: Environmental Health Policy; National Forestry Policy; National Water Policy; National Land Policy; Draft Land Use Policy; Draft National Soils Policy; National Fisheries Policy; Trade Policy; and the National Population Policy.

• Completed formal Environment Education (EE) training in 27 focus districts; all public primary schools in these districts have EE in their curriculum.

• Gazetted 164 Environmental Inspectors for a three year period; employed, trained, and equipped them in the last three years; over 1,353 sites were inspected for adherence to sound environment management.

• Gazetted 5 regulations in 2004/05: ozone layer protection; noise standards and control; audit regulations; regulations for control of smoking in public places, and regulations on access to genetic resources.
Sustainable Management of Mineral Resources Project (SMMRP)

| Total World Bank commitment: | US$ 25 million |
| Implementing Ministry: | Ministry of Energy and Mineral Development |
| Other Partners/Support: | African Development Bank; Nordic Development Fund |
| Effectiveness date: | August 2004 |
| Completion date: | August 2009 |

**Objectives:**

- To support the GoU’s efforts to maximize the economic and social benefits of mineral exploitation.
- To accelerate sustainable development and reduce poverty by strengthening governance, transparency, and capacity in the management of mineral resources.
- To promote socially and environmentally sound development of the minerals sector based on private investments.

**Description:**

- Addresses (i) the legal and regulatory framework to make the mining sector internationally attractive, (ii) institutional capacity, and (iii) development and improvement of small-scale mining in rural communities.
- Supports the Department of Geological Survey and Mines in:
  - Strengthening institutional and human resources capacity
  - Conducting surveys to collect, process and compile basic geological and related geo-information
  - Establishing and maintaining information systems and geological maps to support promotion activities, and providing essential geological, resource and mineral rights information to potential investors and other user agencies
  - Promoting private investment in mineral exploration and mine development
  - Establishing a transparent mineral titles administration system
  - Monitoring and enforcing sectoral laws and regulations
  - Establishing an environmental and social management framework for mining
  - Facilitating the sustainable development of small-scale mining as an economic option in rural areas
  - Fostering the establishment of cross-sectoral linkages
Results (as of June 30, 2006):

- Published brochure “Opportunities for Mineral Investments in Uganda.”
- Prepared draft Implementation Strategy for the SMMRP Small Grants Program to assist small-scale and artisanal miners and their associated communities.
- Completed preparation of the “Toolkit for Baseline Profiling of Artisanal and Small-Scale Mining in Uganda.”
- Began pilot baseline profiling work in the salt and limestone mining communities of Kasese District.
- Trained 80 staff members in various programs including: Instrument analysis and laboratory management, gemology, petrology, mineralogy, records management, computer science, geo-information management, planning and financing small and medium projects, goods and equipment procurement, financial management, purchasing, mineral exploration, project planning and management, management control and evaluation, geophysics, general process engineering, environment management and small scale mining.
Protected Areas Management and Sustainable Use Project (PAMSU)

Total World Bank commitment: US$ 27 million
Implementing Ministry: Ministry of Tourism, Trade and Industry (via Uganda Wildlife Authority and Uganda Wildlife Education Center)
Other Partners/Support: Global Environment Facility (US$ 8 million)
Effectiveness date: December 2002
Completion date: December 2007

Objectives:

• To support long-term conservation of Uganda’s biodiversity and cultural heritage through sustainable and cost-effective management of its wildlife and cultural resources to provide a sound basis for sustainable tourism, via the Government’s Conservation and Sustainable Tourism program.

• To develop Uganda Wildlife Authority’s internal systems, management teams, and governance structure.

Description:

• Provides cost-effective wildlife management inside and outside protected areas.
• Creates public awareness and knowledge in environmental and conservation issues.
• Develops the framework for the tourism sector to the maximum extent possible, consistent with the protection of environmental and cultural values.
• Preserves the cultural heritage of Uganda by supporting the Department of Antiquities and Museums.

Results (as of June 30, 2006):

• Completed construction of Uganda Wildlife Authority Headquarters facilities.
• Completed boundary demarcations for 3 protected areas: Ajai Wildlife Reserve, Katonga Wildlife Reserve and Mt. Elgon National Park.
• Developed National Tourism Policy through stakeholder participatory approach.
• Completed Uganda Wildlife Education Center infrastructure development.
• Undertook Uganda Museum facelift.
• Completed District Tourism Plans for Kisoro, Kanungu, Kaseses and Kabarole.
• Developed a national site registry for all antiquities and monuments database.
Northern Uganda Social Action Fund (NUSAF)

**Total World Bank commitment:** US$ 100 million  
**Implementing Ministry:** Office of the Prime Minister  
**Other Partners/Support:** NAADS; Uganda AIDS Control Project; Amnesty Commission; World Food Programme; other community contributions (US $20 million)  
**Effectiveness date:** February 2003  
**Completion date:** February 2008

**Objectives:**
- To empower communities in 18 districts of Northern Uganda by enhancing their capacity to systematically identify, prioritize, and plan for their needs within their own value systems in order to improve socio-economic services; to contribute to improved livelihoods by entrusting money to communities.

**Description:**
- Seeks ways to combat the effects of the civil war on communities.
- Identifies vulnerable groups to CSOs, NGOs, and private sector agencies to develop strategies likely to contribute to poverty alleviation.
- Provides support to encourage communities to identify innovative ways for reconciliation and conflict management to avoid open warfare using traditional and non-traditional approaches, based on indigenous knowledge.
- Implemented as a fund, provides direct financial and technical support through five components: Community Development Initiatives (CDI); Vulnerable Groups Support (VGS); Community Reconciliation and Conflict Management (CRCM); Youth Opportunities Programme (YOP); and Institutional Development (ID).

**Results (as of June 30, 2006):**
- Acquired information on access to social services, vulnerability and risk via a comprehensive baseline survey conducted by UBoS; survey provided benchmarks against which to measure NUSAF’s contribution.
- Completed 263 borehole sub-projects that serve over 15,780 households (or 78,900 people); completed 32 pit latrine blocks that serve 1,152 households (or 5,760 people).
- Completed 321 sub-projects in the education sector that benefit 6,966 pupils directly and 34,830 family members indirectly.
• Completed 36 health sector facilities (27 health centers and 9 medical staff houses) that have the potential to directly serve approximately 195,000 people.

• Funded 2,633 Vulnerable Groups Support sub-projects that serve approximately 108,982 direct beneficiaries. Projects include: 1,992 income generating activities; 355 time and labor saving technologies; 92 vocation skills training; 161 family support; and 33 counseling projects.

• Funded 548 Community Reconciliation and Conflict Management sub-projects that have promoted social interaction and cohesion and have been geared towards strengthening community interaction, consensus building and social capital.

• Empowered communities via monthly public accountability meetings that have deepened the communities’ sense of ownership of the interventions and the need to demand better services.
Local Government Development Program II (LGDP II)

**Total World Bank commitment:** US$ 125 million

**Implementing Ministry:** Ministry of Local Government

**Other Partners/Support:** DANIDA; the Governments of Austria, Ireland and the Royal Netherlands

**Effectiveness date:** October 2003

**Completion date:** June 2007

**Objectives:**

- To improve local governments’ (LG) institutional performance for sustainable, decentralized service delivery of primary education, health, water and sanitation, and agricultural extension, as well as physical infrastructure.
- To support activities that increase the ability of LGs to plan and implement projects funded by the Local Government Development Grant.

**Description:**

- Provides support for: human resource development; annual workshops; development of decentralized budget support; tools for support of local government capacity; and incentives to improve on administrative performance (e.g., the Local Government Assessment System).
- Audits accounts of all LGs for the first two years of the project.
- Directs funding towards LGs in the form of non-sectoral local development grants (LDGs) that finance investment in local infrastructure, and capacity building grants (CBGs) to finance demand-driven capacity building activities to ensure sufficient capacity to handle investments in a sustainable manner.
- Supports LG revenue enhancement to ensure that LGs’ service provision and investments are supported by viable fiscal systems.
- Provides project coordination and backstopping support to MoLG and LGs to ensure capacity to implement the various activities.

**Results (as of June 30, 2006):**

- Ensured that all Higher Local Governments (HLGs) have three-year rolling development plans and capacity building plans.
- 96% of HLGs have Local Revenue Enhancement Plans; 35% have registered an increase of 20% in local revenue since 2002/03.
- 99% of HLGs had final accounts for FY 2004/05; 39% submitted them on time to the Office of the Auditor General.
• Transferred US$ 85.8 million in LDGs to finance LGs’ priority development projects, including: education (23%); health (15%); production (9%); roads and drainage (35%); water and sanitation (13%); and administration (5%).

• Transferred US$ 10.4 million in capacity building grants to LGs.

• Conducted two Joint Annual Reviews of Decentralization which resulted in:
  • formulation of a Decentralization Policy Strategic Framework (DPSF) that brings together all policy issues on decentralization; and
  • formulation of a 10 year Local Government Sector Investment Plan (LoGSIP) that provides a framework for coordination and harmonization of government/development partners’ support to the sector, linked to the MTEF ceilings and related PEAP outcomes.

• Rolled out Harmonized Planning Guide to districts.

• Rolled out the Local Government Information Communication System (LoGICS) to 55 Higher Local Governments.

• Finalized District Planning Guide.

• Produced 30 training modules for higher and lower LGs.
Decentralized Service Delivery: A Makerere University Training Pilot Project

Total World Bank commitment: US$ 5 million
Implementing Ministry: Ministry of Education and Sport; Makerere University
Other Partners/Support: Rockefeller Foundation (US$ 6 million)
Effectiveness date: September 2002
Completion date: December 2006

Objectives:

- To develop an effective, sustainable and replicable mechanism (that is fully integrated with the Government’s decentralization and public service reform programs and capacity building goals) for strengthening the skills and competencies of those responsible for service delivery and management at the local government level.

Description:

- Builds appropriate and adequate capacities at Makerere University (MU) to provide relevant skills and competencies among its faculty and students to support effective, decentralized services delivery.
- Supports capacity building interventions by MU and selected collaborating institutions of higher learning on a pilot scale in 8 local governments of Arua, Mbale, Kampala, Rakai, Sironko, Yumbe, Mbarara and Ntungamo districts.
- Supports local government staff to acquire relevant skills for their jobs through different courses in the tertiary institutions; pilot covers 6 disciplines of: basic health and medicine; agriculture; governance; planning and management; engineering; and education.
- Supports research and policy formulation capacity related to decentralization in a number of units that give relevant support to decentralized service delivery.
- Develops an innovative model for collaboration with other suitable training and research institutions across Uganda, with the goal of including valuable inputs in curriculum development and expanding the outreach and coverage of relevant training programs.
- Uses a local government-level demand-driven approach to the design of programs and courses as opposed to traditional supply-driven training.
Results (as of June 30, 2006):

- Developed 13 new courses on decentralization.
- Developed 8 field-based internship programs.
- Supported 4,460 students participating in internships.
- Identified 40 local government partners to participate in communities of practice to improve service delivery.
- Provided decentralization training to 1,000 academic and local government staff.
- Supported 114 local government staff to pursue undergraduate programs; 77 have graduated and are returning to their local governments.
- Supported 82 local government staff pursuing Masters programs in the priority areas.
- Sponsored 116 students from 6 universities to conduct research on decentralization, including 50 staff members and 19 PhD students.
- Operationalized partnerships with 6 other tertiary institutions.
- Trained over 300 staff at MU and other tertiary institutions in pedagogical skills for lectures in tertiary level institutions.
Multi-Country HIV/AIDS Program (MAP)

**Total World Bank commitment:** US$ 47.5 million

**Implementing Ministry:** Uganda AIDS Commission (Office of the President); Ministry of Health

**Other Partners/Support:** Rockefeller Foundation

**Effectiveness date:** May 2001

**Completion date:** June 2006

**Objectives:**

- To support the goals of the National Strategic Framework for HIV/AIDS 2001-2006, which are to: reduce the spread of HIV infection; mitigate the health and socioeconomic impacts of HIV/AIDS at individual, household and, community levels; and strengthen the national capacity to respond to the epidemic.

**Description:**

- Focuses on three key outcomes: behavioral change; increased access and coverage of quality services for HIV/AIDS; and capacity building for implementation of HIV/AIDS interventions at community, district and national levels.

- Funds 15 line ministries, 36 civil society organizations, 30 districts, and 3,627 community-led HIV/AIDS initiative sub-projects within those districts.

- Supports communities to identify, prioritize and implement HIV/AIDS sub-projects within their competence in areas such as: awareness raising, support for orphans, home care, and education.

**Results (as of June 30, 2006):**

- Supported the widest ever community-led HIV/AIDS initiative in Uganda, guaranteeing the delivery of services at the grass roots level by providing support to needy orphans and people living with HIV/AIDS.

- Initiated the public sector’s “free anti-retroviral (ARV) scheme” and procured CD4 count machines for use at regional referral hospitals, thereby increasing the accessibility of ARV treatment to the poorer segments of the population.

- Began in-country post-shipment testing of condoms through procurement, greatly reducing the costs of overseas post-shipment testing.

- Developed a multi-sectoral behavioral change communication (BCC) strategy, including a community education HIV/AIDS flip chart, to aid mainstreaming of BCC activities.
• Determined district level HIV/AIDS outcome indicators using Local Quality and Assurance Surveys, and applied results to the district HIV/AIDS programming processes.
• Developed, disseminated and implemented District HIV/AIDS Coordination Guidelines.
• Created a platform for an enhanced multi-sectoral response to the HIV/AIDS epidemic by supporting sector and district strategic planning processes and development of HIV/AIDS mainstreaming guidelines.
Nutrition & Early Child Development Project (NECDP)

**Total World Bank commitment:** US$ 34 million  
**Implementing Ministry:** Ministry of Health  
**Other Partners/Support:**  
**Effectiveness date:** November 1998  
**Completion date:** June 2005

**Objectives:**

- To improve the growth and development of children under 6 years of age, in terms of nutrition, health, and behavioral aspects.

**Description:**

- Supports improving parental awareness on childcare and development through parental education, child growth monitoring, and training.
- Finances the construction and operation of resource centers and childcare centers.
- Provides innovation grants that support communities in implementing innovative ideas for improving children’s lives.

**Results (as of June 30, 2006):**

- Increased exclusive breastfeeding of infants until 6 months of age by 14% in project areas (compared to a 1.1% increase in non-project areas), to 58% overall.
- Increased Vitamin A supplementation by 13.6% in project areas (compared to a 17.1% decrease in non-project areas).
- Increased de-worming in children less than 6 years by 38.2% in project areas (compared to 8% in areas where no official de-worming was added).
- Trained 3,650 Early Childhood Education caregivers using an innovative, non-academic learning framework developed by the project.
- Supported preparation of a national Early Childhood Development policy.
- Supported child rights and advocacy activities by the MoGLSD and the National Council for Children; e.g., the Children’s Statute was simplified and translated into 4 vernacular languages.
- Initiated Child Days which provide immunization and integrated health packages for children.
Other World Bank Supported Activities

In addition to the financial and technical assistance given by the World Bank for the projects in its main portfolio, the Bank is also actively engaged in a number of other programs, providing technical oversight, guidance and/or management of trust funds. These include:

**Rural Financial Services Program (US$ 18.43 million)**

Funded by the International Fund for Agricultural Development, and managed by the Bank, this program aims to reduce rural poverty through a sustained increase of on-farm and off-farm income-generating activities resulting from improved access to financial services. The program strengthens the institutional capacity and rural accessibility to microfinance institutions (MFIs), and enhances the rural population’s capacity to access financial services for income generation. To date, 30 MFIs have received institutional support, 26 MFI branches have been established and upgraded, and 11 branches of MFIs of tier IV have been established. Over US$ 9 million has been given out in loans, up from about US$ 3.3 million at the beginning of the program, while 91,101 new clients accessed financial services, up from less than 30,000 clients.

Finally, the program has supported upgrading four out of five MFIs (FINCA, UMU, UFT and FAULA) to be licensed as deposit-taking institutions.

**Multi-Country Demobilization and Reintegration Program (US$ 4.2 million)**

The World Bank manages the Program and its Multi-Donor Trust Fund which assists seven countries in the greater Great Lakes Region to demobilize combatants and reintegrate them into civilian life. Support by this regional program in Uganda seeks to: (1) increase awareness of the Amnesty Act and the role of the Uganda Amnesty Commission (AC); (2) create incentives and a
framework for dialogue-based end to insurgencies; (3) receive and process all those that are seeking amnesty in accordance with agreed upon standards and procedures; and (4) provide standard reinsertion packages and access to community-based reintegration programs. Support is provided to the AC, which implements the Amnesty Act of 2000, allowing rebels that fought the Government to report and obtain amnesty under certain conditions (for example, that they abandon rebellion). Via the project, the AC has provided resettlement packages to 8,210 of the 14,255 former rebels.

Additionally, 101 former rebels have been repatriated from the DRC and Sudan, and subsequent provision of amnesty and resettlement has been facilitated. The AC works in active partnerships with other institutions supporting the reintegration of these former fighters, especially in Northern Uganda.

**Water and Sanitation Programme – Africa (US$ 2.1 million)**

WSP is an international partnership (supported in Uganda by the Netherlands, Sweden and the UK) with a mission to alleviate poverty by helping poor people gain sustained access to improved water supply and sanitation services. In addition to knowledge sharing, WSP-AF’s main role in Uganda is assisting the GoU in the implementation of activities to meet its national and international targets with special focus on the sanitation sub-sector. The Uganda program has two main components:

(1) support for roadmapping and achievement of sanitation MDG/PEAP targets; and (2) capacity building support in environmental health and sanitation.

WSP-AF’s current support program to the Environmental Health Division of the Ministry of Health places it favorably to facilitate and stimulate policy dialogue and national coordination among the sanitation sub-sector players, and to support development of an enabling framework. WSP is leading the application of innovative (e.g., Output Based Aid) and anti-corruption approaches to the water and sanitation sector. WSP also has a regional program of sharing comparative knowledge to accelerate service provision to the poor, whilst strengthening the capacity of regional bodies to provide support and oversight to Africa’s efforts to develop, implement and monitor country-owned MDG roadmaps for water supply and sanitation. A full-time water and sanitation specialist is currently posted in the African Ministers Council for Water president’s office in Kampala to support this process.

**Capacity Building for Decentralized Community Based Participatory Development Planning and Budgeting in Uganda (US$ 494,700)**

This project’s objective is to support and strengthen the capacity of Local Governments and NGOs to develop and institutionalize participatory planning and budgeting processes. The project has two components:

(1) Training for Higher and Lower Local Councils and NGOs in the application of the Harmonized Participatory Planning Guide. Specific elements under this component include technical assistance, procurement of training equipment, and conduct of workshops in the 20 project districts.

(2) Monitoring and Evaluation, including: establishment of information dissemination and feedback mechanisms; facilitation of community data collection, entry, analysis, dissemination; monitoring and evaluation; and implementation reviews.
Strengthening Civil Society and Government Partnership in Monitoring Public Expenditure (US$ 374,000)

This effort has 3 primary objectives: to enhance knowledge about methods of data collection, analysis and reporting that promote service user feedback; to develop a Civil Society Organization (CSO) monitoring and evaluation system; and to strengthen the capacity for community-based monitoring and evaluation in Uganda. The project has supported meetings and workshops between government agencies and CSOs to build consensus on the standardization of methods of data collection for M/E of priority service delivery sectors such as health and education.

Strengthening the Monitoring and Evaluation System for the Poverty Eradication Action Plan (US$ 495,000)

The project aims to strengthen the capabilities of the Government to track progress towards the achievement of outcomes of the PEAP. This will be done by assisting the Office of the Prime Minister to implement the National Integrated Monitoring and Evaluation Strategy, specifically focusing on improving the coordination, harmonization and alignment of existing M&E systems that form components of the M&E systems to track PEAP outcomes.
Looking Ahead

The World Bank and the Government of Uganda are already actively collaborating to develop and implement new projects for 2006 and beyond. They include:

East Africa Trade and Transport Facilitation Project (EATTF)

| Total World Bank commitment: | US$ 26.40 million |
| Implementing Ministry:       | Ministry of Finance through Uganda Revenue Authority; Ministry of Works and Transport |
| Other Partners/Support:      | African Development Fund; DFID, Japanese International Cooperation Agency (JICA) |
| Effectiveness date:          | October 2006       |
| Completion date:             | October 2011       |

Objectives:

- To assist the East African Community (EAC) to implement its Customs Union Protocol.
- To enhance regional trade through increasing efficiency in cross-border operations.
- To facilitate and support the development of an efficient regional railway system through its concession to the private sector.

Description:

The project is conceived as a multi-sector program to facilitate further trade integration in the region by addressing institutional, legal, and infrastructural constraints. Specifically, it will support EAC trade integration by:

- providing technical assistance and equipment to implement the joint customs administration in the EAC.
- providing technical assistance, financial support, and equipment to improve efficiency at the main border posts, ports, and regional road and railway corridors, with a specific focus on the integration of railways through support to the joint concession of the Kenya-Uganda Railways and its interconnections with the Tanzanian network.
**Public Service Performance Enhancement Program (PS-PEP)**

| **Total World Bank commitment:** | US$ 70 million |
| **Implementing Ministry:** | Ministry of Public Service |
| **Other Partners/Support:** | DFID; Irish Aid; DANIDA |
| **Date Approved by World Bank Board of Directors:** | June 20, 2006 |
| **Effectiveness Date:** | TBD |

**Objectives:**

In its PEAP, the Government of Uganda identified as one of its core priorities the need to make the public service affordable, transparent and effective, as implementation of the PEAP depends largely on the performance of the public service sector. To perform effectively, the public service must be well managed, well paid and endowed with adequate capacity and incentives to deliver. Therefore, the project seeks to support:

- transformation of the public service so that it is affordable, efficient, and accountable for the use of public resources.
- improvement in the policy and regulatory environment for sustainable growth and service delivery.

**Description:**

PS-PEP has two components:

- Implementation of the Public Service Reform Program through a sector-wide approach program.
- Performance enhancement initiatives on a demand-driven basis supported by a performance enhancement fund. It is envisaged that future progress will be achieved in the context of a more holistic, programmatic approach to public service reform with more involvement of key stakeholders.
Millennium Science Initiative (MSI)

Total World Bank commitment: US$ 30 million
Implementing Ministry: The Ministry of Finance; Uganda National Council for Science and Technology (UNCST); the Uganda Industrial Research Institute (UIRI).
Other Partners/Support: 
Date Approved by World Bank Board of Directors: May 25, 2006
Effectiveness Date: TBD

Objectives:
• To assist Ugandan universities and research institutes to produce more and better qualified science and engineering graduates
• To promote higher quality and more relevant research
• To enable firms to utilize these outputs to improve productivity towards enhancing science and technology-led growth.

Description:
The first component will support the creation of a competitive funding facility to:
• advance research that is connected to graduate training
• strengthen or create undergraduate degree programs in S&T disciplines
• promote cooperative activities defined by the private sector

The second component will support involvement of the science and technology community in outreach, policymaking and institutional training. This will involve:
• enhancing public awareness and raising the profile of science and technology
• restructuring and strengthening the Uganda National Council of Science and Technology, the Uganda Industrial Research Institute, and related S&T agencies
• rehabilitating the physical infrastructure of UNCST and UIRI
International Finance Corporation in Uganda

Exposure: As of December 31, 2005, IFC’s committed portfolio in Uganda stood at US$ 12.6 million and consisted of projects in the agribusiness and financial sectors. Recent transactions include a US$ 10 million facility to assist Development Finance Company of Uganda’s (DFCU) urgent need for sustainable long term finance to promote its mortgage and term finance products. IFC’s portfolio is expected to increase to US $ 20 million by the end of June 2006.

IFC’s strategy for Uganda will be in support of the UJAS, focusing on (i) improving the investment climate; (ii) building up the capacity of SMEs and micro enterprises and that of institutions that can support them; and (iii) proactive support to project development in the financial, agribusiness, and infrastructure sectors.

Infrastructure: IFC is working closely with the World Bank to improve the power sector in Uganda. In the context of a new public/private partnership, the IFC, World Bank and the GoU are coordinating efforts to implement the Bujagali II project, which involves the development, construction, operation and maintenance of a 250 MW run-of-the-river hydro power plant. It also involves the construction management of a high voltage transmission line. IFC may also support with debt and equity the selected developer for the proposed 100 MW Thermal power plant that the Government may implement before Bujagali II to help alleviate the current power shortages.

Financial Sector: IFC is engaged in the development of the local financial market, with particular emphasis on housing finance, term finance, leasing, microfinance, trade finance and opportunities for quasi-equity. IFC provided Technical Assistance Advisory using Trust funds to carry out a mortgage finance and housing sector development study. In addition to the US$ 10 million facility described above, IFC will also consider a US$ 5 million subordinated loan to DFCU to provide extra liquidity to increase the availability of term finance to the private sector in Uganda and to prepare DFCU for BASEL II compliance. The IFC’s Global Trade Finance program will assist Orient Bank Ltd with a US$ 2 million trade finance facility.

Agribusiness: IFC is proactively in discussion with a large FMCG group in Uganda, to finance the company’s regional expansion and modernization plans.

Railways: IFC was the Advisor to the government of Kenya and coordinated with the GoU in the privatization of the joint Kenya-Uganda railways concession. IFC has been mandated to be the lead lender to raise financing for rehabilitation and expansion of the railways system.

Telecom: IFC played a key role in the telecommunications sector (reform advisory and investment) and is exploring opportunities to continue to provide financing in this sector.

SME Development: IFC will collaborate on the Joint IDA/IFC Micro, Small and Medium Enterprise (MSME) initiative. Uganda is one of the pilot program countries in the IFC/IDA MSME initiative and IFC was involved in the design of the US$ 70 million Private Sector Competitiveness Project II.

Private Enterprise Partnership for Africa (IFC PEP-AFRICA): IFC will provide Technical Assistance to the following programs/projects: Small Towns Water Program; Uganda Rural Electrification Program; and an SME credit scoring tool.
Multilateral Investment Guarantee Agency in Uganda

**Exposure.** MIGA’s outstanding portfolio in Uganda consists of five contracts of guarantee in the infrastructure and manufacturing sectors, with a total gross exposure of US$ 43.6 million and net exposure of US$ 23.1 million.

**Technical Assistance.** MIGA is providing technical assistance to the Uganda Investment Authority (UIA) by: (i) helping the UIA to implement effective outreach programs that draw the attention of the international investment community to opportunities offered in Uganda; and (ii) offering assistance to potential investors in taking advantage of these opportunities. The program is funded through a grant from the Austrian Development Agency (ADA) and is modeled after the successful MIGA-Swiss Partnership initiative which finances investor outreach programs in Ghana, Senegal, Tanzania, and Mozambique. The Uganda project was formally launched in February 2006, concurrent with MIGA’s presentation of the draft Uganda benchmarking report to authorities in the country.

**Pipeline.** MIGA is currently reviewing a request from a U.S. investor for guarantees on its investment in the Bujagali hydropower project in Uganda (a joint venture among the three institutions of the Bank Group). The potential gross coverage for this project is US$ 45 million.
Uganda at a Glance 2005
## Key Development Indicators

<table>
<thead>
<tr>
<th>(2005)</th>
<th>Uganda</th>
<th>Sub-Saharan Africa</th>
<th>Low income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population, mid-year (millions)</td>
<td>28.8</td>
<td>741</td>
<td>2,353</td>
</tr>
<tr>
<td>Surface area (thousand sq. km)</td>
<td>241</td>
<td>24,265</td>
<td>29,265</td>
</tr>
<tr>
<td>Population growth (%)</td>
<td>3.5</td>
<td>2.1</td>
<td>1.8</td>
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<tr>
<td>Urban population (% of total population)</td>
<td>12</td>
<td>37</td>
<td>31</td>
</tr>
<tr>
<td>GNI (Atlas method, US$ billions)</td>
<td>7.9</td>
<td>552</td>
<td>1,364</td>
</tr>
<tr>
<td>GNI per capita (Atlas method, US$)</td>
<td>280</td>
<td>745</td>
<td>580</td>
</tr>
<tr>
<td>GNI per capita (PPP, international $)</td>
<td>1,500</td>
<td>1,981</td>
<td>2,486</td>
</tr>
<tr>
<td>GDP growth (%)</td>
<td>5.6</td>
<td>5.3</td>
<td>7.5</td>
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<tr>
<td>GDP per capita growth (%)</td>
<td>1.9</td>
<td>3.1</td>
<td>5.6</td>
</tr>
<tr>
<td>most recent estimate, 2000–2005)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Poverty headcount ratio at $1 a day (PPP, %)</td>
<td>..</td>
<td>44</td>
<td>..</td>
</tr>
<tr>
<td>Poverty headcount ratio at $2 a day (PPP, %)</td>
<td>..</td>
<td>75</td>
<td>..</td>
</tr>
<tr>
<td>Life expectancy at birth (years)</td>
<td>49</td>
<td>46</td>
<td>59</td>
</tr>
<tr>
<td>Infant mortality (per 1,000 live births)</td>
<td>80</td>
<td>100</td>
<td>80</td>
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<tr>
<td>Child malnutrition (% of children under 5)</td>
<td>23</td>
<td>29</td>
<td>39</td>
</tr>
<tr>
<td>Adult literacy, male (% of ages 15 and older)</td>
<td>77</td>
<td>..</td>
<td>73</td>
</tr>
<tr>
<td>Adult literacy, female (% of ages 15 and older)</td>
<td>58</td>
<td>..</td>
<td>50</td>
</tr>
<tr>
<td>Gross primary enrollment, male (% of age group)</td>
<td>118</td>
<td>99</td>
<td>110</td>
</tr>
<tr>
<td>Gross primary enrollment, female (% of age group)</td>
<td>117</td>
<td>87</td>
<td>99</td>
</tr>
<tr>
<td>Access to an improved water source (% of population)</td>
<td>60</td>
<td>56</td>
<td>75</td>
</tr>
<tr>
<td>Access to improved sanitation facilities (% of population)</td>
<td>43</td>
<td>37</td>
<td>38</td>
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</table>
### Net Aid Flows

(US$ millions)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Net ODA and official aid</td>
<td>114</td>
<td>668</td>
<td>819</td>
<td>1,159</td>
</tr>
<tr>
<td>Top 3 donors (in 2004):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>13</td>
<td>30</td>
<td>58</td>
<td>208</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>7</td>
<td>35</td>
<td>217</td>
<td>108</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4</td>
<td>4</td>
<td>43</td>
<td>71</td>
</tr>
<tr>
<td>Aid (% of GNI)</td>
<td>9.2</td>
<td>15.8</td>
<td>14.2</td>
<td>17.3</td>
</tr>
<tr>
<td>Aid per capita (US$)</td>
<td>9</td>
<td>38</td>
<td>34</td>
<td>42</td>
</tr>
</tbody>
</table>

### Long-Term Economic Trends

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer prices (annual % change)</td>
<td>108.7</td>
<td>33.1</td>
<td>2.8</td>
<td>8.2</td>
</tr>
<tr>
<td>GDP implicit deflator (annual % change)</td>
<td>45.9</td>
<td>44.4</td>
<td>3.8</td>
<td>8.6</td>
</tr>
<tr>
<td>Exchange rate (annual average, local per US$)</td>
<td>1.0</td>
<td>319.6</td>
<td>1,512.0</td>
<td>1,737.2</td>
</tr>
<tr>
<td>Terms of trade index (2000 = 100)</td>
<td>..</td>
<td>132</td>
<td>100</td>
<td>91</td>
</tr>
</tbody>
</table>

### Growth of GDP and GDP per capita (%)

- **GDP**
- **GDP per capita**
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Population, mid-year (millions)</td>
<td>12.6</td>
<td>17.8</td>
<td>24.3</td>
<td>28.8</td>
<td>3.4</td>
<td>3.1</td>
<td>3.4</td>
</tr>
<tr>
<td>GDP (US$ millions)</td>
<td>1,245</td>
<td>4,304</td>
<td>5,926</td>
<td>8,712</td>
<td>2.9</td>
<td>7.1</td>
<td>5.4</td>
</tr>
<tr>
<td>(% of GDP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>72.0</td>
<td>56.6</td>
<td>37.3</td>
<td>33.5</td>
<td>2.1</td>
<td>3.7</td>
<td>4.1</td>
</tr>
<tr>
<td>Industry</td>
<td>4.5</td>
<td>11.1</td>
<td>20.3</td>
<td>20.9</td>
<td>5.0</td>
<td>12.2</td>
<td>7.2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4.3</td>
<td>5.7</td>
<td>9.8</td>
<td>9.0</td>
<td>3.9</td>
<td>14.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Services</td>
<td>23.5</td>
<td>32.4</td>
<td>42.4</td>
<td>45.6</td>
<td>2.8</td>
<td>8.2</td>
<td>7.1</td>
</tr>
<tr>
<td>Household final consumption expenditure</td>
<td>88.9</td>
<td>91.9</td>
<td>77.1</td>
<td>76.7</td>
<td>2.7</td>
<td>7.2</td>
<td>3.8</td>
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<tr>
<td>General govt’ final consumption expenditure</td>
<td>11.2</td>
<td>7.5</td>
<td>13.7</td>
<td>14.2</td>
<td>2.0</td>
<td>7.1</td>
<td>4.8</td>
</tr>
<tr>
<td>Gross capital formation</td>
<td>6.2</td>
<td>12.7</td>
<td>20.0</td>
<td>22.7</td>
<td>8.0</td>
<td>8.9</td>
<td>8.2</td>
</tr>
<tr>
<td>Exports of goods and services</td>
<td>19.4</td>
<td>7.2</td>
<td>11.2</td>
<td>14.6</td>
<td>1.8</td>
<td>14.7</td>
<td>8.7</td>
</tr>
<tr>
<td>Imports of goods and services</td>
<td>26.0</td>
<td>19.4</td>
<td>23.0</td>
<td>27.7</td>
<td>4.4</td>
<td>10.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Gross savings</td>
<td>-1.0</td>
<td>1.2</td>
<td>9.9</td>
<td>12.1</td>
<td>-10.1</td>
<td>5.5</td>
<td>24.9</td>
</tr>
</tbody>
</table>

**Note:** Figures in italics are for years other than those specified. 2005 data are preliminary estimates. .. indicates data are not available.
### Balance of Payments and Trade

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>(US$ millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total merchandise exports (fob)</td>
<td>460</td>
<td>603</td>
</tr>
<tr>
<td>Total merchandise imports (cif)</td>
<td>954</td>
<td>1,336</td>
</tr>
<tr>
<td>Net trade in goods and services</td>
<td>-703</td>
<td>-1,139</td>
</tr>
<tr>
<td>Workers’ remittances and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>compensation of employees (receipts)</td>
<td>238</td>
<td>642</td>
</tr>
<tr>
<td>Current account balance</td>
<td>-678</td>
<td>-887</td>
</tr>
<tr>
<td>as a % of GDP</td>
<td>-11.4</td>
<td>-10.2</td>
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<tr>
<td>Reserves, including gold</td>
<td>719</td>
<td>1,087</td>
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### Central Government Finance

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>(% of GDP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>17.8</td>
<td>22.9</td>
</tr>
<tr>
<td>Tax revenue</td>
<td>10.9</td>
<td>11.9</td>
</tr>
<tr>
<td>Expense</td>
<td>16.2</td>
<td>22.8</td>
</tr>
<tr>
<td>Cash surplus/deficit</td>
<td>-2.0</td>
<td>-3.8</td>
</tr>
<tr>
<td>Highest marginal tax rate (%)</td>
<td></td>
<td></td>
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<tr>
<td>Individual</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Corporate</td>
<td>30</td>
<td>30</td>
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### External Debt and Resource Flows

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>(US$ millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total debt outstanding and disbursed</td>
<td>3,497</td>
<td>4,822</td>
</tr>
<tr>
<td>Total debt service</td>
<td>74</td>
<td>103</td>
</tr>
<tr>
<td>HIPC and MDRI debt relief (expected; flow)</td>
<td>1,950</td>
<td>..</td>
</tr>
<tr>
<td>Total debt (% of GDP)</td>
<td>59.0</td>
<td>70.7</td>
</tr>
<tr>
<td>Total debt service (% of exports)</td>
<td>10.5</td>
<td>7.8</td>
</tr>
<tr>
<td>Foreign direct investment (net inflows)</td>
<td>161</td>
<td>222</td>
</tr>
<tr>
<td>Portfolio equity (net inflows)</td>
<td>0</td>
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### Governance indicators, 2000 and 2004

<table>
<thead>
<tr>
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<th>2004</th>
<th>2000</th>
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</thead>
<tbody>
<tr>
<td>Voice and accountability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political stability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulatory quality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rule of law</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Control of corruption</td>
<td></td>
<td></td>
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</table>

Source: Kaufmann-Kraay-Mastruzzi, World Bank
### Technology and Infrastructure

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paved roads (% of total)</td>
<td>..</td>
<td>23.0</td>
</tr>
<tr>
<td>Fixed line and mobile phone subscribers (per 1,000 people)</td>
<td>8</td>
<td>44</td>
</tr>
<tr>
<td>High technology exports (% of manufactured exports)</td>
<td>22.5</td>
<td>13.1</td>
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### Environment

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural land (% of land area)</td>
<td>62</td>
<td>63</td>
</tr>
<tr>
<td>Forest area (% of land area, 2000 and 2005)</td>
<td>20.6</td>
<td>18.4</td>
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<tr>
<td>Nationally protected areas (% of land area)</td>
<td>..</td>
<td>24.6</td>
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<tr>
<td>Freshwater resources per capita (cu. meters)</td>
<td>..</td>
<td>1,402</td>
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<tr>
<td>Freshwater withdrawal (% of internal resources)</td>
<td>..</td>
<td>0.8</td>
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<tr>
<td>CO2 emissions per capita (mt)</td>
<td>0.06</td>
<td>0.06</td>
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<tr>
<td>GDP per unit of energy use (2000 PPP $ per kg of oil equivalent)</td>
<td>..</td>
<td>..</td>
</tr>
<tr>
<td>Energy use per capita (kg of oil equivalent)</td>
<td>..</td>
<td>..</td>
</tr>
</tbody>
</table>

### Composition of total external debt, 2004

- **Private, 24**
- **IBRD, 0**
- **Bilateral, 368**
- **IMF, 192**
- **Other multilateral, 803**
- **IDA, 3,303**

**US$ millions**
### World Bank Group portfolio

<table>
<thead>
<tr>
<th></th>
<th>2000 (US$ millions)</th>
<th>2005 (US$ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IBRD</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total debt outstanding and disbursed</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disbursements</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Principal repayments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest payments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>IDA</strong></td>
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<td></td>
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<tr>
<td>Total debt outstanding and disbursed</td>
<td>2,115</td>
<td>3,141</td>
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<tr>
<td>Disbursements</td>
<td>190</td>
<td>133</td>
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<tr>
<td>Total debt service</td>
<td>9</td>
<td>74</td>
</tr>
<tr>
<td><strong>IFC (fiscal year)</strong></td>
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<td></td>
</tr>
<tr>
<td>Total disbursed and outstanding portfolio</td>
<td>36</td>
<td>9</td>
</tr>
<tr>
<td>of which IFC own account</td>
<td>36</td>
<td>9</td>
</tr>
<tr>
<td>Disbursements for IFC own account</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Portfolio sales, prepayments and repayments for IFC own account</td>
<td>6</td>
<td>4</td>
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<tr>
<td><strong>MIGA</strong></td>
<td></td>
<td></td>
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<tr>
<td>Gross exposure</td>
<td>43</td>
<td>44</td>
</tr>
<tr>
<td>New guarantees</td>
<td>0</td>
<td>44</td>
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### Private Sector Development

<table>
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<tr>
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<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time required to start a business (days)</td>
<td>−</td>
<td>36</td>
</tr>
<tr>
<td>Cost to start a business (% of GNI per capita)</td>
<td>−</td>
<td>117.8</td>
</tr>
<tr>
<td>Time required to register property (days)</td>
<td>−</td>
<td>48</td>
</tr>
<tr>
<td>Ranked as a major constraint to business (% of managers surveyed who agreed)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of financing</td>
<td>..</td>
<td>60.3</td>
</tr>
<tr>
<td>Tax rates</td>
<td>..</td>
<td>48.3</td>
</tr>
<tr>
<td>Stock market capitalization (% of GDP)</td>
<td>0.6</td>
<td>1.4</td>
</tr>
<tr>
<td>Bank branches (per 100,000 people)</td>
<td>..</td>
<td>0.5</td>
</tr>
</tbody>
</table>

**Note:** Figures in italics are for years other than those specified. 2005 data are preliminary estimates. .. indicates data are not available. − indicates observation is not applicable. Development Economics, Development Data Group (DECDG).
A panoramic view of Kampala City at night
A Note about the Design

Baskets are an integral part of Ugandan culture. The number of baskets of food carried to the market by a family is an indicator of the harvest level, with a bumper harvest filling many baskets. Families who are fairly well-to-do also carry more baskets from the market (indicating more purchases), and the bigger the basket, the greater the perception of prosperity.

Baskets also serve ceremonial purposes in traditional Ugandan culture. For example, at the introduction of a groom to the bride’s family, the groom’s party comes with numerous baskets filled with gifts to offer to the bride’s family. In this context, baskets represent happiness, connectedness and a sense of sharing and belonging.

Coincidentally, the World Bank logo reflects some aspects of the spherical woven design of the basket, and the two images complement each other throughout this document. Lastly, the Ugandan national colors are woven into the recurring basket image to emphasize the significance of the collaborative relationship between the Government of Uganda and the World Bank.

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