
What did IDEV evaluate?

Independent Development Evaluation (IDEV) evaluated the African Development Bank Group (“the Bank”) Country Strategy and Program in Uganda for the ten-year period, 2011–2021. This consisted of two Country Strategy Paper (CSP) cycles, namely CSP 2011–2015, extended to 2016, and CSP 2017–2021. During the ten years, the Bank approved 37 projects worth over USD 2 billion, mainly in the transport, agriculture, water supply and sanitation (WSS), power, and social sectors (Figure 1). The evaluation also assessed an added 17 projects worth USD 770 million that had been approved before 2011 but were completed during the evaluation period. The main purpose of the evaluation was to inform the design of the Bank’s next CSP in Uganda, which will cover 2022 to 2026.

What did IDEV find?

How did the Bank contribute to the country’s specific needs and development priorities?

Transport Sector

The AfDB supported seven road projects. These projects were expected to increase the share of national paved roads from 16% in 2012 to 25% by the end of 2021 and augment the share of the national paved road network that is in fair to good condition to 95%. However, none of the projects have been completed. At the time of the evaluation, only 62 km was completed, out of the 470 km of paved roadway and urban roads that were expected. Ongoing projects still face various difficulties during implementation, such as delays in procurement, the poor mobilization of equipment by contractors, delayed finalization of the design review for the pavement, delays in the identification of material sources, delays in the compensation of project-affected people, and delayed completion and approval of the design update.
Agriculture Sector

Interventions in this sector aimed to boost agricultural productivity and further develop the agriculture value chain. The Bank supported various phases of the Community Agricultural Infrastructure Improvement Program (CAIIP), the Farm Income Enhancement and Forest Conservation Project (FIEFOC), and the Markets and Agricultural Trade Improvement Project (MATIP). The only completed project, CAIIP 3, increased the volume of agricultural products reaching markets by 81% (79% was expected) and reduced post-harvest losses by 50% (41% was expected). According to its completion report, the project built/rehabilitated 2,793 km of community access roads, installed 79 agro-processing facilities, and constructed 118 km of power lines that supply electricity to the agro-processing facilities. The FIEFOC has nearly completed five irrigation schemes, which are expected to add 4,038 hectares of new irrigated area. In addition, the project constructed 37.5 km of the expected 50.0 km of access roads. Under MATIP-2, eight markets are substantially completed and are ready for commissioning, and the construction of the remaining four markets is progressing well. The main element that delayed the completion of the markets was the COVID-19 lockdown and related restrictions. Nevertheless, the construction of the markets addressed gender-differentiated needs.

Water Supply and Sanitation Sector

Completed projects in this sector have made safe drinking water and sanitation more accessible to households and businesses. The completed Water Supply and Sanitation Program I (WSSP I) delivered three large gravity flow schemes, 20 solar water systems, 3,125 rainwater harvesting tanks (3,717 were expected), and 11,995 rural water points (13,520 were expected). It also constructed 116 sanitation facilities (176 were expected) for public use and schools. These facilities were adapted for gender and disabilities. Under its small towns component, WSSP I exceeded its target by constructing 18 water schemes and rehabilitating another eight, resulting in 6,015 new connections (3,600 were expected). However, outcomes fell short of expectations: the WSSP I increased the proportion of the rural population with access to drinking water from 65% to 70% (77% was expected), and in urban areas, the proportion only grew from 67% to 71% (90% was expected). The ongoing projects in this sector are on track and are expected to achieve their expected results.

Energy Sector

The Bank contributed to the construction of the 250 MW Bujagali hydropower station, built 620 km of double-circuit transmission lines and associated substations, constructed 385 km of medium-voltage lines (1,147 km were expected), built 262 km of low-voltage lines (808 km were expected), and connected 30,000 households to the grid (164,077 households were expected). The Bank contributed to such important outcomes as the national electricity access rate increasing from 29% in 2016 to 43% by 2020, exceeding the target of 30%. In rural areas, access increased to 38%. Distribution system and collection losses fell from 18.1% in 2016 to 17.5% in 2020 but are unlikely to meet the 2021 target of 16.3%. The delays in the construction of the 132 kV substation and the 33 kV transmission line financed by other development partners have left the two small hydropower plants—Buseruka and Achwa II—unable to fully evacuate their generation capacity and contribute to the national power supply as had been expected. Although the Bank’s interventions in the energy sector reversed a power shortage, the power surplus in the country has now grown so large that it threatens the sector’s financial viability. The government is forced to pay for deemed energy usage, which ultimately drives up end-user tariffs.

Social Sector

This covered support to education and health. Through the Higher Education, Science, and Technology Project, the Bank supported and expanded infrastructure in six universities and delivered laboratories, machinery, and equipment. The project established 14 research laboratories and expanded the area occupied by the science, technology, and innovation faculties to 93,312 m². This helped to increase the number of people accessing science, technology, and innovation training in the country. Between 2011–2016, two new general referral hospitals were constructed in Kampala, and 96,000 m² of service areas were rehabilitated in the Mulago Hospital. However, the Bank did not meet expectations for developing human capacity between 2017 to 2021 - no projects materialized in vocational education and training due to the government’s reprioritization of projects.

Ratings on the evaluation criteria

To assess the extent to which the Bank contributed to development results in Uganda, the evaluation rated the Bank’s performance against the key criteria - Relevance, Effectiveness, Efficiency, Coherence and Sustainability. It used a four-level rating scale for each criterion: highly satisfactory, satisfactory, partly unsatisfactory, and highly unsatisfactory. Table 1 summarizes the assessment.

What lessons did IDEV draw?

Four principal lessons were drawn from the evaluation.

1. Larger projects generate greater impacts for more communities. The projects and experiences of the past 10 years demonstrate the importance of deploying large-scale projects in the important sectors of transport, water and sanitation, energy, and agriculture. The Bank has a comparative advantage in designing and helping to deliver large infrastructure projects in Uganda.
For example, the Bank's assistance was assessed to be satisfactory. The two pillars of the CSPs — Pillar I: Infrastructure development for industrialization and Pillar II: The development of human capital — aligned with Uganda Vision 2040 and Uganda's two national development plans. However, hardly any pillar II projects were financed due to a shift in the government’s priorities.

Given. In some projects, such as in WSS and agriculture, the economic rate of return on investment was positive. But the timeliness of program implementation was an issue in all sectors: delays were registered in projects' start-up, procurement, and disbursements. Some projects also experienced cost overruns.

The evaluation confirmed synergies and linkages among most interventions undertaken by the Bank. For example, some WSS projects interact with agriculture. However, the evaluation projects in the education sector were isolated from one another. In infrastructure, the Bank carefully coordinated and harmonized its approach with other development partners. Hence, coherence was rated as satisfactory.

The efficiency of the Bank's projects was rated as partly unsatisfactory. In some projects, such as in WSS and agriculture, the economic rate of return on investment was positive. But the timeliness of program implementation was an issue in all sectors: delays were registered in projects’ start-up, procurement, and disbursements. Some projects also experienced cost overruns.

The effectiveness of the Bank’s assistance was assessed to be partly unsatisfactory. Results in energy, transport, WSS, and agriculture sectors were mostly below target. In addition, expectations in terms of skills and entrepreneurship development (under Pillar II) were not met.

The sustainability of the results of the Bank's operations in Uganda is partly unsatisfactory. The sustainability of Bank-funded infrastructure (roads, irrigation facilities, agricultural markets, and newly acquired equipment at hospitals and universities) has been challenged by the country’s weaknesses in terms of funds, human capacity, and institutional capacity.

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance</td>
<td>The relevance of the Bank’s support to Uganda across the two CSPs was deemed satisfactory. The two pillars of the CSPs — Pillar I: Infrastructure development for industrialization and Pillar II: The development of human capital — aligned with Uganda Vision 2040 and Uganda’s two national development plans. However, hardly any pillar II projects were financed due to a shift in the government’s priorities.</td>
</tr>
<tr>
<td>Coherence</td>
<td>The evaluation confirmed synergies and linkages among most interventions undertaken by the Bank. For example, some WSS projects interact with agriculture. However, the evaluation projects in the education sector were isolated from one another. In infrastructure, the Bank carefully coordinated and harmonized its approach with other development partners. Hence, coherence was rated as satisfactory.</td>
</tr>
<tr>
<td>Efficiency</td>
<td>The efficiency of the Bank’s projects was rated as partly unsatisfactory. In some projects, such as in WSS and agriculture, the economic rate of return on investment was positive. But the timeliness of program implementation was an issue in all sectors: delays were registered in projects’ start-up, procurement, and disbursements. Some projects also experienced cost overruns.</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>The effectiveness of the Bank’s assistance was assessed to be partly unsatisfactory. Results in energy, transport, WSS, and agriculture sectors were mostly below target. In addition, expectations in terms of skills and entrepreneurship development (under Pillar II) were not met.</td>
</tr>
<tr>
<td>Sustainability</td>
<td>The sustainability of the results of the Bank’s operations in Uganda is partly unsatisfactory. The sustainability of Bank-funded infrastructure (roads, irrigation facilities, agricultural markets, and newly acquired equipment at hospitals and universities) has been challenged by the country’s weaknesses in terms of funds, human capacity, and institutional capacity.</td>
</tr>
</tbody>
</table>

The evaluation used a theory-based approach to assess the extent to which the Bank’s interventions under each pillar of its CSPs designed and delivered a relevant response to Uganda’s development challenges. Data was collected through desk reviews, portfolio reviews, interviews and focus group discussions, case studies of six projects, and site visits to selected infrastructure and agriculture projects.

2. Adequately assessing the government’s borrowing policy when formulating the country strategy would avoid re-orientating efforts midway. For example, the Bank’s support for building the skills base for a modern economy made progress, but it conflicted with a government borrowing policy that prefers to draw on grants when investing in the social sector. This meant no operations in the social sector were approved during 2017–2021.

3. Close attention to quality at entry when planning and designing new operations would reduce implementation challenges and facilitate the timely completion of projects. However, projects in all sectors experienced delays attributed to skills gaps, complex procurement processes, staff changes, and multi-level project approval procedures. Furthermore, infrastructure projects are now quite complex because they involve several government agencies, the private sector, local governments, parastatals, non-governmental organizations, and a wide range of financiers. These arrangements require a new set of project management skills and competencies.

4. Public-private partnerships in infrastructure development offer the opportunity to increase the share of private sector operations in the Bank’s portfolio. The Government of Uganda supports public-private partnership projects. The Bank contributed to this partnership framework by financing projects in the energy sector. These projects helped the country to overcome a shortage of power supply.

1. Adapt the CSP priorities to the country context in skills development and private sector growth. Given the government’s preference not to borrow for human capital development operations, the Bank can support skills development and youth employment in other ways, such as expanding training as a component of the Bank’s conventional infrastructure operations and supporting private sector development that creates jobs for youth.

2. Refocus Bank’s support for the energy sector. Uganda’s power surplus threatens the financial viability of the energy sector. As a result, the Bank may consider concentrating investments on electricity transmission and distribution; supporting the development of a power sector master plan to balance electricity supply and demand; and supporting capacity building in energy sector coordination, planning, and policy formulation together with other development partners.

3. Make Bank-supported benefits more sustainable by ensuring its operations’ financial and economic viability, developing asset management capabilities in key sector institutions, and engaging the government in policy dialogue on sustainability issues.

What was the methodological approach?

What did IDEV recommend for the next strategy?

The evaluation made three recommendations for the next Country Strategy Paper for Uganda.

The Government of Uganda supports public-private partnership projects. The Bank contributed to this partnership framework by financing projects in the energy sector. These projects helped the country to overcome a shortage of power supply.

The evaluation made three recommendations for the next Country Strategy Paper for Uganda.
Independent Development Evaluation (IDEV) at the African Development Bank carries out independent evaluations of Bank operations, policies and strategies, working across projects, sectors, themes, regions, and countries. By conducting independent evaluations and proactively sharing best practices, IDEV ensures that the Bank and its stakeholders learn from past experience and plan and deliver development results to the highest possible standards.

What did Management Respond?

Management welcomed IDEV’s evaluation, and agreed with its lessons, conclusions and recommendations, many of which were consistent with its own findings from regular monitoring, follow ups and portfolio reviews. The evaluation findings and recommendations will be used as a basis for the design of the new CSP (2022–2026) and as a guide for implementing the ongoing operations and in the design of future programs. The new CSP will focus on one area - developing quality and sustainable infrastructure to support industrialization and structural transformation.