Summary Report
February 2022
IDEV conducts different types of evaluations to achieve its strategic objectives.

Summary Report

February 2022
# ACKNOWLEDGEMENTS

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IDEV Country Strategy Evaluation, February 2022

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**Independent Development Evaluation (IDEV)**

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<tr>
<td>AfDB</td>
<td>African Development Bank Group</td>
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<tr>
<td>AFKSP</td>
<td>Supplementary Loan to Kampala Sanitation Program</td>
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<td>AFWSSP</td>
<td>Additional Funds to Water Supply and Sanitation Program</td>
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<td>COUG</td>
<td>AfDB Uganda Country Office</td>
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<td>CAIIP-3</td>
<td>Community Agricultural Infrastructure Improvement Program 3</td>
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<td>CSP</td>
<td>Country Strategy Paper</td>
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<td>ECCE</td>
<td>Country Economics Department</td>
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<td>EIRR</td>
<td>Economic Internal Rate of Return</td>
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<tr>
<td>ERR</td>
<td>Economic Rate of Return</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>HEST</td>
<td>Higher Education, Science and Technology</td>
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<td>ICT</td>
<td>Information and Communications Technology</td>
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<td>IDEV</td>
<td>Independent Development Evaluation</td>
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<td>KUPSIP</td>
<td>Kawempe Urban Poor Sanitation Improvement Project</td>
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<td>MATIP-2</td>
<td>Markets and Agricultural Trade Improvement Project-2</td>
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<td>MSME</td>
<td>Micro, Small, and Medium Enterprises</td>
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<td>NDP</td>
<td>National Development Plan</td>
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<td>NRM</td>
<td>National Resistance Movement</td>
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<td>PCREN</td>
<td>Project Completion Report Evaluation Note</td>
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<td>RDGE</td>
<td>East Africa Regional Development and Business Delivery Office</td>
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<td>RSSP</td>
<td>Road Sector Support Project</td>
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<td>SME</td>
<td>Small and Medium Enterprises</td>
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<td>SNDR</td>
<td>Delivery, Performance Management and Results Department</td>
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<tr>
<td>*UA</td>
<td>Unit of Account</td>
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<tr>
<td>**UGX</td>
<td>Ugandan Shilling</td>
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<tr>
<td>USD</td>
<td>United States Dollar</td>
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<td>WSS</td>
<td>Water Supply and Sanitation</td>
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<td>WSSP</td>
<td>Water Supply and Sanitation Program</td>
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* 1 Unit of Account (UA) = 1.39 United States Dollars (USD) as at January 2016

** 1 Unit of Account (UA) = 4,678.71 Uganda Shilling (UGX) as at January 2016
Executive Summary

Introduction

This report summarizes the key findings, lessons, and recommendations of an evaluation of the African Development Bank Group (AfDB or the Bank)’s country strategies and programs in Uganda during 2011–2021. The evaluation covers the cycles of two Country Strategy Papers (CSPs): CSP 2011–2015, which was extended to 2016, and CSP 2017–2021. Both CSPs had two pillars: infrastructure development, and skills and capacity development. During this period, the Bank approved 37 projects for a total value of 1.5 billion Units of Account (USD 2.09 billion). Approximately 94% of the Bank’s interventions were in the public sector and 6% were in the private sector. The transport sector received the largest share of funding (49.4%), followed by agriculture (14.6%) and water supply and sanitation (WSS) (12.1%). The power sector and the social sector received 9.8% each.

The main purpose of this evaluation is to inform the design of the next CSP (the CSP for 2022–2026). Accordingly, the evaluation has three objectives: (i) to assess the Bank’s contribution to Uganda’s development results; (ii) to identify what worked in the Bank’s programs, what did not, and why; and (iii) to make recommendations for future strategies and programs.

Methodology

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. The evaluation applied international standard evaluation criteria for relevance, coherence, effectiveness, sustainability, and efficiency. It used a four-point scale to rate performance against these criteria. It used four methods to gather data: (i) desk reviews of key documents; (ii) portfolio reviews; (iii) interviews and focus group discussions; and (iv) case studies of six projects. Due to COVID-19 travel restrictions, most interviews took place on virtual platforms. The evaluation team’s national consultants made site visits to selected infrastructure and agriculture projects.

Main Findings

Relevance

The two pillars of the CSPs—infrastructure development for industrialization and the development of human capital (skills and capacity)—were found to align with Uganda’s Vision 2040 and Uganda’s two national development plans (NDP I and NDP II). The operationalization of Pillar I provided much-needed support for infrastructure development in the sectors mentioned earlier, and the Bank’s portfolio aligned with national plans and priorities and responded to stakeholders’ needs and priorities. However, interviews and documents reveal that Pillar II (the development of human capital) did not fully align with Uganda’s evolving demand for skills training. New priorities on the part of the government meant that under Pillar II, only a few projects were approved during the first CSP cycle (2011–2015/2016) and none were approved during the second CSP cycle (2017–2021). Informants explained that during this period, the government preferred to tap grant financing for its social sector operations, including human resource development, instead of drawing on loans. As for the finance sector, the Bank’s
lines of credit were found relevant to Uganda’s needs: they supported beneficiaries’ demand for affordable housing and small and medium enterprises’ need of financing.

The evaluation rates the relevance of the AfDB’s support to Uganda across the two CSPs as satisfactory.

**Coherence**

The evaluation found most of the Bank’s interventions to be internally coherent: linkages among the Bank’s projects were common and they generated synergy. For example, the Additional Funds to Water Supply and Sanitation Program (WSSP), a project in the WSS sector, benefitted projects in other sectors, such as agriculture. It supplied water for agricultural production by improving irrigation in order to increase agricultural productivity and build resilience to climate change. Similarly, the transport program series (the Road Sector Support Project (RSSP) I to V) was in full synergy with other Bank-financed national and regional transport programs to foster regional integration and economic development. In the energy sector, the Bujagali and Achwa II projects are excellent examples of ways that public and private operations can work together for a common goal.

In the education sector, however, the evaluation found few linkages between the Higher Education, Science and Technology (HEST) Project and the East Africa’s Centers of Excellence initiative. The projects appear to have been implemented in isolation.

Insofar as external coherence is concerned, the Bank used the Local Group of Development Partners platform to coordinate its work with the work of other donors. This avoided duplicating efforts and allowed the Bank to focus on areas where its resources could do the most good. During the evaluation period, the Bank leveraged important resources from other development partners, such as the European Union, the World Bank, the United Kingdom’s Department for International Development, the Nordic Development Fund, and the Agence Française de Développement.

The evaluation rates the coherence of the Bank’s interventions as satisfactory overall.

**Effectiveness**

As regards effectiveness, the evaluation found that Pillar I of the CSPs achieved some results in the sectors of energy, transport, WSS, and agriculture. The results were, however, below target. In the 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 line (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). Although outputs did not meet expectations, the Bank did contribute 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%. Finally, 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 expected.

The Bank's transport sector projects are either ongoing or at the approval stage. So far, they have only completed 62 km out of the 470 km of paved roadway and urban roads expected. Outcome targets have not been met yet, either: the implementation progress and results report of July 2020 for RSSP IV stated that the project had reduced the average vehicle travel time from
3.5 hours to 3 hours thus far (target: 2 hours). Similarly, vehicle operating costs fell from USD 0.88 to USD 0.70 (aim: USD 0.50). Overall, the AfDB’s transport sector projects are expected to increase the share of national paved roads from 16% in 2012 to 25% by end-2021 and augment the share of the national paved road network that is in fair to good condition to 95%.

In the WSS sector, completed projects have made safe drinking water and sanitation more accessible to households and businesses. For example, the Project Completion Report Evaluation Note (PCREN) of WSSP I validated that this project fully 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). WSSP I also constructed 116 sanitation facilities (176 were expected) for public use and for schools; the 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 PCREN indicated that 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 deemed likely to achieve their expected results.

In the agriculture sector, the Community Agricultural Infrastructure Improvement Program 3 increased the volume of agricultural products reaching markets by 81% (79% was expected) and reduced post-harvest losses by 50% (41% was expected). Projects still ongoing are expected to continue to boost productivity and further develop the agriculture value chain.

As for Pillar II, the Bank was found to have produced positive results for CSP 2011–2016, under which it improved and expanded infrastructure in six universities and two hospitals in Kampala. Under CSP 2017–2021, however, the government’s reprioritization of projects meant that the Bank did not meet expectations for developing human capacity, especially for youth and women. No projects in this area were approved and the CSP’s support for vocational education and training did not materialize.

The evaluation rates the overall effectiveness of the Bank’s strategies and operations as partly unsatisfactory.

**Sustainability**

Most projects were found to be technically sound. This said, although the Bank’s interventions in the energy sector reversed a power shortage, the power surplus has now grown so large that it threatens the sector’s financial viability: the government is forced to pay for deemed energy usage, which drives up end-user tariffs. In other sectors, it is still necessary to build institutions’ and beneficiaries’ capacity to maintain the new infrastructure (roads, irrigation facilities, agricultural markets, and newly acquired equipment at hospitals and universities). As a result, the sustainability of the project benefits is at risk. In addition, although environmental and social safeguard measures were integrated in projects’ design, adequate monitoring of those measures is necessary during implementation. For these reasons, sustainability is rated as partly unsatisfactory.

**Efficiency**

Data shows that completed projects in agriculture and WSS produced positive economic returns, but in all sectors, cost overruns and delays in start-up and implementation were an issue. In addition, during CSP 2017–2021, the cumulative disbursement ratio was in the range of 24%–28%, below the Bank’s corporate target of 50%. The COVID-19 pandemic hampered implementation further, particularly for infrastructure projects. The efficiency of the Bank’s projects over the evaluation period is therefore rated as partly unsatisfactory.
Cross-Cutting Issues

The Bank’s interventions over the evaluation period focused on inclusivity. In the agriculture sector, the construction of markets under the Markets and Agricultural Trade Improvement Project-2 considered gender-differentiated needs. For example, the markets were designed to be one-stop centers that offer daycare facilities and healthcare services that are adapted to women’s needs. In the WSS sector, the Kawempe Urban Poor Sanitation Improvement Project developed separate public sanitation facilities for men and women and adapted the facilities for people with disabilities. The Bank mainstreamed gender aspects in its other operations as well, for example by supporting the development of a gender policy and awareness-raising activities in its projects in higher education and transport.

Climate change considerations were embedded in most projects. For example, solar panels were used to generate power for agricultural markets, trees were planted to capture the CO\textsubscript{2} produced by road projects, and water pumps were powered by solar energy. Most electricity produced in Uganda comes from renewable energy, and the AfDB’s three projects (Bujagali, Buseruka, and Achwa II) are all hydropower facilities. Given current excess capacity, it is unlikely that alternative gas-fired facilities or facilities using other fossil fuels will be deployed in the foreseeable future, except for backup or emergency generation. Thus, the choice of hydropower to generate electricity has reduced carbon emissions in Uganda.

Recommendations

The evaluation makes three recommendations for the next CSP cycle.

**Recommendation 1:** Adapt the CSP priorities to the country context in the areas of skills development and private sector growth. The main focus of the Bank’s second pillar was vocational education and training. However, given the government’s preference not to borrow for human capital development operations, the Bank can consider supporting skills development and youth employment in other ways. The Bank might reorient as follows:

- Continue or expand training as a component of the Bank’s conventional infrastructure operations, leaving more generic skills and vocational training to grant-based development partners.
- Focus on supporting private sector development that creates jobs for youth.
Recommendation 2: Refocus support for the energy sector. Uganda’s power surplus threatens the financial viability of the energy sector. Going forward, the Bank may consider the following:

- Concentrate investments on two elements: (a) transmission and distribution, to expand the grid; and (b) the generation of off-grid renewable energy.
- Support the development of a masterplan for the power sector to balance supply and demand; expand access to affordable power; and promote the supply of off-grid energy.
- Provide strong support for building capacity in sector coordination, planning, and policy formulation in collaboration with other development partners. Sector policy coordination and coherence become more important when institutions are unbundled and public-private partnerships in the sector are growing.

Recommendation 3: Make Bank-supported benefits more sustainable.

- Ensure that operations in all sectors reflect the demand for infrastructure services and contain measures to ensure financial and economic viability as well as institutional capacity and ownership by beneficiaries.
- Develop asset management capabilities, including robust funding mechanisms for operation and maintenance activities, in key sector institutions.
- Engage the government in policy dialogue on relevant sustainability issues.
Management welcomes the Independent Development Evaluation Department evaluation of the Country Strategies and Programs of the African Development Bank in Uganda for the period 2011 to 2021. The Evaluation has come at a critical moment as the Bank is preparing the next Country Strategy 2022-2026 for Uganda. Overall, Management agrees with the Evaluation’s conclusions, lessons, and recommendations, many of which are consistent with its findings from regular monitoring, follow-ups, and portfolio reviews. The Evaluation findings and recommendations have been used as a basis for the design of the new Country Strategy as well as guiding the implementation of the ongoing operations and the design of future programs.

Introduction

The Independent Development Evaluation Department has recently completed an evaluation (the Evaluation) exercise to assess the Bank’s Country Strategies and Programs (CSP) in Uganda for the period 2011–2021. The evaluation found the quality of the Bank’s two CSPs (CSP 2011–2016 and CSP 2017–2021) for Uganda to be satisfactory by virtue of their relevance and coherence in addressing key development challenges in the country, although the implementation of the Bank’s program faced challenges in the areas of effectiveness, efficiency and sustainability. The long-term sustainable development frameworks of Uganda focused on developing basic infrastructure and called for private sector-led economic growth. The focus on the two CSPs pillars - both CSPs had two pillars: i) infrastructure development, and ii) skills and capacity development - facilitated the design of robust support programs that positively contributed to inclusive and green growth and high value-added industrial production and hence economic transformation.

Overall, Management agrees with the Evaluation’s findings, conclusions, and recommendations. For example, the issue of selectivity and private sector engagement to ensure higher utilization of ADB non-sovereign resources were also echoed by the Committee on Operations and Development Effectiveness (CODE), and the CSP task team reflected this in the Uganda CSP 2017–2021 completion report. The Evaluation findings and recommendations have informed management’s dialogue with the authorities on the strategic thrust of the new CSP 2022–2026 and will support improving implementation of the current lending program. Aligning with the recommendations of the Evaluation, management has designed the new Country Strategy to focus on a single priority area of developing quality and sustainable infrastructure to support industrialization and structural transformation. Management is committed to mobilizing relevant Bank departments, development partners, and other key stakeholders to strengthen dialogue on policy reforms that are crucial for building economic recovery post COVID-19 and interventions that have a high development impact.

Relevance

The Evaluation concluded that the Bank’s strategies in Uganda were relevant to the needs, development challenges and priorities of the country and aligned with the National Development Plans. Management agrees with the Evaluation conclusion that the first pillar was aligned with the National Development Plans, clearly demonstrating stakeholder needs, and was able to respond to needs emerging from COVID-19. Management notes the Evaluation’s conclusion
that Pillar 2, skills and human capital development, was aligned with the priority of skills in the National Development Plan, but that Government’s demand for Bank-financed skills training was limited, evidenced by the approval of just 2 projects between 2012 and 2014 amounting to 6% of total Bank approvals. During the period 2017–2021 the Government reprioritised focusing solely on infrastructure projects. Management has likewise taken note that the Government preferred to utilise grant financing for its social sector and human development operations rather than draw on loan funds.

In the financial sector, the Lines of Credit provided were relevant to the country’s development needs and supported the beneficiaries’ needs for affordable housing and financing for Small and Medium Enterprises (SMEs). The Uganda Development Bank has become a preferred national intermediary and financial service provider, delivering on its mandate to promote economic and social development. Overall, management agrees with the satisfactory rating.

Coherence

Management concurs with the Evaluation finding that there were generally good synergies and linkages between projects in the different sectors, particularly under Pillar 1. The Country Office Sector Specialists play an active role in the various working groups in the main sectors. Some evaluation interviewees would like to see the Bank play a stronger role in donor coordination. Management would also like to see a stronger role for the Bank in donor coordination, but on the other hand also needs to be realistic in terms of internal capacity, as sector specialists cover both Uganda and other countries in the region. A balanced approach will therefore be considered. The satisfactory rating is justified.

Effectiveness

Although the Evaluation highlighted that the Bank’s strategies and programs have achieved (or are likely to achieve) outputs and outcomes, these have in several instances fallen below the targets under Pillar I, with the end results delayed, not least in the transport sector. The results will mostly be delivered, but the slow implementation progress delays the development effects. Under Pillar II, Bank support mostly achieved the improvement and expansion of infrastructure in universities and hospitals but fell short of the expected results in developing skills and human capacity. Considering the slow project implementation, and the large weight of transport projects in the portfolio, currently 61%, management agrees with the partly unsatisfactory rating. Furthermore, Management takes note that the rating is also justified by the impact of the high excess power generation capacity that cannot be utilised by and sold to the market due to low capacity of transmission and distribution networks, while the off taker (Government) is still required to pay investors for the capacity. This is a concern and takes high priority as part of the Bank’s policy dialogue with the authorities to ensure that swift action is taken to expand exports to neighbouring countries and to link up to key industrial parks where power consumption is expected to be higher. To address the situation, the Government has acknowledged the need for a masterplan to better balance supply and demand and strengthen planning between stakeholders.

Management continues to emphasize enhanced project readiness including finalization of technical designs, acquisition of right-of-way prior to appraisal of new operations and streamlining of project procurements to assure timely commencement and implementation of projects. In addition to investments in hard infrastructure, the Bank, through trust-funds such as Sustainable Energy for Africa (SEFA), is exploring options to support energy sector capacity assessments to inform institutional reforms which are needed to improve efficiencies, among others.

Sustainability

The Evaluation observes that the technical sustainability of Bank projects was robust. However, in the energy sector and following on the previous
section, although Bank interventions effectively transformed a power shortage into a power surplus, this surplus has become so large that it threatens the financial viability of the sector as the Government is compelled to pay for deemed energy, which ultimately drives up end-user tariffs.

Furthermore, in other sectors (i.e., road maintenance, maintenance of irrigation facilities and agricultural markets, or newly acquired equipment at hospitals and universities), the Evaluation notes that although capacities of institutions and beneficiaries, vital for maintaining the infrastructure, have been developed in each of the sectors, significant risks to sustainability of project investments still exist. Thus, management agrees with the partly unsatisfactory rating for sustainability.

The issue of maintenance is part of the Bank’s policy dialogue with the Ugandan authorities on allocation of sufficient maintenance resources to ensure that asset life is safeguarded. In fact, for recent investment operations, the Bank has included in the financing agreements specific Government undertakings to: i) immediately, upon completion of the construction of the roads, to institute maintenance contracts (either framework or performance-based) to ensure preservation of road assets; and ii) commit to the transformation of the Uganda Road Fund to a fully-fledged second-generation road fund to ensure that sufficient funds are ring-fenced for road maintenance. Alternatively, the authorities can propose a suitable mechanism that ensures sufficient and predictable funding of road network maintenance as a basis for continued Bank financing of road projects in the future.

The soft component for capacity assessment is equally applicable to the Operation & Maintenance aspects of the power network. Although there is surplus generation, there are many cases of unreliable supply (or frequent power cuts) attributed to the inadequate transmission and distribution network. This arises from the poor maintenance and under-investment particularly in the distribution network.

**Efficiency**

Available data shows that completed projects in agriculture and water and sanitation had positive economic returns. However, the Bank portfolio was affected by start-up and implementation delays, and some cost-overruns. The Evaluation considers the disbursement ratio as low, in the range of 24%-28% during the CSP 2017–2021 period, which was below the 50% Bank wide target. Management acknowledges that disbursements are below potential, which is attributed to the implementation delays in the transport sector. During 2020 and 2021, COVID-19 also affected the Bank’s ability to carry out project supervision missions and follow-up on implementation resulting from strict lockdowns and standard operating procedures implemented in Uganda. Management agrees with the rating on the efficiency of the Bank’s projects as partly unsatisfactory.

Procurement disputes have tended to affect large-value contracts in infrastructure in Uganda, which also adds to the implementation delays. There are improvements underway arising from improved project designs that result in reduced project components. Tailored procurement methods and approaches are further intended to simplify the process and reduce procurement lead-times. The manifestations of these changes are slow, but are expected to eliminate the noted inefficiencies in the transport sector over time. A challenge to be noted is the scale and complexity of the operations in the sector; for instance, the Kampala-Jinja Expressway Public Private Partnership Scheme is complex and requires relatively longer lead times to structure and roll-out. Management intends to adjust and expand procurement training, through the annual fiduciary clinics, to deal with the added complexities.

**Cross Cutting Issues**

Management welcomes the Evaluation findings that the Country Strategies generally focused on addressing all crosscutting issues in the design and implementation of support programs. The Evaluation
found that the design of projects incorporated inclusion and climate change concerns. In the agriculture sector, the Markets and Agricultural Trade Improvement Program, constructed markets taking into consideration gender differentiated needs. The markets were designed as one-stop-centers that included health care services adapted to women’s needs and even included day care facilities, among other features. In the sanitation sector, separate public sanitation facilities were developed for men and women and adapted for people with disabilities by the Kawempe Urban Poor Sanitation Improvement Project. The Bank has also mainstreamed gender aspects in all other operations by supporting gender policy development and awareness raising activities, for example in higher education and transport sectors. Management takes note that participation of women in science curricula is limited, requiring broader interventions in education and training, which is beyond the scope of the Bank’s infrastructure projects.

Knowledge and Advisory Services

Management notes the Evaluation’s finding that Bank-supported knowledge activities and advisory services were important factors in informing Uganda’s policy approaches. Furthermore, through its participation in Sector Working Groups, the Bank has contributed to policy dialogue at both sector and country levels. For example, the Bank has over the course of the two CSPs delivered several analytical work products such as skilling needs in agriculture, spatial planning, interoperability of payment systems, and restructuring of Bujagali energy generation tariffs that have provided valuable input to decision makers. Four additional analytical products are underway, including the 20-year economic plan for the Kampala Jinja Mpiigi regional corridor that will provide up to date information for planning investment projects along the corridor. The Uganda Country Office, in collaboration with the East Africa Regional Hub, produced regional and sectoral studies that have informed the Bank’s strategic and operational choices, including policy dialogue engagements that informed design of the National Development Plans and contents of the CSP support programs. The Bank has over the CSP periods also engaged with the Government on issues ranging from improving portfolio performance, regional integration, improving governance, private sector development, public debt policy and management, and domestic resource mobilization. Considering the many analytical products initially proposed (15), a less ambitious number would have been more realistic. To strengthen monitoring of policy dialogue activities, the Country Office regularly updates the Policy Reform Dialogue Matrix that is an integral part of the new CSP 2022–2026.

Design and Selectivity

The Evaluation confirmed the Bank’s adoption of a participatory approach to designing the CSPs and its support programs. In all targeted sectors, the Bank consulted key stakeholders to ensure that the CSP and programs met country development priorities. Furthermore, the Evaluation noted that the Bank incorporated lessons learned from past interventions into the design of the CSPs and operations, thereby, enabling them to be responsive to the Ugandan context and needs of beneficiaries.

However, the Evaluation noted that while the bulk of its support programs targeted the infrastructure and agriculture sectors, the Bank has been involved in nine sectors, including the communication sector, where its comparative advantage is unclear. In addition, it was observed that the lack of significant investment in Pillar 2 due to the government’s preference for grant funding for human skills development points to a problematic approach to the Bank’s strategic positioning at the time of the CSPs’ design, which shows the need to further improve selectivity.

Complying with the Bank’s recent Selectivity Paper, Management takes note of the Evaluation’s observation and wishes to highlight that greater selectivity has been the cornerstone of the new Country Strategy 2022–2026 focusing on one priority area with four subsectors. The new Country
Management Response

An IDEV Country Strategy Evaluation

Strategy has further been prepared using the Bank’s Guidance Note to Enhance the Timeliness and Quality of CSPs and RISPs.

**Lessons and other Points**

**Planning and designing for improved start up and timely completion of projects.** The Evaluation noted that project implementation was affected by delays in all sectors. These delays were attributed to skills gaps, complex procurement processes, staff changes, and multi-level project approval procedures. Based on these challenges, Management agrees that more support needs to be provided in the early stages of project planning and preparation. Management intends to take advantage of the Ministry of Finance and Economic Development’s ongoing efforts to strengthen oversight functions and enhance Monitoring and Evaluation activities. The Ministry together with line Ministries and Executing Agencies has ensured speedy implementation of on-going projects with Parliament granting pre-approval to all project in the 2021-2023 Indicative Operational Plan. Furthermore, the Bank will work closely with the Government to ensure that feasibility and detailed design studies are submitted on-time, and that conditions precedent to first disbursement are fulfilled within 6 months from the date of Board approval of projects.

**Public private partnerships.** Uganda offers opportunities for public private partnerships and these have been pursued, especially in the energy sector. Management acknowledges the need for utilising the Bank’s non-sovereign window to facilitate and expand lending to private enterprises. Management initiated dialogue with the Private Sector Federation to explore ways to attract private sector engagement with the Bank. The Federation proposed more affordable long-term funding to support capital investments. During the preparation of the new Country Strategy 2022-2026 these concerns have been taken into consideration and the IOP holds a more ambitious plan of non-sovereign operations, including to the Uganda Development Bank.

**Conclusion**

Management appreciates the Evaluation’s observations and recommendations. The outcomes of the Evaluation are valuable and will inform the current engagement and design of future strategies and programs. Responses to each of the three key recommendations are provided in the Management Action Record table below.
**Recommendation 1:** Adapt the CSP priorities to the country context in the areas of skills development and private sector growth.

The focus of the Bank’s second pillar was vocational education and training. However, given the government’s preference not to borrow for human capital development operations, the Bank can consider supporting skills development and youth employment in other ways. The Bank might reorient as follows:

- **a.** Continue or expand training as a component of the Bank’s conventional infrastructure operations, leaving more generic skills and vocational training to grant-based development partners.

- **b.** Focus on supporting private sector development that creates jobs for youth.

**AGREED** – Management agrees with this recommendation. Government also confirmed its agreement with this recommendation during the preparation of the new Country Strategy. As Government and the Bank considers skilling as a key element of industrialization and structural transformation, the Bank will reorient its support.

- The new Country Strategy 2022–2026 integrates skilling in relevant infrastructure projects, such as rail, energy, agriculture, and private sector projects, with an aim to scale up where the identified skills needs are greatest *(COUG, Q1 2022).*

- The new Country Strategy 2022–2026 emphasizes industrialization with cross-cutting focus on jobs and skilling for youth. Private sector development in the new CSP is designed and closely linked to the single priority area and the four sectors proposed. The private sector funding window will support private sector led projects under the four proposed sectors (transport, energy, water and sanitation, and agriculture) and financial services to underpin industrialization through access to affordable long-term finance. Expansion of businesses and production will be supported through lines of credit, technical assistance, and studies to enhance growth, jobs, and wealth creation. Affordable long-term finance will enable SMEs to invest in expansion and modern technology, focus short-term credit to operational activities, and increase production. The private sector operations pipeline includes seven operations, including support for trade finance transaction guarantee to Stanbic Bank and support to the Uganda Investment Agency -Uganda Development Bank with the aim of providing affordable financing to (youth-led) enterprises *(COUG, Q4 2023).*
## Management Action Record

<table>
<thead>
<tr>
<th>IDEV Recommendation</th>
<th>Management Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation 2:</strong> Refocus support for the energy sector.</td>
<td><strong>AGREED.</strong></td>
</tr>
</tbody>
</table>
| Uganda’s power surplus threatens the financial viability of the energy sector. Going forward, the Bank may consider the following:  
  a. Concentrate investments on two elements: (a) transmission and distribution, to expand the grid; and (b) the generation of off-grid renewable energy.  
  b. Support the development of a clear sector masterplan for balancing the supply of and demand for power; expand access to affordable power; and promote the supply of off-grid energy.  
  c. Provide strong support for capacity building in sector coordination, planning, and policy formulation in collaboration with other development partners. Sector policy coordination and coherence become more important when institutions are unbundled and public-private partnerships in the sector are growing. |  
| **AGREED.** |  
| - The new Country Strategy will focus on transmission and distribution and increasing network connectivity to expand the grid. The IOP 2022-2024 includes two transmission projects. Off-grid solutions will be considered as applicable. As part of the private sector IOP, support to electricity cooperatives is considered ([COUG/RDGE.1, Q1 2022](#)).  
| - The Government has acknowledged the need for a sector master plan and coordinated planning by all institutions within the sector. To address this, the Bank and other Development Partners are considering the type of technical assistance needed and the required funding ([RDGE.1 Q4 2022](#)).  
| - The Government has requested the Bank to provide support for energy sector capacity building and efficiency improvement. The Bank has already taken action and initiated work on preparing a capacity building program, which will come up with appropriate recommendations for sector reforms, performance improvement and capacity enhancement of the programmes under the Ministry of Energy. Other development partners are also considering support ([RDGE.1 Q4 2022](#)). |  
| **Recommendation 3** Make Bank-supported benefits more sustainable. | **AGREED.** |
| a. Ensure that operations in all sectors reflect the demand for infrastructure services and contain measures to ensure financial and economic viability as well as institutional capacity and ownership by beneficiaries.  
  b. Develop asset management capabilities, including robust funding mechanisms for sector operations and maintenance, in key sector institutions.  
  c. Engage the government in policy dialogue on relevant sustainability issues. |  
| **AGREED.** |  
| - Policy dialogue on sustainability of Bank support will be scaled up and form part of regular discussions with the Government. Furthermore, project appraisals will critically assess the prevailing tariff policy and existing utility management structures with a view of supporting and strengthening the structures in place to improve asset management capacities and ensure sustainable operation and maintenance of the constructed infrastructure ([COUG, sectors preparing projects, 2022–2026](#)).  
| - In recent finance agreements for road projects, the Bank has included the following undertakings for Government implementation: i) upon completion of the construction of the road, to institute maintenance contracts (either framework or performance-based) to ensure preservation of road assets; and ii) to commit to the transformation of the Uganda Road Fund into a fully-fledged second-generation road fund to ensure that sufficient funds are ring-fenced for road maintenance. This type of undertaking will be considered for the other Bank-supported projects ([COUG, sectors preparing projects, 2022–2026](#)). |
Introduction

This report summarizes the key findings, lessons, and recommendations of an evaluation of the African Development Bank Group (AfDB or Bank)’s country strategies and programs in Uganda during 2011–2021. The Bank developed two Country Strategy Papers (CSPs) between 2011 and 2021: CSP 2011–2015, which was extended to 2016, and CSP 2017–2021. Each CSP had two pillars: infrastructure development, and skills and capacity development. Under these CSPs, the Bank approved 37 projects for a total value of 1.5 billion Units of Account (UA). The portfolio mainly comprised interventions in the sectors of transport, energy, water supply and sanitation (WSS), agriculture, social and finance. A more comprehensive discussion of the evaluation’s findings is available in a technical report.

The report is structured as follows: this section briefly presents the evaluations purpose, scope, methodological approach, and limitations. Next is a section on the country context, followed by reviews of the Bank’s strategies and portfolio in Uganda. The next three sections present the findings of the evaluation and evidence of the Bank’s contribution to development results; reviews of how the Bank managed its interventions in Uganda; and an assessment of the borrowers performance. The final section distills a set of conclusions, lessons, and forward-oriented recommendations.

The Evaluation’s Purpose, Questions, and Scope

The main purpose of this country strategy and program evaluation is to inform the design of the next CSP (the CSP for 2022–2026). In that regard, the evaluation has three objectives:

i. To assess the Bank’s contribution to Uganda’s development results;

ii. To identify what worked in the Bank’s programs, what did not, and why; and

iii. To distill lessons and propose recommendations for future programs.

The evaluation’s overarching question is, “What did the Bank contribute to Uganda’s development?” More specific evaluation questions, organized by evaluation criteria, are presented in the evaluation matrix in Annex 1.

The evaluation’s reference period is 2011 to 2021. This period covers two Bank strategy cycles. The evaluation assessed all of the interventions and financing instruments used by the Bank in Uganda during this time: investment projects, budget support, lines of credit, and institutional capacity-building initiatives. In addition, the evaluation assessed the Bank’s analytical work, advisory services, policy dialogue, and aid coordination activities. Some projects that had been approved before 2011 and were completed during the evaluation period were included in the assessment.

The Evaluation’s Approach and Methodology

The evaluation used a theory-based approach to assess the extent to which the Bank designed and delivered a relevant response to Uganda’s development challenges during the period of study. More specifically, the evaluation employed a theory of change to assess the extent to which the Bank’s interventions were useful and produced satisfactory results. A theory-based approach makes it possible to collect empirical evidence that shows whether the changes anticipated in the theory of change occurred, why those changes took place (or why they did not), and what main factors shaped the
pathways through which changes materialized. A more detailed description of the methodology can be found in Annex 2. The principal approaches are summarized below.

**Desk review of key documentation.** The evaluation team conducted an extensive document review. Team members consulted the government’s strategies and plans, the Bank’s strategies and programs, secondary materials relevant to the country context, previous evaluations, and development partners’ reports.

**Portfolio review.** The evaluation team performed a comprehensive analysis of the Bank’s portfolio. The team gathered information about the composition and nature of the Bank’s portfolio, the distribution of the portfolio, and the portfolio’s implementation status.

**Interviews and focus group discussions.** The evaluation team conducted virtual interviews and consultations with a wide range of stakeholders within the Bank and in the country. These stakeholders included officials in government ministries and executing agencies, Bank staff, development partners, civil society organizations, and the private sector. The evaluation team also interviewed project beneficiaries during project site visits. For a list of the stakeholders consulted, see Annex 3.

**Case studies.** To assess in depth the performance and results of selected of Bank-supported projects, the evaluation team made case studies of six projects (Annex 2, Table A2.1). The cases were selected to represent operations of different sizes from different sectors that used different financing instruments. To the extent possible, the evaluation chose projects that were completed or near completion. Where this was not possible, the evaluation chose the project that was the most advanced, i.e., that had the highest disbursement ratio. The data collected from these case studies testifies directly to the results of Bank operations in the field.

**Online survey.** The evaluation administered an online survey to collect data on perceptions of the Bank’s contribution to development results in Uganda. The survey was deployed to government and Bank officials, development partners, and other key stakeholders who were familiar with the Bank’s interventions. Because of the low response rate, the evaluation did not use the survey results.

To assess performance, the evaluation applied a set of international standard evaluation criteria, namely relevance, coherence, effectiveness, efficiency, and sustainability. It used a four-point scale (Annex 2, Table A2.2) to rate performance against these criteria.

**The Evaluation’s Limitations and Mitigation Measures**

This evaluation took place during the global COVID-19 pandemic, at a time when travel was restricted. This meant that the scoping mission and data collection had to take place virtually. The international consultants were not able to travel to Uganda, but two national consultants were recruited to collect data in the field. The international members of the evaluation team supported the national consultants remotely. The national consultants were essential for reaching project beneficiaries.

Some meetings with stakeholders did not take place as scheduled. Instead, the evaluation team submitted questions in writing.

The evaluation team used Zoom and Microsoft Teams to conduct interviews with a number of stakeholders. Because of poor internet connectivity, some meetings did not materialize. The team compensated by spending more time planning interviews and focus group discussions, and by offering key informants multiple options for communicating, such as calls on Zoom, Microsoft Teams, and other vehicles.

Finally, the response rate to the online survey was low. Information that was to be collected from the survey was therefore captured in interviews, focus group discussions, project site visits, and document reviews.
The Country Context

The Political Context

Uganda is a democratic republic led by a president, who is the head of state and government. The country has enjoyed relative peace and stability for over three decades, under one ruling party, the National Resistance Movement (NRM). In the last 10 years, the country has held three general elections, in 2011, 2016, and 2021. At the last presidential election, in January 2021, the incumbent, President Yoweri Museveni of the ruling NRM, was re-elected amidst opponents’ claims of vote-rigging. The NRM won a majority of parliamentary seats in February 2021.

The Economic Context

In the last five years, Uganda’s gross domestic product (GDP) grew an average of 5.4% per year. The highest yearly growth, 7.5%, was recorded in 2019 (UBOS 2020 Statistical Abstract, AfDB-Africa Economic Outlook 2021). In 2020, the growth rate dropped because of the COVID-19 pandemic, which caused national output to contract by 0.5%. As a result, GDP growth per capita fell by 4.0% in 2020 after having risen 3.9% in 2019. Current GDP projections indicate that economic performance will rebound, with growth forecast at 4.8% in 2021 and 5.4% in 2022 (AfDB-Africa Economic Outlook 2021).

The services sector accounts for the bulk of Uganda’s output. In 2020/2021, services contributed 42% of aggregate GDP, followed by industry at 27% and agriculture at 24%. A trend analysis indicates that sectors’ share of GDP has remained almost the same over the last five years (Figure 1).

In the wake of the COVID-19 pandemic, the government of Uganda conducted a SWOT analysis

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Figure 1: Sectors’ Contributions to GDP, 2015/2016–2020/2021 (%)

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Agriculture, forestry and fishing</th>
<th>Industry</th>
<th>Services</th>
<th>Taxes on products</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>23</td>
<td>24</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>2016/17</td>
<td>26</td>
<td>26</td>
<td>26</td>
<td>23</td>
</tr>
<tr>
<td>2017/18</td>
<td>23</td>
<td>24</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>2018/19</td>
<td>26</td>
<td>26</td>
<td>26</td>
<td>24</td>
</tr>
<tr>
<td>2019/20</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>2020/21</td>
<td>27</td>
<td>24</td>
<td>24</td>
<td>24</td>
</tr>
</tbody>
</table>

to assess the pandemic’s impact on the economy. The findings formed the basis of a government program to help the recovery of affected sectors. COVID-19 recovery interventions targeted loan repayments, support for micro, small, and medium enterprises, and other interventions.\(^5\)

**The Social Context**

In 2020, Uganda had an estimated population of 41.6 million people, 51% of whom were female. Since 2014, the country’s population has been growing at an annual rate of 3%. People under the age of 18 account for more than half the population. The total fertility rate declined from 6.2 in 2011 to 4.6 in 2020. The vast majority of Ugandans reside in rural areas: only 27% live in urban areas.\(^6\)

The proportion of poor persons in Uganda has improved slightly in the last decade, from 24.5% in 2009/2010 to 20.3% in 2019/2020. In contrast, unemployment rates have more than doubled, going from 4.2% in 2010 to 9.0% in 2019/2020.\(^7\)

According to World Bank data,\(^8\) the country’s economic growth is moderately inequitable, with the county reporting a Gini index score of 42.8 in 2016 compared to 41.0 in 2012.

Access to health facilities has improved over time. The country has also made remarkable progress in reducing the infant mortality rate, which declined from 54 per 1,000 live births in 2011 to 43 in 2016. Similarly, the under-five mortality rate fell from 90 per 1,000 live births in 2011 to 64 in 2016, and the maternal mortality ratio declined from 438 per 100,000 live births in 2014/2015 to 336 in 2019/2020.\(^9\)

In 2019, the United Nations Development Program’s Human Development Index (HDI) ranked Uganda 159\(^{th}\) of 189 countries, with an HDI score of 0.544 and life expectancy at birth of 63.4 years, compared to a score of 0.498 and life expectancy of 57.1 in 2010.\(^10\)
The Bank’s Strategies and Portfolio

The Bank’s Country Strategies

Over 2011–2021, the Bank formulated two CSPs for Uganda: CSP 2011–2015, which was extended to 2016, and CSP 2017–2021. Both CSPs targeted infrastructure and skills and capacity development. There was little change in the composition of the pillars at the two programs’ mid-term reviews, and the CSPs’ initial scope had been maintained at completion (Table 1).

The Bank’s Portfolio in Uganda

During the evaluation period, the Bank’s portfolio in Uganda comprised 37 projects with a total value of UA 1.5 billion (Annex 4). The volume of new approvals decreased from UA 797 million under CSP 2011–2016 to UA 690 million under CSP 2017–2021 (a reduction of 13%). Twenty-four projects were approved under CSP 2011–2016 versus 13 under CSP 2017–2021. The portfolio comprised 31 national projects, accounting for 85% of the portfolio’s value, and six multinational projects, which accounted for the balance. Approximately 94% of the Bank’s interventions were in the public sector and 6% in the private sector.

Of the total amounts approved, African Development Fund loans accounted for 50.7% and African Development Bank loans for 47.1%. Loans from the Nigeria Trust Fund accounted for 0.7%. In terms of grants, the Bank only provided small grants (0.05%) from the African Development Bank window. Grants from other sources accounted for 1.5% of the total value. In total, resources from loans represented about 98.4% of all amounts approved during the evaluation period. It is worth mentioning that during the evaluation period, Uganda’s African Development Fund performance-based allocations consisted entirely of loans. The current CSP (the CSP for 2017–2021) received less loans and grants than did the first CSP (the CSP for 2011–2016).

<table>
<thead>
<tr>
<th>CSP period</th>
<th>CSP 2011–2015, extended to 2016</th>
<th>CSP 2017–2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective</td>
<td>Improve Uganda’s prospects for economic growth and job creation</td>
<td>Support Uganda’s vision 2040 to transform from a low-income country to a prosperous middle-income country</td>
</tr>
<tr>
<td>Pillar 1</td>
<td>Infrastructure Development Infrastructure development in transport, energy, water and sanitation, agriculture, and health</td>
<td>Infrastructure Development for Industrialization Infrastructure development in transport, energy, water and sanitation, and agriculture</td>
</tr>
<tr>
<td>Pillar 2</td>
<td>Improving Capacity Skills Development for Poverty Reduction Entrepreneurship development, vocational training, and skills development</td>
<td>Skills and Capacity Development Vocational education and training; business and vocational training institutions and programs to reskill graduates</td>
</tr>
<tr>
<td>Changes to the pillars at mid-term review</td>
<td>Overall, the two pillars remained focused on infrastructure and skills development, but selectivity increased. Pillar 2 was renamed “Skills and Technology Development.”</td>
<td>No change</td>
</tr>
</tbody>
</table>

Source: Country strategy papers, mid-term review reports, completion reports.
CSP = Country Strategy Paper
The bulk of the interventions approved during the evaluation period are still ongoing. Project status data indicates that 59.6% of the portfolio is ongoing and 15.9% is closed or was completed. Projects in the approval stage accounted for 24.5% of the portfolio at the time of evaluation.

The Bank’s interventions were spread across eight specific sectors and one cross-cutting sector, known as multi-sector. The transport sector received the largest share of funding (49.4%), followed by agriculture (14.6%) and water supply and sanitation (12.1%). The power sector and the social sector received 9.8% each (Figure 2). In general, the Bank’s interventions were skewed towards infrastructure development, in conformity with the CSPs’ pillars.

In the first CSP cycle (2011–2016), the transport, social, power, agriculture, and WSS sectors accounted for the bulk of the portfolio. Communication, environment, and finance were allocated less than 2% of resources. The multi-sector received no funding in 2011–2016. In the second CSP cycle (2017–2021), Bank priorities shifted: the agriculture, social, and WSS sectors received less funding, and the environment, finance, and power sectors experienced little or no change. Funding for the transport sector more than doubled. In terms of financial instruments, investment projects were the most popular (92.6%), followed by institutional support (4.0%), lines of credit (1.8%), and program-based operations (1.5%).

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**Figure 2:** The Bank’s Support by Sector, 2011–2021 (%)
The Bank’s Contribution to Development Results

Relevance

Relevance refers to the extent to which the Bank’s interventions in a country responded to the country’s policies and priorities, the needs of beneficiaries, and the Bank’s own priorities. Relevance also considers whether the Bank responded to changing circumstances in the country and the world.

Both CSPs addressed the need to develop infrastructure and human capital. The main sectors chosen for support (agriculture, transport, water supply and sanitation, and energy) were key priorities for the country and aligned with the Government of Uganda’s Vision 2040 as well as with Uganda’s first and second national development plans. The Bank responded to emerging needs related to the COVID-19 pandemic.

As for projects, those undertaken under Pillar I aligned with the country’s development priorities and the Bank’s priorities. The same cannot be said of projects supported under Pillar II. Only a few Pillar II projects were approved under CSP 2011–2016, and no Pillar II projects were financed under CSP 2017–2021. Overall, the relevance of the Bank’s support to Uganda across the two CSPs is rated as satisfactory.

Alignment with the country's priorities

Uganda’s Vision 2040 aims to transform the country from a low-income, subsistence agriculture-based society to a prosperous, middle-income, industrial economy. To realize this vision, Uganda requires infrastructure that will strengthen the fundamentals of a growing economy. The Vision 2040 document recognizes key development challenges that need to be addressed. These include low competitiveness; a weak, fragmented, small-scale private sector; low levels of industrialization and value addition; insufficient modern infrastructure (roads, railways, energy, and water and sanitation); and a human resource base that insufficient health care and poor education have rendered inadequate.

Interviews with key stakeholders indicated that the AfDB’s CSPs from 2011 to 2021 aligned highly with the needs, development challenges, and priorities of the country as expressed in Vision 2040 and Uganda’s two national development plans (NDP I and NDP II). Respondents made it clear that the AfDB’s support for the agriculture, energy, transport, and water supply and sanitation sectors was extremely relevant.

More specifically, the Bank’s interventions in the energy sector under Pillar I of both CSPs addressed development challenges in the power sector and aligned with the goals of the government’s two NDPs. The NDPs’ development objectives for the energy sector are to construct generation facilities, extend the transmission network, promote energy efficiency, strengthen the institutional and regulatory framework for energy, and promote renewable energy. The Bank’s support helped produce sufficient generation capacity by deploying hydropower plants and improving the transmission, distribution, and use of power.

The Bank’s projects in the transport sector also aligned well with Uganda’s Vision 2040, NDP I, and NDP II. In the transport sector, the Bank supported integrated infrastructure that optimized the use of rail, road, water, and air transport. The projects’ main emphasis was to develop national and regional road networks, which are critical to opening markets and boosting competitiveness.
The Bank’s interventions in the WSS sector also aligned with Uganda’s Vision 2040, NDP I, and NDP II, especially in terms of how they helped meet the objectives of the national plan to develop the water and sanitation sector. Similarly, the education sector figures in NDP II, and higher education, science, and technology (HEST) was the target of an important Bank project. Uganda’s Education and Sports Sector Strategic Plan also discussed the need to develop laboratories, which was highly relevant to the Bank’s projects in education.

Additionally, in July 2020, the Bank approved support for Uganda to respond to emerging national socioeconomic challenges. The budget support provided by the Bank sought to reduce the negative impact of the COVID-19 pandemic. However, Uganda’s parliament took a long time to approve this instrument.

More generally, the CSPs’ two pillars—infrastructure development for industrialization and the development of human capital (skills and capacity)—both aligned with Uganda’s Vision 2040, NDP I, and NDP II. The operationalization of Pillar I provided much-needed support for infrastructure development in the sectors mentioned above, and the Bank’s portfolio aligned with national plans and priorities and responded to stakeholders’ needs and priorities. However, interviews and documents show that Pillar II (the development of human capital) did not fully align with Uganda’s evolving demand for skills training. New priorities on the part of the government meant that under Pillar II, only a few projects were approved under the first CSP (2011–2015/2016) and none were approved under the second CSP (2017–2021). Informants explained that during this period, the government preferred to tap grant financing for its social sector operations, including human resource development, instead of drawing on loans.

Alignment with beneficiaries’ needs

The operationalization of Pillar I responded clearly to stakeholders’ needs and priorities. For example, the AfDB supported the water supply and sanitation sector to meet the demand for better access to water and sanitation in rural and urban areas. In education, the beneficiary (Makerere University) stated in an interview during a site visit that the laboratory delivered by the AfDB’s HEST Project was squarely in line with the university’s expressed needs. In finance, lines of credit were relevant and met beneficiaries’ needs for affordable housing and small and medium enterprises’ need of financing.

Alignment with the Bank’s own policies and strategies

The Bank’s interventions also aligned with its own policies and strategies. The WSS sector projects aligned with the “Improve the Quality of Life for the People of Africa” High 5, the projects in transport aligned with the “Integrate Africa” High 5, and the projects in energy corresponded to the “Light Up and Power Africa” High 5. Moreover, interventions aligned with the Bank’s Ten-Year Strategy for 2013–2022 and the Bank’s sectoral policies and strategies. For example, interventions in the finance sector aligned with the AfDB’s private sector development priorities, such as supporting the development of local enterprise, particularly small and medium enterprise, and lending in local currency.

Coherence

This section examines the internal and external coherence of the Bank’s interventions in Uganda. Internal coherence refers to the synergy and linkages among the Bank’s interventions. External coherence considers the extent to which Bank interventions were consistent with the interventions of other development partners.

The evaluation found synergies and linkages among most interventions undertaken by the Bank. The evaluation also identified areas, such as the projects in the education sector, where operations were isolated from one another. In infrastructure, the Bank carefully coordinated and harmonized its
approach with that of other development partners. Hence, coherence is rated as satisfactory.

**Internal coherence and synergy**

The evaluation confirmed positive synergies and linkages among most of the interventions supported by the Bank. For example, the Additional Funds to Water Supply and Sanitation Program, a project in the WSS sector, benefitted projects in other sectors, such as agriculture. It supplied water for agricultural production by improving irrigation in order to increase agricultural productivity and build resilience to climate change. Similarly, the transport program series financed by the Bank (the Road Sector Support Project (RSSP) I to V) was in full synergy with other Bank-financed national and regional transport programs to foster regional integration and economic development. In the energy sector, the Bujagali and Achwa II projects are excellent examples of ways that public and private operations can work together for a common goal.

In the education sector, however, the evaluation found few synergies or linkages between the HEST Project and the East Africa’s Centers of Excellence initiative. The projects appear to have been implemented in isolation.

**External coherence and leverage**

The Local Group of Development Partners is a structure that helps coordinate development support among development partners. The group was created for aid coordination, harmonization, and dialogue in the country. It counts 18 sectoral and thematic development partner groups and several permanent sectoral subgroups. The evaluation confirmed that the Bank has participated in various sector working groups over the past 10 years. For instance, the Bank chaired the Higher Education and Tertiary Working Group in 2016 because of the Bank’s important support for HEST. The Bank also participated in the Water and Sanitation Sector Development Partners Working Group, the Agricultural and Natural Resources Working Group, the Transport Sector Working Group, the Development Partners Economists Working Group, the oil subsector working group, and a public financial management working group. Nonetheless, some interviewees felt that the Bank could play a larger role in the Local Group of Development Partners, especially as a preferred partner agency, which would give it special status that could be leveraged with the Government of Uganda.

As a result of participating in the Local Group of Development Partners, the Bank avoided duplicating development efforts and focused on areas where its resources could do the most good. The evaluation found no duplication of efforts in the implementation of road projects, in the WSS sector, or in the agricultural, energy, and social sectors. This is important, as many players assist Uganda with development. Over 200 nongovernmental organizations are active in WSS alone.

During the evaluation period, the Bank leveraged important resources from other development partners, such as the European Union, the World Bank, the United Kingdom’s Department for International Development, the Nordic Development Fund, and the Agence Française de Développement. The Bujagali and Achwa II projects are examples of how different development and commercial financing institutions can work together to support private and public sector investments in the power sector. The AfDB’s support and interventions played an important role in bringing other players together and in mobilizing financial resources from various partners to maximize development effectiveness at the country level.

Another example of leverage is the Kampala City Roads Rehabilitation Project in the transport sector. This program is part of a citywide infrastructure improvement initiative in Kampala that was launched by the government in 2014 as part of the Kampala Institutional and Infrastructure Development Project. Covering numerous pieces of infrastructure (improvements to road networks, intersections, and traffic management; creation of a traffic control...
center; street lighting; storm water drainage; and more), the project is funded by the AfDB, the World Bank, the Japan International Cooperation Agency, and others. In agriculture, the Farm Income Enhancement and Forest Conservation Program is co-financed by the Nordic Development Fund. In the WSS sector, the Bank works with such partners as KfW (from Germany), the European Union, and the Agence Française de Développement.

**Effectiveness**

This section assesses effectiveness: that is, the extent to which the Bank’s interventions achieved or are likely to achieve their expected objectives and results (outputs and outcomes).

During the evaluation period, the AfDB contributed to results under **Pillar I**, enhancing agricultural productivity and the marketing of agricultural produce, improving the generation and distribution of electricity, increasing access to water and sanitation in rural and urban areas, and improving the national road network. The results were, however, below expectations. As for **Pillar II**, the Bank produced positive results under CSP 2011–2016 as regards improving and expanding infrastructure in universities and hospitals. Because the Government of Uganda changed its priorities, however, under CSP 2017–2021 the Bank did not meet expectations for developing skills and entrepreneurship. The evaluation rates the effectiveness of the Bank’s strategies as **partly unsatisfactory**.

The next pages discuss the degree to which projects in each sector achieved their expected development results during the evaluation period.

**The transport sector**

In the transport sector, the Bank supported seven road projects worth UA 735.8 million. None of these projects have been completed. They are at different stages of implementation.

As of the latest implementation progress and results report (July 2020), the road projects had produced an output of only 62 km of asphalted roads of the 355 km planned (Table 2). In total, the projects expect to deliver 470 km of all types of roads.

In terms of outcomes, the latest available implementation progress and results report (July 2020) for RSSP IV states that the project has not yet met expectations. For example, the average vehicle travel time has fallen from 3.5 hours to 3 hours so far, while the target is 2 hours. Similarly, vehicle operating costs fell from USD 0.88 to USD 0.70, in the aim to reach USD 0.50. During the site visit to RSSP IV and in discussions with stakeholders, the evaluation team observed some effects of this road (Box 1).

Once completed, the Bank’s projects are expected to deliver 470 km of paved roadway and urban roads. The results of RSSP I to III, also financed by the Bank, suggest that this target is likely to be achieved, albeit with long delays. RSSP II and III were approved before 2011 and constructed 103 km and 143 km

<table>
<thead>
<tr>
<th>Project name</th>
<th>Approval year</th>
<th>Status</th>
<th>Expected (km)</th>
<th>Actual (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road Sector Support Project (RSSP) IV</td>
<td>2013</td>
<td>ONG</td>
<td>135</td>
<td>30</td>
</tr>
<tr>
<td>Road Sector Support Project (RSSP) V</td>
<td>2014</td>
<td>ONG</td>
<td>123</td>
<td>20</td>
</tr>
<tr>
<td>Busega-Mpigi &amp; Kagitumba-Kayonza-Rusumo Roads Project</td>
<td>2016</td>
<td>ONG</td>
<td>23.7</td>
<td>0</td>
</tr>
<tr>
<td>Kapchorwa-Suam-Kitale and Eldoret Bypass Roads Project</td>
<td>2017</td>
<td>ONG</td>
<td>73</td>
<td>12</td>
</tr>
<tr>
<td>Kampala-Jinja Expressway Project</td>
<td>2018</td>
<td>APR</td>
<td>53</td>
<td>0</td>
</tr>
<tr>
<td>Kampala City Roads Rehabilitation Project</td>
<td>2019</td>
<td>APR</td>
<td>62</td>
<td>0</td>
</tr>
</tbody>
</table>

APR = approved; ONG = ongoing
of new road with a double bituminous surface. Furthermore, the PCREN of RSSP II indicated that the composite vehicle operating cost per vehicle-km fell from USD 0.68 in 2007 to USD 0.37 in 2014 (USD 0.31 was expected). RSSP II also reduced the average travel time from 5.15 hours in 2007 to 1.75 hours in 2014 (2.06 hours was expected). RSSP III reduced travel times as well.

Overall, the AfDB’s transport sector projects are expected to increase the share of national paved roads from 16% in 2012 to 25% by end-2021 and augment the share of the national paved road network that is in fair to good condition to 95%.

Projects still ongoing faced 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 finalization and approval of the design update.

The energy sector

During the evaluation period, the Bank supported the energy sector with funding of UA 146.3 million, of which UA 63.7 million (44%) went to the private sector. Four main projects were approved: Bujagali, Achwa II, Buseruka, and the Uganda Rural Electricity Access Project. Some outputs fell short of expectations. 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 line (1,147 km were expected), built 262 km of low-voltage line (808 km were expected), and connected 30,000 households to the grid (164,077 households were expected). The Bank contributed to the increase in the network’s transmission capacity (transmission from power stations to distribution companies and large consumers) from 450 MW in 2011 to 1,269 MW in 2020 (900 MW was expected). This helped to connect 1,153,077 new customers to the national grid and off-grid in rural and urban areas. The number of connected customers rose from 467,429 to 1,620,505 as a result.

According to the completion report for CSP 2017–2021, the Bank contributed to outcomes at the country level. The national electricity access rate increased from 29% in 2016 to 43% by 2020, exceeding the target of 30%. Rural electricity access increased to 38% by end-2020. Distribution system and collection losses fell from 18.1% in 2016 to 17.5% in 2020, but are unlikely to meet the target of 16.3% for 2021. End-user average tariffs also fell and now stand at 12.7 US cents/kWh. This was helped by the AfDB-supported refinancing of the Bujagali hydropower facility, which led to a reduction in generation tariffs from above 10 US cents/kWh before July 2018 to 8.3–8.5 US cents/kWh in 2020. If the Bank had not supported restructuring the tariff, Bujagali Energy Limited’s tariff of 11.3 USD cents/kWh in 2017 would have risen to

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**Box 1:** Field Observations from the Site Visit to the Road Sector Support Project IV

The construction of the road has impacted the communities visibly.

The road has more traffic, including more trucks transporting agricultural produce. This likely points to an increase in farmers’ access to markets.

Hoima Sugar Limited, a sugar factory commissioned in 2016, now has an efficient road network on which it can transport inputs for its factory.

Several petrol stations, schools, hotels, health centers, markets, and shops have opened along the road.

By partnering with the communities and the local authorities, the project engaged women in financial literacy courses. The women then established a new roadside market to generate income.

Source: Observations of a member of the evaluation team during a site visit to RSSP IV.
about 14-15 USD cents/kWh by 2023 as a result of a tax benefit expiring and the company’s need to amortize debt.

While the Bujagali Hydropower Project has operated properly, the two smaller hydropower projects (Buseruka (9 MW) and Achwa II (42 MW)) have suffered from insufficient power evacuation. The structures and equipment of the two projects are in order and both projects can generate power at the capacity for which they were designed, but delays in the construction of transmission facilities financed by other development partners made it impossible for the projects to evacuate power fully. For example, Achwa II can only deliver 5 MW of 42 MW in potential power. The two projects are thus unable to make their expected contribution to the national power supply. At the same time, the government’s power purchase agreement with the private sector requires it to pay for energy that would otherwise have been delivered through the transmission line.

Several reasons explain delays in the construction of the transmission lines that connect to the new power generation facilities. First, the hydropower plants are far from main centers, and planners are reluctant to pay for costly transmission lines that must traverse areas where the demand for energy is low. Second, Uganda’s strict land laws make the acquisition of land for infrastructure work (such as power lines or roads) very time-consuming and prone to substantial delay.

The water supply and sanitation sector

The Bank’s portfolio in this sector counts seven projects with a total value of UA 180.2 million. Two completed projects—the Water Supply and Sanitation Program (WSSP) I (including additional financing) and the Kawempe Urban Poor Sanitation Improvement Project (KUPSIP)—have been effective in providing safe drinking water and sustainable sanitation services to their beneficiaries.

Interviews with stakeholders conducted during field visits in Kampala indicated that the results of KUPSIP are satisfactory. A wide range of material, in English and Luganda, raised public awareness about hygiene, and the evaluation team confirmed on mission that no cholera outbreaks in the Kawempe Division had taken place in the two years since the project closed. The development of public toilet facilities also gave opportunities for small businesses—laundries, stationery outlets, and other enterprises—to emerge. This was an important, indirect positive effect. In addition, according to the PCREN, KUPSIP reduced cases of typhoid fever in Kampala by 7.7% and cases of diarrhea by 49.3%. Another sanitation project, the Kampala Sanitation Program, delivered three new wastewater treatment plants and rehabilitated a fourth. It also constructed two new fecal sludge plants, as per its target. The project completion report for this project reported that the incidence of cholera in Kampala fell from 1,104 cases in 2009 to 92 cases in January 2020.

WSSP I also made satisfactory progress towards its development objectives. The PCREN validated that WSSP I fully 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). WSSP I also constructed 116 sanitation facilities (176 were expected) for public use and for schools. These facilities were adapted for gender and people with 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 have not met expectations: the PCREN indicated that WSSP I increased the proportion of the rural population with access to drinking water from 65% to 70% (77% was expected); in urban areas, the proportion only grew from 67% to 71% (90% was expected). WSSP I did, however, produce positive outcomes that had not been anticipated. These included an appreciation in land values, more investments in real estate development, an influx of new businesses, and the creation of employment opportunities. In total, WSSP I provided water and sanitation service to about 3.4 million people (2.6 million was expected).
The other projects in this sector are on track for completion and are likely to achieve their expected results (Annex 5, Table A5.1). So far, their efficacy is satisfactory in terms of mobilizing technical and human resources and producing outputs and results.

The evaluation found the high price of drinking water to be a major concern for poorer households. Depending on the operator, the minimum monthly cost of water for an average household ranges from UGX 10,462 to UGX 15,896. The Ministry of Water and Environment’s design consideration assumes that 2% of household income goes to pay for water each month: this means that a household that connects to the piped water supply and earns less than UGX 500,000 struggles to pay its monthly water bill. This implies that poorer households cannot afford a piped water connection.

**The agriculture sector**

The Bank supported this sector with a total value of UA 217.8 million including the Farm Income Enhancement and Forest Conservation Project; the Markets and Agricultural Trade Improvement Project 2 (MATIP-2); the Agricultural Value Chain Development Program; the Community Agricultural Infrastructure Improvement Program 3 (CAIIP-3); etc. One project is completed. The others are ongoing.

Under MATIP-2, eight markets (12 are expected) are substantially completed and are ready for commissioning (annex 5, Box A5.1). Construction of the remaining four markets is progressing well. The main element that delayed completion of the markets was the COVID-19 lockdown and related restrictions. Indeed, contractors suspended most capital works during a portion of the spring and summer of 2020. The construction of the Kitgum Main Market, which commenced in June 2019, is ongoing. The project completed the construction of shelters to store high-level value addition equipment for the Arua and Busia markets. The machines and equipment are completed and have been running since mid-fall 2020.

Although beneficiaries had yet to be relocated to the markets delivered by MATIP-2, interview respondents expressed satisfaction with the facilities. Thus, outcomes have not yet materialized but are likely to do so. Moreover, data from the impact study of MATIP-1 shows that this type of project has strong potential for producing solid impacts along the agriculture value chain.

The Farm Income Enhancement and Forest Conservation Project has nearly completed five irrigation schemes, as expected at appraisal. This is 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. Many interviewees considered the infrastructure to be of good quality. In addition, they reported improvements in the acreage and yield of a number of agricultural commodities: maize (e.g., seed production), rice, and others. At completion, this project is expected to increase yields of the principal crops by 50%.

According to its project completion report, CAIIP-3 fully achieved the outputs expected. It 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 project also established and trained 321 infrastructure management committees comprising 2,445 members, of whom 44% are women. In terms of outcomes, it increased the volume of agricultural products reaching markets by 81% (79% was expected). It also helped reduce post-harvest losses by 50% (41% was expected).

**The social sector**

Under Pillar II of CSP 2011–2016, the Bank’s support for the social sector covered education and health. In education, the Bank financed two projects with a total value of UA 89.5 million. Both projects—the HEST Project and the East Africa’s Centers of Excellence initiative—focused on vocational education and training. In the health
sector, the Bank supported the Improvement of Health Services Delivery at Mulago Hospital and in the City of Kampala Project with a total value of UA 56 million.

The HEST Project established 14 research laboratories (four were expected) and expanded the area occupied by the science, technology, and innovation faculties to 93,312 m² (80,000 m² were expected) (Box A5.2). In terms of outcomes, the project helped increase the number of people accessing science, technology, and innovation training from 36,000 in 2010/11 to 96,602 at completion (71,000 were expected). However, it did not achieve a full virtual degree program to be offered in science, technology, and innovation at the university level.

Interviews during data collection indicated that the infrastructure (the laboratories), the machinery, and the equipment delivered by the HEST Project were being used and that in general, respondents were satisfied with the quality of the facilities (Box 2).

As for the East Africa’s Centers of Excellence initiative, the evaluation team did not have access to enough information to judge the project’s performance.

The CSP’s health sector project was also successful in meeting its targets. It constructed two new general referral hospitals in Kampala, it trained 1,758 clinical service professionals (440 were expected) of whom 65% were women, and it rehabilitated 96,000 m² areas of service for the Mulago Hospital. The project increased the number of skilled birth attendants by 176% (65% was expected). It also helped to establish new ICT-based operational management systems and adopted new referral systems.

**The finance sector**

The Bank supported the finance sector with three projects that amounted to UA 28.3 million (less than 2% of the portfolio). The projects were a line of credit to the Housing Finance Bank of Uganda, a line of credit to the Uganda Development Bank, and a grant from the Fund for African Private Sector Assistance to the Entrepreneurs’ Financial Centre. The primary objective of these projects was to stimulate economic activity in the housing and construction industries and support small and medium enterprises in Uganda. Their secondary objective was to strengthen Ugandan development finance institutions’ ability to finance private sector development.

The line of credit to the Housing Finance Bank was deemed successful in that it supported over 110 sub-projects in the construction and real estate sector. Of these 110 sub-projects, 29% were owned by women. The sub-projects constructed 626 units of residential and commercial properties on 44,384 m² and created 2,490 permanent jobs, of which 637 were held by women. The line of credit strengthened the Housing Finance Bank itself, as the institution’s net profit after tax grew by 22.9%, from UGX 14.7 billion to UGX 18.1 billion. The Housing Finance Bank made progress on its plans, implemented new technology, engaged stakeholders, and strengthened its financial performance.

As for the line of credit to Uganda Development Bank, all funds were disbursed and loans made to large, medium, and small enterprises in the major productive sectors, such as agriculture, manufacturing, agro-industrialization, human capital development, and infrastructure. As of October 2020, the line of credit had supplied loans to 13 sub-projects (20 were expected) that created 2,499 permanent jobs, of which 32% were held

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**Box 2: A HEST Project Beneficiary’s Point of View**

“An ICT lab was set up in our university. The equipment for enhancing the network infrastructure was installed. So were software services and a license. This enhanced teaching and learning, and was exactly what we needed.”

*Source: A university staff member consulted during the field visits.*
The Bank’s Contribution to Development Results

An IDEV Country Strategy Evaluation

by women. Capacity development support to the Uganda Development Bank has contributed to the institution becoming a preferred specialized national intermediary and financial service provider while delivering on its mandate to promote economic and social development.

**The multi-sector (the response to COVID-19)**

To support the government in mitigating the effects of the pandemic on Uganda’s population, the Bank approved a COVID-19 budget support relief package of UA 23 million in July 2020. However, Uganda’s Parliament took a long time to approve it. As a result, a single tranche of 100% was disbursed at the end of July 2021. The disbursement is too recent for it to be possible to assess the effectiveness of the package.

**Sustainability**

The principal factors considered when assessing sustainability are an intervention’s technical soundness, its financial and economic viability, institutional capacity and ownership by beneficiaries, and the intervention’s environmental and social sustainability.

Most projects were found to be technically sound. Nonetheless, in the energy sector, the underutilization of the energy produced (surplus power), combined with a lack of coordination among entities, threatens the sector’s financial viability. In the transport sector, there is a large gap between the resources needed to maintain roads and the budget available. In other sectors, more attention is needed to build the capacities of institutions and beneficiaries to maintain water and sanitation facilities, agricultural markets, and newly acquired equipment at hospitals and universities. Although capacity has been developed or is likely to be developed, insufficient capacity at completion and thereafter poses important risks to the sustainability of these investments. In addition, although environmental and social safeguard measures were integrated into projects’ design, adequate monitoring of those measures is necessary during implementation. For these reasons, sustainability is rated as partly unsatisfactory.

**Technical soundness**

In the energy sector, the AfDB used proven hydropower technology to support projects that meet the country’s needs. The Bujagali Hydropower Project has experienced few technical operational issues and has met its contractual obligations for the availability of power capacity. The two smaller hydropower plants, Buseruka and Achwa II, are able to generate power at their design capacity but suffer from a lack of evacuation capacity because of delays in building power transmission lines. Unless progress is made in developing the transmission network, these two operations may prove difficult to sustain.

In the transport sector, a weighbridge was constructed for each road built under RSSP V. Axle load control measurements were to be carried out at strategically important points, to reduce the risk of premature road deterioration. In 2015, the Uganda National Roads Authority increased the number of road weighbridges from three to 12 to augment the number of cargo trucks weighed. In addition, two regulations were introduced in 2017: the Community Vehicle Control Act and vehicle dimensions and load control regulations. Finally, both RSSP IV and RSSP V included components to increase roadside communities’ awareness of sustainability, to protect road assets, and to strengthen the participation of local governments and communities in project design and oversight.

When the evaluation team interviewed representatives of the Uganda National Roads Authority, the Ministry of Works and Transport, and the Uganda Road Fund, the representatives indicated that the sustainability of the roads could only be ensured if all the measures just mentioned were implemented effectively. This was evident from a visit to RSSP IV as well. But doubts remain as to the measures taken to combat axle overloading and the effectiveness of transport controls.
In the **social sector**, the HEST Project delivered laboratories, machinery, and equipment in the targeted universities and users stated their satisfaction with the infrastructure.

**Financial and economic viability**

In the **transport sector**, the maintenance budget increased in nominal terms but was still only enough to pay for an average of 36% of annual maintenance needs over the last 10 years (Annex 5, Figure A5.1). This exposes a huge gap between the resources needed to maintain roads and the budget available. Interviewees expressed additional concern that funds would be insufficient to maintain newly paved roads, of which there are many, in the coming years.

In the **WSS sector**, the PCREN of WSSP I indicated high rates of default on payments to rural water facilities. Less than half of billed water, is actually paid. This may compromise the operation and maintenance of WSSP I facilities.

In the **energy sector**, the power shortages of a decade ago have transformed into surplus capacity. To comply with its power purchase agreement with the private sector, the government must pay for unused power. Unless addressed, this surplus, already large, will soon be big enough to threaten the sector’s financial viability. In future, the higher production costs of private hydropower plants may curtail power sales to the government as new, large, government-sponsored hydropower plants come online.

**Institutional capacity and ownership by beneficiaries**

In the **transport sector**, the road projects include capacity-building programs, either for the Uganda National Roads Authority/the Uganda Road Fund or for the beneficiaries of the road projects (staff trainings, social sensitization and awareness programs, trainings on gender issues, trainings on road safety). For example, RSSP V planned to improve various organizational aspects of the Uganda Road Fund (technical aspects, financial aspects, aspects related to management) and to build the capacity of the institution’s staff. As RSSP IV and RSSP V are still ongoing, the results of their capacity-building components have not yet materialized.

In the **agriculture sector**, the local authorities collect rent and use the proceeds to maintain MATIP-2 market facilities. Interviews show that around 15% of the rent paid by vendors to the urban authorities are reserved for maintenance. A similar scenario applies to the Farm Income Enhancement and Forest Conservation Project, under which farmers pay a small fee (240,000 UGX) to use the irrigation scheme. In CAIIP-3, a fee is charged to maintain the factory developed by the project. Despite these arrangements, interviews clearly indicate a lack of technical capacity to maintain the hardware fully. Too much attention was paid to developing the infrastructure and not enough to building institutional capacity. For example, in MATIP-2, interviews and the latest implementation progress and results report (March 2021) show that vendors have not yet been trained in market facility management. Conversely, field interviews confirmed that working through farmer cooperatives and associations increased ownership of the irrigation schemes of the Farm Income Enhancement and Forest Conservation Project.

The projects in the **WSS sector**, such as WSSP I and II, built capacity by training government staff and beneficiary communities and by establishing a water service board to ensure the sustainability of the infrastructure. But although user fees and operations and maintenance management committees are in place, the PCREN highlighted that more attention should be paid to maintaining KUPSIP’s public sanitation facilities. For example, some hand-washing facilities and showers are not functional because of a lack of maintenance.

In the **social sector**, some respondents worried about users’ ability to maintain the new outputs:
laboratories, machinery, and equipment. The users did not know how to do so. In a few cases, however, project funds were used to provide extra training to technicians for maintenance. Nonetheless, users and staff still need awareness-raising and training in the use and maintenance of the project’s outputs.

In the energy sector, where the country is facing the drawbacks of its large surplus capacity, the unbundling of institutions has created the need for different entities to coordinate their work and plan resources. The absence of coordination is making it difficult to plan the development of the transmission and distribution network. Indeed, some stakeholders mentioned a strong need to strengthen institutions’ capacity for sector-wide, least-cost planning. They also mentioned the need to improve technical skills.

Environmental sustainability

The Bank ensured that all projects considered environmental effects at the design stage. In road projects, important concepts such as creating low-impact development, reducing the impact of construction and operations on the environment, and creating safer and more integrated roads were integrated systematically. The Bank’s environmental and social policy guidelines were implemented satisfactorily, as were the regulations and guidelines developed by the National Environmental Management Authority for transport and WSS. However, the PCREN of WSSP I indicated that the project encountered a shortage of experts related to environmental safeguards during implementation.

In MATIP-2, the architects of the market infrastructure made sure that solid waste could be stored adequately. Solar installations are available, as are rainwater harvesting mechanisms in some circumstances, and garbage collection is coordinated by local governments.

In the HEST Project, an environmental and social management plan was prepared. All implementing agencies were informed and trained by the Bank’s regional environmental safeguards officer.

Some project delivered direct environmental benefits. For instance, interviews revealed that KUPSIP, a project in the WSS sector, improved environmental sanitation in schools. In addition, KUPSIP reduced the number of people defecating openly: the construction of household toilets increased the number of individuals with access to a latrine from 58% before the project to 68% at completion.

In the energy sector, however, the Bujagali hydropower initiatives (the hydropower plant and the interconnection project) faced complaints from the outset. In May 2007, the National Association of Professional Environmentalists submitted a complaint to the director of the Bank’s Compliance Review and Mediation Unit. The complaint charged the project with inadequate environmental and social impact assessments, inadequate consultation with and compensation of the communities and people affected by the projects, inadequate dam safety measures, and the loss of the Bujagali Falls as a spiritual and cultural heritage site. The project took a number of environmental monitoring and mitigation measures in response, and the Bank’s Independent Review Mechanism made four monitoring missions to Uganda (in 2009, 2010, 2011, and 2012) to assess the progress of implementation of Management’s remedial action plan. The report by the Independent Review Mechanism indicated that Bujagali Energy Limited had complied with legal provisions and the provisions of the social and environmental impact assessments of the AfDB and Uganda’s National Environmental Management Authority. In addition, project-affected people had been assisted to relocate to places where roads, boreholes, and other facilities were put in place. Since then, relations with stakeholders have improved as a result of better information-sharing, more dialogue, and Bujagali Energy Limited’s corporate social responsibility activities in agriculture, education, health, and fisheries.
Cross-Cutting Issues

Gender aspects

The Bank’s interventions over the evaluation period focused on inclusivity. In the agriculture sector, the construction of markets under MATIP-2 considered gender-differentiated needs. For example, the markets were designed to be one-stop centers that offer daycare facilities and healthcare services that are adapted to women’s needs. In the WSS sector, KUPSIP developed separate public sanitation facilities for men and women and adapted the facilities for people with disabilities. One-third of the 10 water service boards established under KUPSIP are headed by a woman. WSSP I will also support cross-cutting social issues, including the implementation of the WSS Gender Plan of Action and the creation of gender knowledge products. Additionally, WSSP II will establish water boards with women in executive positions and will foster the establishment and training of water user committees whose executive body includes at least one woman.

Projects in the transport sector carried out gender awareness/gender information programs during implementation. During construction, women had the opportunity to participate in a range of activities (traffic control, road safety, painting, stone cutting, landscaping, sweeping). Provision was also made to build roadside markets for women vendors. However, women’s access to jobs in the transport sector was limited. Few or no women work in Uganda’s civil engineering consulting firms, and women are underrepresented in all categories of transport operators.

In the social sector, because of the HEST Project, universities now have gender policies. Still, interviewees stressed that few women participate in the science curricula. They said that this is a cultural phenomenon that would be difficult to tackle with a HEST-like project that focuses mainly on infrastructure. Nonetheless, the education sector is increasingly able to aggregate gender data, including in universities, which is a positive development.

In the energy sector, information on gender inequalities in energy use is limited because data on electricity access is collected for households, not for individuals. The Bank’s recent Gender and Energy Country Brief for Uganda also reveals that Uganda’s energy sector does not have a gender policy or a gender strategy as required by the Uganda Gender Policy (2006). The brief makes several recommendations to mainstream gender in policy formulation, decision-making, data collection (data on energy users and on entrepreneurs), and monitoring and evaluation.

Green growth and climate change

Uganda is feeling the effects of climate change. As the planet warms, the country is suffering from more erratic rainfall, higher temperatures, more prolonged droughts, and more extreme weather events. It has committed to reducing greenhouse gasses below agreed-upon levels and continues to build climate change resilience measures into its infrastructure projects.

The Bank’s portfolio during the evaluation period mirrors this effort to mitigate climate harm. Climate change considerations were embedded in most projects. For example, solar panels were used to generate power for agricultural markets, trees were planted to capture the CO$_2$ produced by road projects, and water pumps were powered by solar energy.

In the power sector, most electricity produced in Uganda comes from renewable energy, and the AfDB’s three projects (Bujagali, Buseruka, and Achwa II) are all hydropower facilities. Given current excess capacity, it is unlikely that alternative gas-fired facilities or facilities using other fossil fuels will be deployed in the foreseeable future, except for backup or emergency generation. Thus, the choice of hydropower to generate electricity has reduced carbon emissions in Uganda.

The agriculture portfolio also factored climate change into the design and implementation of its initiatives. For example, most MATIP-2 markets use solar panels to generate power for the market vendors.
MATIP-2 markets also have rainwater reservoirs. The Farm Income Enhancement and Forest Conservation Program embedded forest conservation and catchment initiatives.

**Knowledge Work and Advisory Services**

The AfDB has been actively engaged in policy dialogue through analytical work and advisory services. Over the course of the two CSPs, the AfDB supported non-lending activities through economic and sector work. Overall, the Bank delivered seven analytical products from a list of 15. Four more products are underway. In collaboration with the East Africa Regional Hub, the Bank’s Uganda Country Office produced regional and sectoral studies to inform the Bank’s strategic and operational choices, including the Bank’s engagement in policy dialogue. It is clear that these studies informed the content of the projects in the portfolio. An example of a study that helped develop a CSP project is the WSS study, which according to interviewees was used extensively to develop WSSP.

The Bank’s analytical work helped improve governance and effect reforms in state agencies and ministries, improving efficiency as a result. For instance, the AfDB supported government entities (the Ministry of Energy and Mineral Development, the Rural Electrification Agency, and the Electricity Regulatory Authority) in solving issues with ongoing lending operations, for example by restructuring the Bujagali project to lower energy tariffs. Currently, the Bank is advising the Ministry of Energy and Mineral Development on efficiency and planning in the minerals sector, the oil and gas sector, and the power sector. Key informants in the AfDB’s country office, government institutions, and implementing agencies described the Bank’s knowledge work over 2011–2021 as timely and useful to their work. In addition, stakeholders mentioned that the Bank’s country team had a supportive attitude and was present when needed.

The AfDB also engaged in policy dialogue with the Government of Uganda on issues ranging from portfolio performance to regional integration, governance, private sector development, and the mobilization of domestic revenues. Here again, key informants in the AfDB’s country office, government institutions, and implementing agencies described the Bank’s knowledge work as timely and useful to their work.
The Bank’s Management of its Interventions

Design and Selectivity

The AfDB has been innovative in adapting its assistance to Uganda’s context, its challenges, and its development needs. For example, the Bujagali hydropower plant addressed Uganda’s power supply crisis and showcased the potential of public-private partnerships. Similarly, the Buseruka and Achwa plants emphasized the role of the private sector. The Bank also responded rapidly to COVID-19 by offering the country a budget support operation.

The evaluation confirmed that the Bank adhered to participatory approaches when designing the CSPs. Interviews with stakeholders indicated that the Bank consulted amply when designing operations as well. In all sectors, the Bank involved a wide array of stakeholders to ensure that its projects met the country’s priorities. In addition, the CSPs and operations integrated lessons learned from prior interventions. This made the CSPs responsive to the Ugandan context and to beneficiaries’ needs.

However, the evaluation also found that the Bank’s support is not selective or focused enough. Notwithstanding the large share of funding committed to infrastructure and the agriculture sector, the Bank ran operations in nine sectors (Figure 2). This breadth of activity reduces synergy and is unlikely to have the desired development effect in the sectors that received very small financial support. Furthermore, the comparative advantage of the Bank’s involvement in a sector such as communications is not clear. Additionally, the lack of significant investment in Pillar 2, due to the government’s preference to fund skills development programs with grants instead of loans, points to a problem with the AfDB’s strategic positioning at the time that the CSPs were designed.

Efficiency

Efficiency refers to the degree to which projects deliver or are likely to deliver results in an economical and timely manner.

The efficiency of the Bank’s projects over the evaluation period is rated as partly unsatisfactory. Data shows that two completed projects in agriculture and WSS produced positive economic returns, but in all sectors, project start-up delays were an issue. In addition, cost overruns and implementation delays were experienced throughout the evaluation period as a result of delays in procurement and disbursement. The cumulative disbursement ratio was in the range of 24%–28%, well below the Bank’s corporate target of 50%. The COVID-19 pandemic also caused delays.

Economic return on investment

Evidence on the economic internal rate of return (EIRR) of completed interventions was limited and the results were mixed. Of the 37 projects in the portfolio, only four projects had EIRR data. Two of these reported a greater EIRR at completion than at appraisal: at completion, WSSP had an EIRR of 28.27% versus 20.20% at appraisal, and the Additional Funds to Water Supply and Sanitation Program recorded an EIRR of 17% at completion versus 13% at appraisal. The other two projects reported a lower-than-expected EIRR. CAIIP-3 had an EIRR of 25.0% at completion versus 28.6% at appraisal. As for the Supplementary Loan to
Kampala Sanitation Program, the EIRR for all three project components dropped between appraisal and completion: the Nakivubo Sewerage System went from 16.7% to 5.7%, the Kinawataka Sewerage System from 11.3% to 3.3%, and the Fecal Sludge from 20.3% to 8.3%. Cost overruns due to implementation delays were at play.

Some projects experienced cost overruns that delayed completion significantly. The Buseruka Hydropower Project had to seek additional funds, bringing the total cost from USD 27.22 million to USD 41.10 million. Similarly, the Supplementary Loan to Kampala Sanitation Program experienced cost overruns as a result of changes in technical specifications. In most cases, the overruns were due to a change in interventions’ scope. This suggests that the feasibility studies for these projects were weak.

The evaluation found that the private-public partnerships for the construction of the hydropower plants were financially and economically viable and helped the country move from a power shortage to a power surplus. However, the large size of the power surplus is a fiscal problem and means that scarce government resources are still not being used efficiently in the power sector. That is, the government is paying for deemed energy use, not actual use.

**Timeliness**

The efficiency of the Bank’s interventions was undermined by implementation delays. Among the factors affecting efficiency were delays in mobilizing contractors, delays in land acquisition (e.g., for RSSP V), delays in parliamentary approval of AfDB projects, and to a limited extent, the Government of Uganda’s incomplete understanding of AfDB procedures, processes, and requirements.

Procurement delays also affected the efficiency of project implementation overall. Some sectors were more affected than others. Most affected were infrastructure projects like the Uganda Rural Electricity Access project, RSSP IV, and the Bujagali projects. The main factors that delayed procurement were the length of the procurement process (in MATIP-2, decision-making took longer), contract terminations, delayed finalization of the design review, complaints by some bidders about procurement process, delays in contractors mobilizing equipment and materials, a lack of guidance from the procurement staff in the country office, and lack of familiarity with the Bank’s procurement rules and procedures.

The Bank’s interventions failed to meet the completion timelines set at project appraisal. This caused some projects to be extended. Of the eight projects that were completed or closed, only two adhered to the indicative timeline for completion. The Additional Funds to Water Supply and Sanitation Program was completed one month ahead of schedule, and KUPSIP was completed two months ahead. The remaining six projects (75% of all projects) averaged 8.5 months longer than the duration planned at appraisal. MATIP-2 was delayed by 17 months and WSSP by 16 months (Figure 3). The delays caused the projects’ milestone dates to be extended.

The COVID-19 pandemic had a negative impact on ongoing projects. In some instances, construction and project implementation activities had to be suspended for some time. This was the case for MATIP-2, Achwa II, the HEST Project, and the Uganda Rural Electricity Access Project. The travel ban that was imposed to curb the spread of the virus delayed the delivery of goods and materials. Some projects had to be redesigned. At MATIP-2, for example, the construction sites were re-designed to put hand-washing areas in place and allow extra space for more fluidity of movement. Furthermore, the number of workers was reduced to ensure social distancing.

The analysis of projects’ start-up dates found mixed results. On average, first disbursements took place 15 months after projects were approved. An average of seven months passed between presentation for Board approval and the signature
date. After signature, projects took an average of two months to enter into effect (Annex 5, Table A5.2). Projects in the transport sector and the COVID-19 budget support operation took longer to obtain parliamentary approval.

Although stakeholders in the Bank and the government felt that disbursement had improved over time, the overall disbursement ratio in 2017–2021 was still low (it ranged from 24% to 28%, well below the Bank’s 50% target).

Managing for Development Results

As part of implementing the CSPs, the Bank reviewed the portfolio each quarter, monitored progress through supervision visits, produced midterm and completion reports, created a dashboard to follow progress, and maintained a dialogue with the Government of Uganda and sector ministries on developments within the portfolio. Interviews show that these processes for monitoring results improved the portfolio’s performance by making it possible to take action promptly to avoid problems or resolve them. The evaluation found that all the instruments of the Bank’s performance management system helped the country team to assess projects’ performance, recommend improvements, and follow up where necessary. However, IDEV’s validation of project completion reports found that in some instances, the ratings of project achievements were inflated.

Weak monitoring and evaluation systems limited the measurement of some indicators’ results. The lack of a baseline and the lack of reliable data made it difficult to measure some results. These issues came to light at the medium-term review of the CSPs and at CSPs’ completion. For example, the 2017–2021 CSP completion

![Figure 3: Are Bank Projects Completed on Time?](source)

report noted that the unavailability of data made it impossible to assess certain outcome and output indicators. The principal reason was inadequate capacity for monitoring and evaluation tasks, within the Bank and within the government. The Government of Uganda has developed capacity in results-based monitoring and evaluation and would welcome more Bank support.

Although the design of new interventions took lessons from prior interventions into account, systemic obstacles continued to undermine results. This was noted in the 2017–2021 CSP completion report, which stated that the achievement of some results had been disrupted by start-up delays, procurement challenges, and disbursement delays. Likewise, the 2011–2016 CSP completion report indicated that baselines were established after project implementation had already begun. This was principally because of late start-up dates, procurement process issues, and budget issues.
The Borrower’s Performance

The Government of Uganda’s National Coordination Policy sets out guiding principles and policies for managing, coordinating, and harmonizing aid. The objective of the policy is to maximize institutional synergies among ministries, departments, and agencies; civil society; development partners; and the private sector, to ensure the efficient and effective delivery of public services. The policy also ensures that ministries, departments, and agencies’ priorities are harmonized and that government programs are sequenced to achieve the greatest socioeconomic impact. It standardizes reporting across government agencies, and it optimizes the resources spent on planning, implementing, monitoring, and evaluating government programs.

To better coordinate and harmonize aid, the Government of Uganda meets regularly with local development partner groups and sector working groups. This has improved dialogue on development issues and interventions, developed linkages to key budget and planning processes, and promoted the use of national systems for programming, financing, and review. The Government of Uganda and the local development partner groups also conduct joint reviews, joint analytical work, joint missions, and other harmonization initiatives while holding in-depth discussions on development issues and challenges and other matters of mutual interest.

Nonetheless, constraints persist. The principal constraints are delays in the parliamentary approval of AfDB projects, procurement delays, counterpart fund delays, and to a lesser extent, the Government of Uganda’s incomplete understanding of AfDB policies, procedures, processes, and requirements in implementing its programs.
Conclusions, Lessons, and Recommendations

Conclusions

This evaluation examined the AfDB’s contribution to Uganda’s development over the past two CSP periods (2011–2021). Based on its findings, the evaluation draws the following conclusions.

Relevance. The main sectors chosen for support (agriculture, transport, water supply and sanitation, and energy) were key priorities for the country and aligned with the Government of Uganda’s Vision 2040 as well as the goals and objectives of Uganda’s NDP I and NDP II. Projects undertaken under Pillar I were well chosen and aligned with the country’s development priorities and the needs of beneficiaries. They also corresponded to the AfDB’s priorities. The same cannot be said of the projects supported under Pillar II. Only a few Pillar II projects were approved under CSP 2011–2016, and no Pillar II projects to develop human capital were financed under CSP 2017–2021. On balance, the relevance of the AfDB’s support to Uganda, across the two CSPs, is rated satisfactory.

Coherence. The evaluation confirmed synergies and linkages among most interventions undertaken by the Bank. For example, the Additional Funds to Water Supply and Sanitation Program in WSS interacts with other sectors, such as agriculture. However, the evaluation identified areas, such as projects in the education sector, where operations were isolated from one another. In infrastructure, though, the Bank carefully coordinated and harmonized its approach with that of other development partners. Hence, coherence is rated as satisfactory.

Effectiveness. The evaluation found that the AfDB contributed to results under Pillar I, enhancing agricultural productivity and the marketing of agricultural produce, improving the generation and distribution of electricity, increasing access to water and sanitation in rural and urban areas, and improving the national road network. The results were, however, below expectations. As for Pillar II, the Bank produced positive results under CSP 2011–2016, under which it improved and expanded infrastructure in universities and hospitals in Kampala. Under CSP 2017–2021, however, the government’s reprioritization of projects meant that the Bank did not meet expectations for developing skills and entrepreneurship. The evaluation rates the effectiveness of the Bank’s strategies and operations as partly unsatisfactory.

Sustainability. Most projects were found to be technically sound. This said, although the Bank’s interventions in the energy sector reversed a power shortage, the massive surplus that resulted now threatens the sector’s financial viability: the government is forced to pay for deemed energy usage, which ultimately drives up end-user tariffs. In the other sectors, the Bank has developed capacity to maintain infrastructure (roads, irrigation facilities, agricultural markets, and newly acquired equipment at hospitals and universities), but funding and technical skills gaps still need attention. In addition, although environmental and social safeguard measures were integrated into projects’ design, adequate monitoring of those measures is important during implementation. Indeed, the risks to the sustainability of the projects’ benefits are substantial. For those reasons, sustainability is rated as partly unsatisfactory.

Efficiency. The efficiency of the Bank’s projects over the evaluation period was found
partly unsatisfactory. Available data shows that 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, in procurement, and in disbursements. Some projects also experienced cost overruns.

Lessons

The evaluation draws four principal lessons.

Lesson 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.

Lesson 2: Adequately assessing the government’s borrowing policy when formulating the country strategy would avoid re-orientating efforts midway. The Bank’s support for building the skills base for a modern economy made progress but 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.

Lesson 3: Close attention to quality at entry when planning and designing new operations would reduce implementation challenges and facilitate the timely completion of projects. In all sectors, project implementation was subject to delays. These delays have been attributed to skills gaps, complex procurement processes, staff changes, and multi-level project approval procedures. Over time, infrastructure projects have become much more complex. Where projects were once delivered by a single government agency, they now consist of risk-sharing operations involving 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.

Lesson 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 shortage of power supply.

Recommendations

The evaluation makes three recommendations for the next CSP cycle.

Recommendation 1: Adapt the CSP priorities to the country context in the areas of skills development and private sector growth. The main focus of the Bank’s second pillar was vocational education and training. However, given the government’s preference not to borrow for human capital development operations, the Bank can consider supporting skills development and youth employment in other ways. The Bank might reorient as follows:

- Continue or expand training as a component of the Bank’s conventional infrastructure operations, leaving more generic skills and vocational training to grant-based development partners.
- Focus on supporting private sector development that creates jobs for youth.

Recommendation 2: Refocus support for the energy sector. Uganda’s power surplus threatens the financial viability of the energy sector. Going forward, the Bank may consider the following:

- Concentrate investments on two elements: (a) transmission and distribution, to expand
the grid; and (b) the generation of off-grid renewable energy.

- Support the development of a masterplan for the power sector to balance supply and demand; expand access to affordable power; and promote the supply of off-grid energy.

- Provide strong support for building capacity in sector coordination, planning, and policy formulation in collaboration with other development partners. Sector policy coordination and coherence become more important when institutions are unbundled and public-private partnerships in the sector are growing.

**Recommendation 3: Make Bank-supported benefits more sustainable.**

- Ensure that operations in all sectors reflect the demand for infrastructure services and contain measures to ensure financial and economic viability as well as institutional capacity and ownership by beneficiaries.

- Develop asset management capabilities, including robust funding mechanisms for operation and maintenance activities, in key sector institutions.

- Engage the government in policy dialogue on relevant sustainability issues.
# Annexes

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## Annex 1: Evaluation Matrix

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<td><strong>Development results – what has been achieved by the Bank?</strong></td>
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<tr>
<td><strong>Relevance</strong></td>
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<td>To what extent are the Bank’s interventions relevant to the needs, development challenges and priorities of Uganda?</td>
<td></td>
<td>In-depth Document Review Key Informant Interviews Project case studies Project Results Assessments Online survey</td>
</tr>
<tr>
<td>To what extent do the Bank’s interventions address the needs of target groups in Uganda?</td>
<td></td>
<td>In-depth Document Review Key Informant Interviews Project case studies Project Results Assessments Online survey</td>
</tr>
<tr>
<td>To what extent are the interventions in the country aligned with the Bank’s priorities?</td>
<td></td>
<td>In-depth Document Review Key Informant Interviews Project case studies Project Results Assessments Online survey</td>
</tr>
<tr>
<td><strong>Effectiveness</strong></td>
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<td>To what extent have the Bank’s interventions achieved their expected development objectives and results?</td>
<td></td>
<td>In-depth Document Review Key Informant Interviews Project case studies Project Results Assessments</td>
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<tr>
<td>What is the impact of COVID-19 on the Bank’s operations and the country’s development?</td>
<td></td>
<td>In-depth Document Review Key Informant Interviews Project case studies</td>
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<tr>
<td>Key questions and Sub-questions</td>
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| To what extent have the Bank’s interventions benefited target group members? | To what extent have the Bank’s interventions benefited target group members?  
- Perceptions of beneficiaries and target groups on how the Bank’s interventions have addressed their needs (adequacy of interventions).  
- Evidence of benefits obtained by target groups (e.g., increase of income, increased knowledge) due to implementation of the interventions  
- Perception of beneficiaries on the AfDB’s role - knowledge, visibility, support, added value  
- Perception of stakeholders (beyond beneficiaries) on the benefits that target group members derived from the Bank’s interventions  
- Number and type of beneficiaries benefiting from specific Bank’s interventions  
- Level of correspondence between project beneficiaries and beneficiaries as stated in strategic documents | In-depth Document Review  
Key Informant Interviews  
Project case studies  
Project Results Assessments |
| To what extent have the Bank’s interventions contributed to the achievement of development objectives and expected development results of the country, including impacts (both intended and unintended)? | To what extent have the Bank’s interventions contributed to the achievement of development objectives and expected development results of the country, including impacts (both intended and unintended)?  
- Evidence of the Bank’s support and contribution to the country development objectives (e.g., households with new electricity connections, total installed electricity capacity, roads constructed, rehabilitated, or maintained (km) – see AfDB Results framework indicators)  
- Perception of stakeholders (government, development partners, civil society) on the Bank’s support and contribution to the country development objectives  
- Evidence of individual interventions’ contribution to the country development objectives  
- Perception of stakeholders (implementing agency, beneficiaries, civil society) on the AfDB interventions and contribution to the country development objectives  
- Evidence of effects (positive and negative) generated by the AfDB supported interventions not initially intended | In-depth Document Review  
Key Informant Interviews  
Project case studies  
Project Results Assessments  
Online survey |
| Sustainability | To what extent have the achieved benefits continued or are they likely to continue once the Bank’s interventions are completed?  
- Attention paid to sustainability and sustainability factors in the AfDB strategies and policy dialogue  
- Perception of stakeholders on the importance given to sustainability by the Bank  
- Existence of intervention and sector sustainability plans (exit-strategies)  
- Evidence that Government of Uganda has absorbed the results of the interventions (ownership) and has provided for their sustainability (e.g., financially, organizationally, policy)  
- Clear definition as to accountability for sustainability  
- Existence of satisfactory institutional arrangements and regulations to ensure infrastructure and equipment maintenance, or territorial management  
- Evidence that capacity (individual, organizational, institutional) has been strengthened to sustain the achieved benefits  
- Completed Operations with Sustainable Outcomes Rating (COSOR) | In-depth Document Review  
Key Informant Interviews  
Project case studies  
Project Results Assessments |
| Cross-cutting issues | To what extent are the Bank’s interventions inclusive (i.e., bringing prosperity by expanding the economic base across the barriers of age, gender, youth and geography) in terms of gender equality and regional disparity?  
- Degree to which AfDB supported projects are informed by contextual and situational analyses, with clear statistics and evidence on regional disparities, most vulnerable groups, gender and equity issues, youth employment levels, etc.  
- Evidence of stakeholder participation in the design, implementation and evaluation of AfDB supported projects  
- Evidence that issues of gender equality, youth employment, and geographic disparities are considered as a criterion in the selection of AfDB supported projects  
- Degree to which issues of gender equality, youth employment, and geographic disparities are considered in the implementation of projects  
- Existence of gender-sensitive monitoring system and framework and reporting | In-depth Document Review  
Key Informant Interviews  
Project case studies  
Project Results Assessments |
### Key questions and Sub-questions

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| To what extent are the Bank's interventions environmentally sustainable and support the transition to green growth? | Evidence that the quality of environmental assets (e.g., climate-resilient water infrastructure) are considered as a criterion in the selection of AfDB supported projects  
Examples of AfDB supported projects that specifically address climate resilience issues.  
Evidence that climate resilience issues are considered in AfDB supported projects (climate-informed design and implementation). | In-depth Document Review  
Key Informant Interviews  
Project case studies  
Project Results Assessments |

### Managing the Bank’s interventions – how and why were the development results achieved or not?

#### Design

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| To what extent is the quality of the CSP satisfactory? | Degree to which the CSP design is informed by relevant analytical work (studies) and policy guidelines and frameworks  
Degree to which the thematic areas of interventions (or pillars) of the CSPs are adequately selected based on thorough analyses of the Country’s development needs?  
Existence of sound and coherent CSP instruments: theories of change and/or log-frames with clear outcomes, outputs, and activities  
Evidence that CSP individual projects are selected based on clear quality at entry criteria  
Degree of dissemination of analytical work to stakeholders of funded interventions  
Stakeholder opinions on the quality of CSPs?  
Degree to which different aspects of sustainability (financial, technical soundness, social, institutional, environmental) were considered at the appraisal and design stages of AfDB interventions | In-depth Document Review  
Key Informant Interviews |
| To what extent has the Bank applied selectivity in designing its country portfolio and focused on areas where it brings added value? | Budgetary share of interventions under the priority sectors of the Bank (global and by sector)  
Evidence that the AfDB portfolio is focused on sectors (and sub-sectors) where the Bank adds value and has a comparative advantage  
Justification of priority areas and thematic choices (specific issues & constraints; links with the national strategy; added value in PARs)  
Comparison between the interventions (and instruments used) by the Bank and those of the other main donors during the period  
Stakeholder perceptions on the relevance of the Bank’s choice to focus on selected sectors | In-depth Document Review  
Key Informant Interviews  
Portfolio Analysis |
| To what extent has the Bank been innovative in adapting its approach to the country’s context and development challenges/needs? | Evidence of adjustments made at strategy, sector and intervention levels following changes in the country context  
Degree of flexibility of Bank’s operations in response to country’s changing circumstances  
Relative shares in the intervention portfolio of each aid modality / fund mobilized and their evolution during the evaluation period  
Perception of stakeholders on the interventions and instruments mobilized by the Bank and their relevance to the situation of the sector / country context | In-depth Document Review  
Key Informant Interviews  
Portfolio Analysis  
Online survey |
| To what extent are the Bank’s interventions coherent and well-coordinated internally? | Degree of coordination and synergies between sectoral interventions of AfDB, at design, planning and implementation levels  
Evidence of complementarity between AfDB instruments and support modalities instruments in response to country needs  
Perceptions of AfDB staff and country-level stakeholders’ partners on the frequency and quality of intersectoral communication | In-depth Document Review  
Key Informant Interviews  
Online survey |
### Key questions and Sub-questions

#### Efficiency

**To what extent are the Bank’s interventions delivered in an efficient manner (i.e., whether resources and inputs are economically converted to results)?**

- Use of cost-benefit analysis/ economic and financial analysis (NPVs, IRRs) at the project appraisal stage, including systematic testing of alternative designs.
- Costs of implementation (overheads) where data is available
- Results of return on investment (ROI) calculations (where available)

**To what extent are the Bank’s interventions implemented in a timely manner and in compliance with operational standards?**

- Elapsed time between project approval and first/final fund disbursement
- Degree of compliance with the implementation schedule of the interventions (comparison of the estimated duration and the actual duration of execution from the date of entry in force)
- Staff and partners’ appreciation of the timeliness of the Bank interventions
- Elapsed time between project proposal for funding by the AfDB and approval.
- Percentage of projects completed on time, Percentage of projects with extensions
- Stakeholders’ perceptions on the appropriateness of the AfDB’s operational standards (e.g., quality of supervision, procurement, financial management)
- Degree of compliance to reporting audit reports, progress reporting from the borrower

#### Knowledge and Policy Advice

**To what extent has the Bank actively engaged in and influenced policy dialogue through relevant advice?**

- Existence of relevant CSP guidelines on policy dialogue
- Evidence of engagement and involvement of the AfDB in policy dialogue with government (e.g., frequency of meetings, working groups, etc.)
- Evidence that the advice provided by the AfDB to the Government of Uganda and other beneficiaries (strategic, instruments) is followed
- Stakeholder perceptions on the role of the AfDB on influencing policy dialogue and the impact this has had

**To what extent has the Bank delivered adequate analytical work in support of its interventions, positioning and policy advice?**

- Number of studies completed with the Bank’s support, potentially informing development work in the areas of intervention of Bank assistance (sectors, cross-cutting)
- Stakeholder perceptions on the quality, availability, usefulness (of results) of the Bank supported analytical work
- Degree of dissemination and use of analytical work by relevant stakeholders

#### Partnerships, harmonization, and leverage

**To what extent are the Bank’s interventions harmonized with those of other donors (avoiding duplication, simplifying procedures etc.)?**

- Degree of sector / thematic specialization of the main development partners and place / role of the Bank (division of labor)
- Evidence of efforts (e.g., platforms, sectoral partnerships, shared procedures) aimed to coordinate development interventions between development partners and role (influence, coordination) of AfDB therein
- Degree of cooperation and co-financing in individual of the results of interventions funded by different development partners including the Bank
- Stakeholder perceptions on the quality of efforts made to foster harmonization, coordination, and complementarity

**To what extent are the Bank’s interventions and resources bringing in other players and being leveraged for maximizing development effectiveness at the country level?**

- Proportion of AfDB interventions jointly financed and or implemented with other development partners
- Examples of projects initiated by the AfDB and later joined by other development partners following Bank leadership
- Role and importance of the Bank in intervention design, and in terms of facilitation and resource mobilization by other development partners
- Degree of the Bank’s use of different instruments and aid modalities in relation to other development partners
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</table>
| **Managing for Development Results** | To what extent has the Bank successfully implemented a performance management strategy that focuses on performance and the achievement of outputs, outcomes, and impacts?  
1. Degree of application of Results-based Management principles and instruments in the AfDB work (e.g., clearly defined objectives, expected results and SMART indicators allowing tracking progress towards achievements)  
2. Existence and type of M&E products (quarterly and annual progress reports, mid-term reviews, final evaluations, completion reports)  
3. Timeliness of reporting  
4. Evidence that new AfDB supported projects use lessons learned from previous projects in their design  
5. Evidence that responses to issues and recommendations raised in M&E are followed  
6. Frequency of supervision missions allowing timely identification of problems and adjustments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | In-depth Document Review  
Key Informant Interviews                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| To what extent has the Bank supported the development of national capacities and management systems that focus on outcomes?  
1. Evidence of national technical, managerial, governance and institutional capacities strengthened by AfDB interventions  
2. Examples of AfDB’s support to government M&E units in setting up project and program management systems that are results-oriented                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | In-depth Document Review  
Key Informant Interviews                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| **Borrower Performance** | To what extent did the borrower partner show leadership in aid coordination/harmonization?  
1. Evidence of country leadership of the development agenda (selection of strategic areas of interventions, choice of financing modalities)  
2. Examples of efforts of borrower effort to coordinate and organize the work of development partners (e.g., division of labor among development partners)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | In-depth Document Review  
Key Informant Interviews                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| To what extent did the borrower partner and other clients participate in the design and implementation of interventions (CSP, preparing for AfDB operations; compliance with AfDB loan covenants and conditionality; timely provision of counterpart funds; following procurement guidelines, etc.)?  
1. Evidence of borrower participation and ownership in the design of the CSP (choice of strategic areas, division of labor among development partners)  
2. Evidence of borrower participation and other clients in the design/preparation and implementation of AfDB supported interventions  
3. Degree to which the borrower complies with AfDB loan covenants and conditionality  
4. Degree of timely provision of counterpart funds  
5. Degree of following of procurement guidelines  
6. Proportion of aid (and % of AfDB intervention) of the country included in the national budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | In-depth Document Review  
Key Informant Interviews                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| To what extent did the country support the management of development results?  
1. Evidence of functional systems (and or functions) set up by the borrower promote effective performance management of development interventions  
2. Evidence of measures taken by the Government of Uganda (or lack thereof) to foster the achievement of results by the AfDB interventions (and beyond)  
3. Degree of national efforts invested in M&E modalities and follow-up provided to the attainment of development results                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | In-depth Document Review  
Key Informant Interviews                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| What are the facilitating or constraining factors to borrower performance?  
1. Identification (and evidence) of facilitating or constraining factors to borrower performance. Factors are identified at strategic, portfolio and project levels. They can range from contextual (political and economic contexts, quality of governance, country or regional business and market environment) to project-design and management, strategic choices of the Bank, Bank systems.                                                                                                                                                                                                                                                                                                                                                                                                  | In-depth Document Review  
Key Informant Interviews  
Project case studies  
Project Results Assessments |
<table>
<thead>
<tr>
<th>Key questions and Sub-questions</th>
<th>Indicators</th>
<th>Compliant</th>
</tr>
</thead>
</table>
| Drivers of success and lessons learned                                                                                                                | Identification (and evidence) of key factors positively and negatively influencing the achievement of development results. Factors are identified at strategic, portfolio and project levels. They can range from contextual (country or regional political and economic contexts, including the quality of country governance, country or regional business and market environment) to project-design and management, strategic choices of the Bank, Bank systems. | In-depth Document Review  
   Key Informant Interviews  
   Project case studies  
   Project Results Assessments                                                                                                                      |
| What are the key factors positively and negatively influencing the achievement of development results?                                                | Identification (list) of lessons learned at strategic, portfolio and project level that could inform future strategies and program in Uganda                                                                 | In-depth Document Review  
   Key Informant Interviews  
   Project case studies  
   Project Results Assessments                                                                                                                      |
Annex 2. Evaluation Methodology

The methodology for this evaluation used different approaches. Results were evaluated at three levels: the project level (the Bank’s interventions), the sector/thematic level (the pillars of the two country strategy papers (CSPs)), and the strategic level (the country strategies). Figure A2.1 shows the evaluation’s methodological process, activities, and deliverables.

Figure A2.1: The Evaluation’s Methodological Approach

- **Outputs**
  - Case studies
  - Qualitative & quantitative data and assessments
  - Thematic report
  - Technical report

- **Inputs**
  - Desk review and field-based study of AfDB’s different financing mechanisms and non-lending activities
  - Performance scoring and aggregation
  - Triangulation of evidence

- **Bank Interventions**
  - Main Pillars
  - Country Strategies

- **Uganda Vision 2040**
  - Thematic reports, case studies, portfolio analysis and document reviews
  - Theory of Change for the Country Strategies
  - Other Country level Reports and Evaluations

**Evaluation criteria and issues**
- OECD/DAC criteria (relevance, effectiveness, efficiency, impact, sustainability)
- Cross-cutting issues: Inclusiveness (gender equality and regional disparity), environmental sustainability
- Institutional Performance and focus on results
- Borrower’s performance
- Knowledge and policy advice, partnerships, harmonization, and leverage, analytical work
- Country context, COVID-19, other external pressures

Source: Baastel Evaluation Team
Theory of Change

The evaluation used a theory of change\(^\text{19}\) to understand how the AfDB’s support in Uganda contributed to change, what results were achieved, and how and why those results materialized (or failed to do so). The evaluation team developed the theory of change (Figure A2.2) based on the CSPs (2011–2016 and 2017–2021), an analysis of policy documents, and discussions with various stakeholders during the inception phase. The evaluation team then used the theory of change as an analytical framework through which it determined the contribution of the Bank’s programs to the country’s results. This allowed the evaluators to link the Bank’s CSPs systematically to the development goals formulated in Uganda’s national development plans, especially the plans’ priority areas of agriculture and infrastructure (transport, power, ICT, and water), which coincide with Pillar I of the two CSPs. The evaluators also linked the CSPs to the national development plans’ priority area of human capital development, which coincides with the CSPs’ second pillar. Finally, the theory of change identified the pathways—determined by the context and other factors—by which the Bank’s interventions contributed to development outcomes and impacts at the country level.

To make the findings more useful, the evaluation applied a utilization-focused\(^\text{20}\) approach. In all phases of the evaluation, the evaluation team engaged with the Bank staff as well as with external stakeholders at the country level to ensure that the evaluation met their needs and priorities. Preliminary findings, conclusions, and recommendations were presented to AfDB staff and staff from Uganda’s Ministry of Finance, Planning and Economic Development, notably at a debriefing session, to validate the findings and collect additional insight.

Data Collection

The evaluation used various methods to collect data: a document review, field missions, interviews and focus group discussions, and case studies.

**Document review:** The evaluation team reviewed documents on the Bank’s projects in Uganda in depth to assess the projects’ design, their implementation, and their progress. The team also identified lessons and challenges. The documents included project materials, policy framework and strategy documents, CSPs, past evaluations, national development and sector reports, and development partner materials.

**Interviews and focus group discussions:** The evaluators conducted interviews and focus group discussions during the scoping mission and the main data collection mission, which took place virtually on Zoom and Microsoft Teams. Among those consulted were Bank staff, government officials, and representatives of the development partners and civil society organizations that were involved in the key sectors that the CSPs sought to support.

**Online survey:** The evaluators sent an e-survey to government and Bank staff, development partners, and other stakeholders familiar with the AfDB’s interventions to record their perceptions of the AfDB’s contribution to Uganda’s development results. Because of the low response rate, the evaluation did not use the survey results.

**Case studies:** The evaluation team conducted six case studies, one for each major sector supported by the Bank during the period evaluated. The objective of the case studies was to produce an in-depth, contextualized analysis of the AfDB’s contribution to Uganda’s development results in a range of sectors. To select the case
studies, purposive sampling was applied. The first criterion was to select one project from each of the major sectors supported during the CSP cycles: transport, agriculture, water supply and sanitation, power, social, and finance. The second criterion was implementation status: completed, closed, or ongoing. Except for projects in the transport sector, none of which have been completed, the projects selected were completed or near completion. The third criterion was a high disbursement ratio. Because the Road Sector Support Project IV had the highest disbursement ratio of any project in the transport sector, it was selected.

**Data Analysis**

The evaluation employed three complementary analytical approaches to address all aspects of the AfDB’s work in Uganda appropriately and comprehensively while providing for validation and triangulation.

**Approach 1: Descriptive, Explanatory, Quantitative, and Qualitative Analysis**

At the highest level, the evaluation team undertook a descriptive, explanatory, qualitative, and quantitative analytic approach. This ensured that information was reliable, and it increased the quality and credibility of the evaluation’s findings and conclusions. Details on each analysis and how it was used are provided below.

**Table A2.1: Six Case Studies: Their Sector and Their Objectives**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Project Name</th>
<th>Project Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Supply and Sanitation</td>
<td>Kawempe Urban Poor Sanitation Improvement Project (KUPSIP)</td>
<td>KUPSIP’s objective was to provide affordable, sustainable sanitation services to the urban poor in Kawempe Municipality. This was expected to improve living conditions, help attain the targets of the Government of Uganda’s National Development Plan, and work towards meeting the millennium development goals.</td>
</tr>
<tr>
<td>Transport</td>
<td>Road Sector Support Project (RSSP) IV</td>
<td>RSSP IV’s objective was to increase road access to socioeconomic facilities and improve transport services in western Uganda by upgrading the Kigumba–Masindi–Hoima–Kabwoya road from gravel to bitumen standard. Doing so was expected to improve the standard of living of beneficiaries living nearby and using the road.</td>
</tr>
<tr>
<td>Social</td>
<td>The Support to Higher Education, Science and Technology (HEST) Project</td>
<td>The HEST Project sought to contribute to the development of Uganda’s human capital in education, science, and technology, creating skills that respond to industry’s needs and ultimately increasing national productivity.</td>
</tr>
<tr>
<td>Agriculture</td>
<td>Markets and Agricultural Trade Improvement Project-2 (MATIP-2)</td>
<td>MATIP-2’s principal objective was to reduce poverty and boost economic growth in Uganda by enhancing the commercialization of agricultural products and other merchandise. Project components included building market infrastructure, adding value to agriculture products, facilitating trade, and building capacity in project management.</td>
</tr>
<tr>
<td>Finance</td>
<td>Housing Finance Bank of Uganda</td>
<td>The principal objective of this project was to provide a line of credit to the Housing Finance Bank of Uganda, thus giving the institution long-term funding with which it could fund the development of residential and commercial real estate for the benefit of low- and medium-income earners and small and medium-sized enterprises.</td>
</tr>
<tr>
<td>Power</td>
<td>Bujagali Hydropower Plant and Bujagali Energy Limited</td>
<td>The objective of these projects was to improve the generation, distribution, and transmission of electricity in Uganda and make power more affordable and more accessible.</td>
</tr>
</tbody>
</table>
Descriptive and explanatory analysis: Descriptions of the country context, the AfDB’s logic of interventions, the CSPs, the Bank’s portfolio in Uganda, and the development results achieved under the two CSPs informed the evaluation team of how results occurred and under what conditions. This allowed the team to draw conclusions about the key issues investigated in the evaluation, notably relevance, effectiveness, sustainability, efficiency, and performance at the program and project levels. It also allowed the team to observe trends in the data, understand performance patterns, and speak to the strengths and limitations of the overall approach.

Quantitative analysis: Material related to the AfDB’s portfolio was analyzed quantitatively to reveal major trends in the data. The analysis reviewed key performance indicators for the portfolio as regarded quality at entry, quality at implementation, and quality at exit to produce an overview of the portfolio’s composition and implementation.

Qualitative analysis: Documents, interview material, and notes from focus group discussions were subjected to qualitative content analysis to identify common trends, themes, and patterns in the data. Interpretive content analysis was also used to flag diverging views and opposite trends on certain issues.

Approach 2: Clustering, Scoring, and Aggregation

The analytical strategies of clustering, scoring, and aggregation were employed as part of the multilevel approach adopted for this evaluation. Following are details on each strategy and how it was employed.

Clustering: The projects funded by the AfDB under the two CSPs are of different natures: lending operations, non-lending analytical and advisory work, etc. As such, not all projects could not be assessed in the same manner; hence the need to cluster them by their different characteristics and assess them accordingly.

Scoring: The evaluation team used a rating scale to score the performance of the AfDB’s interventions. The scale was applied to each evaluation criterion and question in the evaluation framework when assessing project results, when analyzing the portfolio, when conducting the case studies and thematic analyses, and when evaluating the CSPs’ overall contribution to development results. A rating scale ensures a sound, consistent, qualitative assessment of data collected from different sources. The rating scale has four levels ranging from 1 (unsatisfactory) to 4 (very satisfactory). Table A2.2 explains the rating scale.

Aggregation: Aggregation was used to conduct the thematic (pillar) analysis and the strategic analysis. Aggregation makes it possible to analyze complementarities between sectors, determine how sector results contributed to pillars’ results, and observe how results at the pillar level synergistically contribute to results at the strategy level. Similar analyses were conducted to determine how and to what extent the support instruments (lending instruments and non-lending instruments) interacted to influence the results.

Approach 3: Triangulation

Triangulation was at the core of the data analysis process. Triangulation ensures the reliability of information and increases the quality, integrity, and credibility of an evaluation’s findings and conclusions. As much as possible, the evaluation team based individual findings on several lines of evidence: document reviews,
Figure A2.2: Theory of Change (2011–2021)

Overall objectives Uganda

Uganda NDP I (2010/11 – 2014/15); NDP II (2015/16 – 2019/20);

CSPs objectives

CSP 2011–2016: Improve Uganda's prospects for economic growth and job creation

High 5

Integrate Africa

Light up & power Africa

Feed Africa

PILLAR I: Infrastructure development for industrialisation

Investments in economic and social infrastructure for industrialization: Transport, water and sanitation, energy, and agriculture

Loan and Grant; Policy advice and knowledge work

Transport

- Improved safety of transport services
- Improved human resource and institutional capacity of the sector
- Reduction in cost of vehicle maintenance
- Reduction in transport costs

Power and energy

- Enhanced affordability and accessibility of reliable energy
- Increase in power generation capacity
- Km of transmission line
- Number of new electricity connections in HH, facilities and businesses

Agriculture

- Improved income earning to farmers
- Quantity and quality of agriculture yield from crops and livestock
- Number of urban markets constructed
- Kms of feeder roads built
- Number of irrigation schemes built

Outputs

- Number of Kms of roads constructed/paved and rehabilitated
- Number of staff trained on road maintenance
- Number of staff trained on road maintenance
- Number of staff trained on road maintenance

Intervention Modalities

- Institutional weakness and governance challenges within the public sector to implement projects
- Debt distress due overborrowing
- Low demand for exports from China and Europe on account of their declining and sluggish economic growth rates, respectively (which may be further aggravated by spill-over effects of BREXIT and growing anti-globalization sentiments in the US and EU)

Risks
PILLAR II: Skills and capacity development

- Support to enterprise development
  + Skills & capacity development (TVET)

Industrialize Africa

- Skills and human capacity
  - Enhanced employment and entrepreneurial business opportunities

- Number of SMEs & MSMEs having access to finance

- Job opportunities created for the youth by SMEs & MSMEs

WSS & Social

- Reduction of incidences of water borne diseases

- Improved medical services

- Improved transition and education outcomes for students

- Proportion of households with access to water and sanitation in rural & urban areas

- Proportion of households accessing healthcare services

- No of new facilities built in schools

- Better trainings

NDP III (2020/21—2024/25) and Uganda’s vision 2040

CSP 2017–2021: Support Uganda’s vision 2040 to transform from a low-income to a prosperous middle-income country

Assumptions

- Regional and international macroeconomic remains stable

- There are no external natural disasters, or geopolitical and security events related to regional fragility from neighbouring countries

- Government’s Debt Strategy ensured for a cautious borrowing strategy leading to a low risk of debt distress

- Government of Uganda sector strategies and actions plans are properly implemented

- There are no domestic macroeconomic shocks, natural disasters or political tensions

Improving quality of life for people in Africa

- Reducing incidence of water borne diseases

- Improved medical services

- Improved transition and education outcomes for students

- Proportion of households with access to water and sanitation in rural & urban areas

- Proportion of households accessing healthcare services

- No of new facilities built in schools

- Better trainings

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- Government of Uganda sector strategies and actions plans are properly implemented

- There are no domestic macroeconomic shocks, natural disasters or political tensions
stakeholder consultations (interviews and focus group discussions), assessments of projects results, a portfolio analysis, and field visits. Triangulation allowed the team to filter the analysis and retain the most relevant and credible findings in order to develop sound conclusions, lessons, and recommendations.

Triangulation principles were applied throughout the evaluation process at each level of analysis. First, data and information were triangulated from different sources of documentary information. Secondary material collected in the document review was validated in interviews and focus group discussions and on field visits. Second, qualitative data from interviews, focus groups, and direct observations in the field was triangulated with global evidence or knowledge. Finally, triangulation occurred among the experts involved in the evaluation process, among the complementary tools used to gather data, and by comparing the themes, sectors, and types of stakeholders from which data was derived.

Table A2.2: The Evaluation’s Four-Point Rating Scale

<table>
<thead>
<tr>
<th>Scale</th>
<th>1 Unsatisfactory</th>
<th>2 Partly Unsatisfactory</th>
<th>3 Satisfactory</th>
<th>4 Highly satisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance</td>
<td>Very weak, very inappropriate design and very limited/non-existent alignment</td>
<td>Weak, improper design and limited alignment/several gaps</td>
<td>Rather strong and appropriate design, strong alignment</td>
<td>Very solid and appropriate design, complete alignment</td>
</tr>
<tr>
<td>Coherence</td>
<td>Very weak synergy, Very weak coordination</td>
<td>Weak synergy, Weak coordination</td>
<td>Strong synergy, Strong coordination</td>
<td>Best practice for synergy creation and coordination</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>Expected outputs not achieved in most cases</td>
<td>Expected outputs achieved with significant gaps</td>
<td>Expected outputs achieved in most cases</td>
<td>Expected outputs fully achieved</td>
</tr>
<tr>
<td></td>
<td>No or very few targeted results achieved</td>
<td>Few targeted results achieved</td>
<td>Most targeted results achieved</td>
<td>All targeted results achieved</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Very significant difference between the ERR and the opportunity cost of capital</td>
<td>Significant difference between the ERR and the opportunity cost of capital</td>
<td>Moderate difference between the ERR and the opportunity cost of capital</td>
<td>Little or no difference between the ERR and the opportunity cost of capital</td>
</tr>
<tr>
<td></td>
<td>Very significant gap between planned and actual timing of implementation</td>
<td>Significant gap between planned and actual timing of implementation</td>
<td>Moderate gap between planned and actual timing of implementation</td>
<td>Little or no difference between planned and actual timing of implementation</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Mechanisms guaranteeing sustainability (technical, economic, financial, institutional, partnership, environmental and social) are not assured</td>
<td>Mechanisms guaranteeing sustainability (technical, economic, financial, institutional, partnership, environmental and social) are hindered by significant risks</td>
<td>Mechanisms guaranteeing sustainability (technical, economic, financial, institutional, partnership, environmental and social) are generally ensured, with minor risks</td>
<td>Mechanisms guaranteeing sustainability (technical, economic, financial, institutional, partnership, environmental and social) are fully assured</td>
</tr>
</tbody>
</table>

ERR = Economic Rate of Return
Annex 3: Organizations Consulted

**African Development Bank Group**
1. Uganda Country Office
2. East Africa Regional Development and Business Delivery Office
3. Headquarters

**Government of Uganda**
4. Ministry of Finance, Planning and Economic Development
5. National Planning Authority
6. Office of the Prime Minister, Monitoring and Evaluation Department
7. Ministry of Energy and Mineral Development
8. Electricity Regulatory Authority
9. Rural Electrification Agency
10. Ministry of Agriculture, Animal Industry and Fisheries
11. Ministry of Education and Sports
12. Ministry of Health
13. Ministry of Local Government
14. Ministry of Water and Environment
15. National Water and Sewage Corporation
16. Kampala Capital City Authority
17. Ministry of Works and Transport
18. Uganda National Roads Authority
19. Uganda Road Fund

**Development Partners**
1. Agence Française de Développement
2. European Union
3. International Monetary Fund
4. Japan International Cooperation Agency
5. World Bank

**Civil Society Organizations**
1. Civil Society Coalition on Transport in Uganda
2. Community Integrated Development Initiative
3. Construction Sector Transparency Initiative
4. Water for People

**Private Sector Firms**
1. Berkeley Energy
2. Bujagali Energy Limited
3. Housing Finance Bank
4. Uganda Development Bank Limited
### Annex 4: The AfDB’s Portfolio in Uganda, 2011–2021

<table>
<thead>
<tr>
<th>Number</th>
<th>Project SAP Code</th>
<th>Project Name</th>
<th>Approval Year</th>
<th>Status</th>
<th>Amount approved (UA millions)</th>
<th>Disbursement rate (Sept 2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>P-UG-AAZ-003</td>
<td>Agricultural Value Chain Development Program (AVCP)</td>
<td>11/12/2017</td>
<td>Ongoing</td>
<td>57.00</td>
<td>11.38</td>
</tr>
<tr>
<td>2</td>
<td>P-UG-AAD-001</td>
<td>Farm Income Enhancement and Forestry Conservation Program: Project - 2 (FIEFOC-2)</td>
<td>20/01/2016</td>
<td>Ongoing</td>
<td>55.51</td>
<td>73.99</td>
</tr>
<tr>
<td>3</td>
<td>P-UG-AAZ-002</td>
<td>Markets and Agricultural Trade Improvement Program: Project 2 (MATIP-2)</td>
<td>10/12/2014</td>
<td>Ongoing</td>
<td>60.94</td>
<td>75.16</td>
</tr>
<tr>
<td>4</td>
<td>P-Z1-AAF-010</td>
<td>Lakes Edward and Albert Integrated Fisheries and Water Resources Management (LEAF II) Project</td>
<td>20/05/2015</td>
<td>Ongoing</td>
<td>5.00</td>
<td>97.62</td>
</tr>
<tr>
<td>5</td>
<td>P-UG-AB0-003</td>
<td>Community Agricultural Infrastructure Improvement Program-3</td>
<td>03/05/2011</td>
<td>Completed</td>
<td>39.35</td>
<td>100</td>
</tr>
</tbody>
</table>

#### Agriculture
- **Total**: 217.80

<table>
<thead>
<tr>
<th>Number</th>
<th>Project SAP Code</th>
<th>Project Name</th>
<th>Approval Year</th>
<th>Status</th>
<th>Amount approved (UA millions)</th>
<th>Disbursement rate (Sept 2021)</th>
</tr>
</thead>
</table>

#### Communications
- **Total**: 10.21

<table>
<thead>
<tr>
<th>Number</th>
<th>Project SAP Code</th>
<th>Project Name</th>
<th>Approval Year</th>
<th>Status</th>
<th>Amount approved (UA millions)</th>
<th>Disbursement rate (Sept 2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>P-UG-C00-003</td>
<td>Strategic Program For Climate Resilience Project</td>
<td>17/03/2016</td>
<td>Ongoing</td>
<td>1.09</td>
<td>92.77</td>
</tr>
</tbody>
</table>

#### Environment
- **Total**: 1.09

<table>
<thead>
<tr>
<th>Number</th>
<th>Project SAP Code</th>
<th>Project Name</th>
<th>Approval Year</th>
<th>Status</th>
<th>Amount approved (UA millions)</th>
<th>Disbursement rate (Sept 2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>P-UG-HB0-001</td>
<td>FAPA Grant To Enterprise Financial Centers DID Uganda</td>
<td>05/06/2012</td>
<td>Completed</td>
<td>0.68</td>
<td>100</td>
</tr>
<tr>
<td>10</td>
<td>P-UG-HAO-003</td>
<td>Housing Finance Bank of Uganda (Conversion of Undisbursed Balance)</td>
<td>23/11/2011</td>
<td>Ongoing</td>
<td>3.95</td>
<td>50.00</td>
</tr>
<tr>
<td>11</td>
<td>P-UG-HAA-006</td>
<td>Uganda Development Bank Line of Credit</td>
<td>20/07/2018</td>
<td>Ongoing</td>
<td>3.62</td>
<td>100</td>
</tr>
<tr>
<td>12</td>
<td>P-UG-HAA-007</td>
<td>Uganda Development Bank Sovereign Guaranteed - LOC</td>
<td>20/07/2018</td>
<td>Ongoing</td>
<td>10.86</td>
<td>100</td>
</tr>
</tbody>
</table>

#### Finance
- **Total**: 28.34

<table>
<thead>
<tr>
<th>Number</th>
<th>Project SAP Code</th>
<th>Project Name</th>
<th>Approval Year</th>
<th>Status</th>
<th>Amount approved (UA millions)</th>
<th>Disbursement rate (Sept 2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>P-UG-FAB-007</td>
<td>Achwa Il Hydropower Plant</td>
<td>14/12/2016</td>
<td>Ongoing</td>
<td>13.81</td>
<td>50.00</td>
</tr>
<tr>
<td>14</td>
<td>P-UG-FAB-008</td>
<td>Bujagali Energy Limited</td>
<td>17/11/2017</td>
<td>Ongoing</td>
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<tr>
<td>15</td>
<td>P-UG-FAB-006</td>
<td>Buseruka Hydropower Project</td>
<td>04/07/2011</td>
<td>Completed</td>
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<td>16</td>
<td>P-Z1-FA0-115</td>
<td>Supplementary Loan for NELSAP Interconnection Project - Uganda</td>
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<td>Closed</td>
<td>0.99</td>
<td>100</td>
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<td>17</td>
<td>P-UG-FAB-004</td>
<td>Bujagali Hydropower Project</td>
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<td>0.00</td>
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<tr>
<td>18</td>
<td>P-UG-FA0-006</td>
<td>Uganda Rural Electricity Access Project</td>
<td>16/09/2015</td>
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<td>81.57</td>
<td>47.42</td>
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#### Power
- **Total**: 146.27

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<tr>
<th>Number</th>
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<th>Project Name</th>
<th>Approval Year</th>
<th>Status</th>
<th>Amount approved (UA millions)</th>
<th>Disbursement rate (Sept 2021)</th>
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<td>19</td>
<td>P-Z1-IB0-024</td>
<td>East Africa’s Centers of Excellence for Skills and Tertiary Education in Biomedical Sciences - Phase 1</td>
<td>03/10/2014</td>
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<td>Higher Education Science and Technology (HEST)</td>
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<td>21</td>
<td>P-UG-IB0-006</td>
<td>Improvement of Health Services Delivery at Mulago Hospital and in the City of Kampala</td>
<td>06/07/2011</td>
<td>Completed</td>
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<td>22</td>
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<td>Support the National Ebola Viral Disease Preparedness and Response Plan</td>
<td>09/10/2019</td>
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<td>Disbursement rate (Sept 2021)</td>
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<td>23</td>
<td>P-UG-DB0-023</td>
<td>Kampala – Jinja Expressway Project (Sovereign Operation - PHASE 1)</td>
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<td>Kampala City Roads Rehabilitation Project</td>
<td>13/11/2019</td>
<td>Approved</td>
<td>200.73</td>
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<td>25</td>
<td>P-Z1-DB0-107</td>
<td>Kapchorwa - Suam - Kitale and Eldoret Bypass Roads Project</td>
<td>29/03/2017</td>
<td>Ongoing</td>
<td>69.26</td>
<td>29.65</td>
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<td>26</td>
<td>P-UG-DB0-021</td>
<td>Road Sector Support Project IV</td>
<td>13/03/2013</td>
<td>Ongoing</td>
<td>72.94</td>
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<td>27</td>
<td>P-UG-DB0-022</td>
<td>Road Sector Support Project V</td>
<td>28/05/2014</td>
<td>Ongoing</td>
<td>70.00</td>
<td>54.42</td>
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<td>28</td>
<td>P-UG-D00-003</td>
<td>Uganda - Kabale-Lake Bunyonyi/Kisoro-Mgahinga Roads Upgrading Project</td>
<td>02/12/2020</td>
<td>Ongoing</td>
<td>50.00</td>
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<tr>
<td>29</td>
<td>P-Z1-DB0-105</td>
<td>Busega-Mpigi and Kagitumba-Kayonza-Rusumo Roads Project</td>
<td>22/06/2016</td>
<td>Ongoing</td>
<td>108.36</td>
<td>17.02</td>
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<td>Transport</td>
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<td>30</td>
<td>P-UG-E00-013</td>
<td>Additional Funds to Water Supply and Sanitation Program-1</td>
<td>04/03/2015</td>
<td>Completed</td>
<td>6.06</td>
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<td>31</td>
<td>P-UG-EB0-002</td>
<td>Kawempe Urban Poor Sanitation Improvement Project (KUPSIP)</td>
<td>04/01/2013</td>
<td>Completed</td>
<td>0.82</td>
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<td>32</td>
<td>P-UG-EB0-007</td>
<td>Feasibility Studies and Detailed Designs for Fecal Sludge Service Chain Management in Un-Sewered Urban Centers in Uganda</td>
<td>18/12/2018</td>
<td>Ongoing</td>
<td>1.24</td>
<td>50.07</td>
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<td>33</td>
<td>P-UG-E00-016</td>
<td>Strategic Towns Water Supply and Sanitation Project (STWSSP)</td>
<td>20/06/2018</td>
<td>Ongoing</td>
<td>44.00</td>
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<td>34</td>
<td>P-UG-E00-018</td>
<td>Supplementary Loan to Kampala Sanitation Program (AFKSP)</td>
<td>15/12/2017</td>
<td>Completed</td>
<td>19.00</td>
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<td>P-UG-E00-011</td>
<td>Water Supply and Sanitation Program (WSSP I)</td>
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<td>Closed</td>
<td>43.28</td>
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<td>36</td>
<td>P-UG-E00-012</td>
<td>Water Supply and Sanitation Program II (WSSP II)</td>
<td>03/02/2016</td>
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<td>Water Supply and Sanitation</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<td>37</td>
<td>P-UG-K00-009</td>
<td>Uganda – COVID-19 Crisis Response Budget Support Program (CRSP)</td>
<td>24/07/2020</td>
<td>Ongoing</td>
<td>23.00</td>
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<tr>
<td>Multi-Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Grand Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,488.16</td>
<td>63.66</td>
</tr>
</tbody>
</table>
Annex 5: Additional Supporting Evidence

Table A5.1: The Bank’s Water and Sanitation Projects: Outcomes Expected Versus Outcomes Achieved

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Outcome</th>
<th>Expected</th>
<th>Achieved</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>KUPSIP</td>
<td>Number of networks actively collecting fecal sludge from households</td>
<td>1</td>
<td>1</td>
<td>September 2019</td>
</tr>
<tr>
<td>WSSP I</td>
<td>Share of rural households with access to improved sanitation</td>
<td>77%</td>
<td>80%</td>
<td>December 2020</td>
</tr>
<tr>
<td>WSSP II</td>
<td>Share of urban households with access to and using hand-washing facilities</td>
<td>50%</td>
<td>61%</td>
<td>October 2020</td>
</tr>
<tr>
<td>WSSP II</td>
<td>Share of students with access to and using hand-washing facilities</td>
<td>50%</td>
<td>58%</td>
<td>October 2020</td>
</tr>
<tr>
<td>WSSP II</td>
<td>Share of urban water points with an actively functioning water and sanitation committee</td>
<td>95%</td>
<td>100%</td>
<td>October 2020</td>
</tr>
<tr>
<td>AFWSSP</td>
<td>Surface area of forest protected, reforested, or rehabilitated (hectares)</td>
<td>900</td>
<td>782</td>
<td>November 2018</td>
</tr>
<tr>
<td>AFWSSP</td>
<td>Number of women with access to improved sanitation</td>
<td>53,810</td>
<td>55,200</td>
<td>November 2018</td>
</tr>
<tr>
<td>AFWSSP</td>
<td>Additional capacity to produce potable and non-potable (for irrigation) water at a community water point (liters)</td>
<td>136 million</td>
<td>136 million</td>
<td>November 2018</td>
</tr>
<tr>
<td>AFKSP</td>
<td>Improved management of sanitation in Kampala</td>
<td>1</td>
<td>1</td>
<td>July 2020</td>
</tr>
</tbody>
</table>

AFKSP = Supplementary Loan to Kampala Sanitation Program; AFWSSP = Additional Funds to Water Supply and Sanitation Program; KUPSIP = Kawempe Urban Poor Sanitation Improvement Project; WSSP = Water Supply and Sanitation Program

Box A5.1: Kitooro Market

Kitooro Market has 918 market stalls, zoned by their products and services. The stalls were built with strong display shelves, lockable cupboards, spacious work tops, and ample storage space with sufficient aeration. The meat, fish, and chicken stalls were constructed taking modern hygiene consideration into account. The supply of water is sufficient and worktops are drainable. Each zone has ample preparation room to ensure that the produce that goes to market is clean. The zones are clearly labeled.

The market has a spacious reception area with directional guides and maps pinned to the wall facing the main entrance. The market’s food court has a seating capacity of 150-200 people and can accommodate 300 customers in-and-out. Each floor has been fitted with toilets for men and women, and each section has steps and ramps as required by people with disabilities.

The facility has installed a solar system and a generator as alternative power sources. A 300,000 liter underground tank to harvest water and fight fire minimizes the water bill. State-of-the-art waste management facilities have clear labels for how to sort garbage. The kitchen area is fitted with echo stoves, which are environmentally friendly. Gates around the market cater to security, which is enhanced by CCTV cameras installed in strategic locations. A fire detection system, comprising smoke detectors and alarm buttons, is also in place. A daycare/nursery for babies and children under the age of five is on the mezzanine, which has space for ancillary services as well: a banking hall, automatic tellers, a lab, a drugstore, a medical examination room, and two rooms for medical consultations and day admissions. Parking space is available.

At the time of the evaluator’s visit, the Kitooro Market had not yet been handed over to vendors for resettlement.

Source: Observations by an evaluation team member during a site visit.
Box A5.2: Observations from a Visit to the HEST Project

With the support of the Higher Education, Science, and Technology (HEST) Project, Kyambogo University put up new buildings and furnished them with state-of-the-art software to create an atmosphere conducive to studying. Among the new buildings were teaching facilities, two auditoriums with a seating capacity of 500 students, and five other auditoriums with a capacity of 300 students. The old workshops were rehabilitated and new engineering workshops were built: a four-story building fitted with laboratories was set up for the engineering courses and a three-story multifacility lab was set up for biology, chemistry, sports science, and physics. A technical business incubation center was created to enable academics to work with industry by contributing to the knowledge base, solving real-life issues, and generating funds that help sustain the infrastructure. In alignment with the national focus on the industrialization of agriculture and agro-processing, the university prioritized a food incubation center to foster the local production of raw materials needed to supply certain industries. A research lab was also set up to develop products and control their qualities. Capacity for technical support is being reinforced and professional certifications are ongoing. Kyambogo University offers unique courses in braille, sign language, mobility and orientation skills, and the early identification of learning needs and learning impairments in children, young people, and adults.

The project offered scholarships to students and staff, as was the case at other universities. Over 230 staff/beneficiaries attended short courses on public relations and customer care; managing committee work and writing reports; competence-based recruitment; law for administrative officers; finance for non-finance managers; and basic sign language and interpreting skills. The scholarships for undergraduates and masters’ students were released in three cohorts.
Figure A5.1: Road Maintenance Costs: Budgets Versus Needs

Table A5.2: Average Time to Project Start-Up

<table>
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<tr>
<th>Milestone date</th>
<th>Indicator</th>
<th>Public sector investment projects</th>
<th>Private sector investment projects</th>
<th>Public sector institutional support</th>
<th>All projects</th>
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<tbody>
<tr>
<td>Board approval to signature date</td>
<td>Number of months (average)</td>
<td>6.1</td>
<td>8.7</td>
<td>6.6</td>
<td>6.8</td>
</tr>
<tr>
<td></td>
<td>% of projects delayed</td>
<td>58%</td>
<td>75%</td>
<td>20%</td>
<td>56%</td>
</tr>
<tr>
<td>Signature to effectiveness</td>
<td>Number of months (average)</td>
<td>2.4</td>
<td>1.3</td>
<td>0.8</td>
<td>1.9</td>
</tr>
<tr>
<td></td>
<td>% of projects delayed</td>
<td>14%</td>
<td>13%</td>
<td>0%</td>
<td>12%</td>
</tr>
<tr>
<td>Effectiveness to first disbursement</td>
<td>Number of months (average)</td>
<td>5.3</td>
<td>2.3</td>
<td>10.5</td>
<td>5.2</td>
</tr>
<tr>
<td></td>
<td>% of projects delayed</td>
<td>27%</td>
<td>13%</td>
<td>60%</td>
<td>29%</td>
</tr>
<tr>
<td>Approval to first disbursement</td>
<td>Number of months (average)</td>
<td>14.6</td>
<td>13.6</td>
<td>19.8</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>% of projects delayed</td>
<td>60%</td>
<td>63%</td>
<td>100%</td>
<td>66%</td>
</tr>
</tbody>
</table>

Source: Calculated by the evaluation team using SAP data and project documents.

Note: For the first three indicators, the percentage delay figures counted the number of months that elapsed for projects to be processed, compared to a reference point of six months. For the last indicator (time lapsed from approval to first disbursement), the analysis applied six months as a benchmark for projects that were approved in 2016–2021 (as per Presidential Directive No. 02/2015) and 12 months for projects that were approved in 2011–2015. To calculate the percentage, the number of delayed projects in each category was divided by the number of all projects (delayed projects and projects that were on time).
References

Endnotes

1. The ratings are 1 - Unsatisfactory, 2 - Partly unsatisfactory, 3 - Satisfactory, and 4 - Highly satisfactory.
2. The ratings are 1 - Unsatisfactory, 2 - Partly unsatisfactory, 3 - Satisfactory, and 4 - Highly satisfactory.
11. The evaluation team interviewed local leaders, members of the user management committee, the caretaker of the Kalerwe sanitary facility, and the mayor, town clerk, and education officer of Kawempe Division.
14. These entities comprise three state-owned utilities (the Uganda Electricity Generation Company Limited, which is responsible for generation; the Uganda Electricity Transmission Company Limited, which is responsible for transmission; and the Uganda Electricity Distribution Company Limited, which is responsible for distribution), two specialized agencies (the Electricity Regulatory Authority and the Rural Electrification Agency), and private sector entities engaged in power generation and distribution.
17. For example, the Kampala–Jinja Expressway Project and the Kampala City Roads Rehabilitation Project
18. A theory of change approach explains how an intervention, or a series of interventions, expects to produce results. The theory identifies the sequence of events and results (the outputs and outcomes) that are expected to occur because of the intervention. This sequence becomes the program logic or logic model. A theory of change also identifies the mechanisms of change, as well as the assumptions, risks, and context that might foster or hinder the change.
About this evaluation

Independent Development Evaluation (IDEV) has carried out an evaluation of the Country Strategy and Program of the African Development Bank Group (AfDB or “the Bank”) in Uganda over the period 2011–2021. During this period, the Bank approved 37 projects, for over USD 2 billion of financing, mainly in the sectors of transport, agriculture, power, and water supply and sanitation (WSS). The evaluation also assessed an additional 17 projects that were approved before 2011 but completed during the evaluation period, which had received USD 770 million of financing. The main purpose of the evaluation was to inform the design of the AfDB’s next Country Strategy Paper for Uganda (2022–2026).

The evaluation found that the AfDB’s interventions were generally aligned to the development challenges and priorities of the country. Results in energy, transport, WSS, and agriculture, were however mostly below target. Projects that were completed in agriculture and WSS had positive economic returns, but cost overruns and delays in project completion were an issue in all sectors. The evaluation noted that while the Bank’s interventions had reversed power shortages, the power surplus now threatens the sector’s financial viability because the government has to pay for deemed energy usage, which drives up end-user tariffs. Furthermore, the sustainability of Bank-funded infrastructure was challenged by Uganda’s weaknesses in terms of funds, human capacity and institutional capacity.

The evaluation advised the AfDB to adapt its Country Strategy Paper priorities to the country context in the areas of skills development and private sector growth, to refocus its support for the energy sector, and to make AfDB-supported benefits more sustainable.