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**AFRICAN DEVELOPMENT  
BANK GROUP**



**NIGERIA TRUST FUND**

**PROJECT: IMPROVEMENT OF HEALTH SERVICES DELIVERY AT MULAGO  
HOSPITAL AND IN THE CITY OF KAMPALA**

**COUNTRY: REPUBLIC OF UGANDA**

**PROJECT APPRAISAL REPORT**

Date: June 2011

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## **Currency Equivalents**

*As of April 2011*

Currency Unit	=	Ugandan Shillings (UGX)
UA 1	=	UGX 3,596.69
UA 1	=	USD 1.5855

## **Fiscal Year**

July 1 – June 30

## **Weights and Measures**

1 metric tonne	=	2204 pounds (lbs)
1 kilogram (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft)
1 millimeter (mm)	=	0.03937 inch (")
1 kilometer (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

## **Acronyms and Abbreviations**

ADB	African Development Bank
ADF	African Development Fund
AIDS	Acquired Immuno-Deficiency Syndrome
CSO	Civil Society Organisation
CSP	Country Strategy Paper
DANIDA	Danish International Development Agency
ESMP	Environmental and Social Management Plan
FE	Foreign Exchange
FY	Financial Year
GAVI	Global Alliance for Vaccination and Immunization
GOU	Government of Uganda
HC	Health Centre
HCWMP	National Health Care Waste Management Plan
HEST	Higher Education, Science and Technology
HDP	Health Development Partners
HIV	Human Immuno-Deficiency Virus
HIRC	Hospital Information Resource Centre
HMIS	Health Management Information System
HR	Human Resource
HRH	Human Resource for Health
HSSIP	Health Sector Strategic and Investment Plan
HSSP	Health Sector Strategic Plan
ICT	Information Communication and Technology
IFC	International Finance Corporation
IHP+	International Health Partnerships and Related Initiatives
IsDB	Islamic Development Bank
JAF	Joint Assessment Framework
KCCA	Kampala Capital City Authority
LC	Local Currency
LCA	Local Currency Account

MDGs	Millennium Development Goal(s)
MOH	Ministry of Health
MOFPED	Ministry of Finance, Planning and Economic Development
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTR	Medium Term Review
N/A	Not Applicable
NCB	National Competitive Bidding
NCDs	Non Communicable Diseases
NDP	National Development Plan
NEMA	National Environment Management Authority
NHP	National Health Policy
PCR	Project Completion Report
PDU	Procurement and Disposal Unit
PEPFAR	U.S. President's Emergency Plan for AIDS Relief
PFM	Public Financial Management
PHC	Primary Health Care
PLWHIV	People Living with HIV/AIDS
PPF	Project Preparatory Facility
PPP	Public Private Partnership
PS	Permanent Secretary
PSC	Project Steering Committee
RMCs	Regional Member Countries
SA	Special Account
SOE	Statement of Expenditure
SWAp	Sector Wide Approach
TA	Technical Assistants
UA	Unit of Account
UCI	Uganda Cancer Institute
UDHS	Uganda Demographic and Health Survey
UGFO	ADB Uganda Field Office
UGX	Uganda Shillings
UNFPA	United Nations' Population Fund
UNICEF	United Nations' Children's Fund
UNMHCP	Uganda National Minimum Health Care Package
USAID	United States Agency for International Development
USD	U.S. Dollar
WFP	World Food Program
WHO	World Health Organisation

## Loan Information

### Client's Information

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BORROWER: Republic of Uganda

EXECUTING AGENCY: Ministry of Health

### Financing Plan

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Source	Amount (UA)	Instrument
ADF	46.00 million	Project Loan
NTF	10.00 million	Project Loan
<b>TOTAL COST</b>	<b>56.00 million</b>	

### ADF's key financing information

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Loan / grant currency	Unit of Account
Interest type	N/A
Interest rate spread	N/A
Commitment fee	0.50% (50 basis points)
Other fees	0.75% (service charge)
Tenor	600 months
Grace period	120 months
EIRR, NPV	N/A

### NTF's key financing information

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Loan / grant currency	Unit of Account
Interest type	N/A
Interest rate spread	N/A
Commitment fee	0.50% (50 basis points)
Other fees	0.75% (service charge)
Tenor	324 months
Grace period	84 months
EIRR, NPV	N/A

### Timeframe - Main Milestones (expected)

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Concept Note approval	February 2011
Project approval	July 2011
Effectiveness	January 2012
Completion	December 2015
Last disbursement	December 2016
Last repayment	January 2062 (50 years)

## PROJECT SUMMARY

- 1. *Project Overview:* The *Improvement of Health Services Delivery at Mulago Hospital and in the City of Kampala Project* is designed to increase access to quality and affordable health care services for the population of the Kampala metropolitan area.<sup>1</sup> Project costs estimated at UA 56 million will be financed by an ADF loan (UA 46 million) and a NTF loan (UA 10 million), and implemented over 54 months. The project is expected to benefit the entire national population estimated at 31.8 million since Mulago Hospital is the main National Referral and Teaching Hospital. Immediate project beneficiaries are estimated at 3 million people (9.4% of the national population), the majority being women and children under 15 years.**
- 2. *Project Outcomes:* The project is centered on three broad strategic outcomes: capacity development and systems strengthening, revitalized referral and counter-referral systems and expanded and improved health facilities and services.** The project will support capacity development of hospital service delivery to increase patient satisfaction and enhanced HR performance management. In line with the Bank's Higher Education, Science and Technology (HEST) Strategy, the project will improve the teaching functions of Mulago Hospital and strengthen the training of medical students. A new referral policy supported by an ambulance service in Kampala will be developed. The ambulance services will be managed as a public-private partnership. Health infrastructure expansion will be, critical in the continuum of health care, with an emphasis on early diagnosis and patient care management at the right level to better contribute to the Government's delivery of the Uganda National Minimum HealthCare Package.
- 3. *Needs Assessment:* The project is designed to redirect the high demand for basic health care that currently congests services delivery at Mulago Hospital – the national tertiary care facility for medical services by supporting the establishment of two new secondary health care facilities and a referral system.** This project is a Government priority investment under the ADF XII cycle and an outcome of an ADF Project Preparatory Facility (PPF) loan, approved in April 2009.
- 4. *Bank's Added Value:* The Bank has considerable experience in health systems strengthening, capacity development, and health infrastructure improvements, the latter receiving considerably less support from other development partners.** This project will fine-tune the GOU's capacity, through the Ministry of Health, to execute its intentions to restructure and enhance the efficiency of services delivery in the Kampala metropolitan area. This project will invest in the sustainability of Millennium Development Goals gains in the country.
- 5. *Knowledge Building:* The project supports knowledge management and capacity building in Mulago Hospital and other hospitals to be constructed in the City of Kampala.** Important project investments include support for (i) ICT based financial and hospital administration systems, and (ii) a Hospital Information Resource Centre to leverage the collaborative partnership of Mulago Hospital and Makerere College of Health Sciences. In addition, a master plan will be developed under the project to restructure service delivery at Mulago Hospital, which will serve as a modus operandi for the Bank's intervention to modernize and improve the functionality of hospital services in other member countries.

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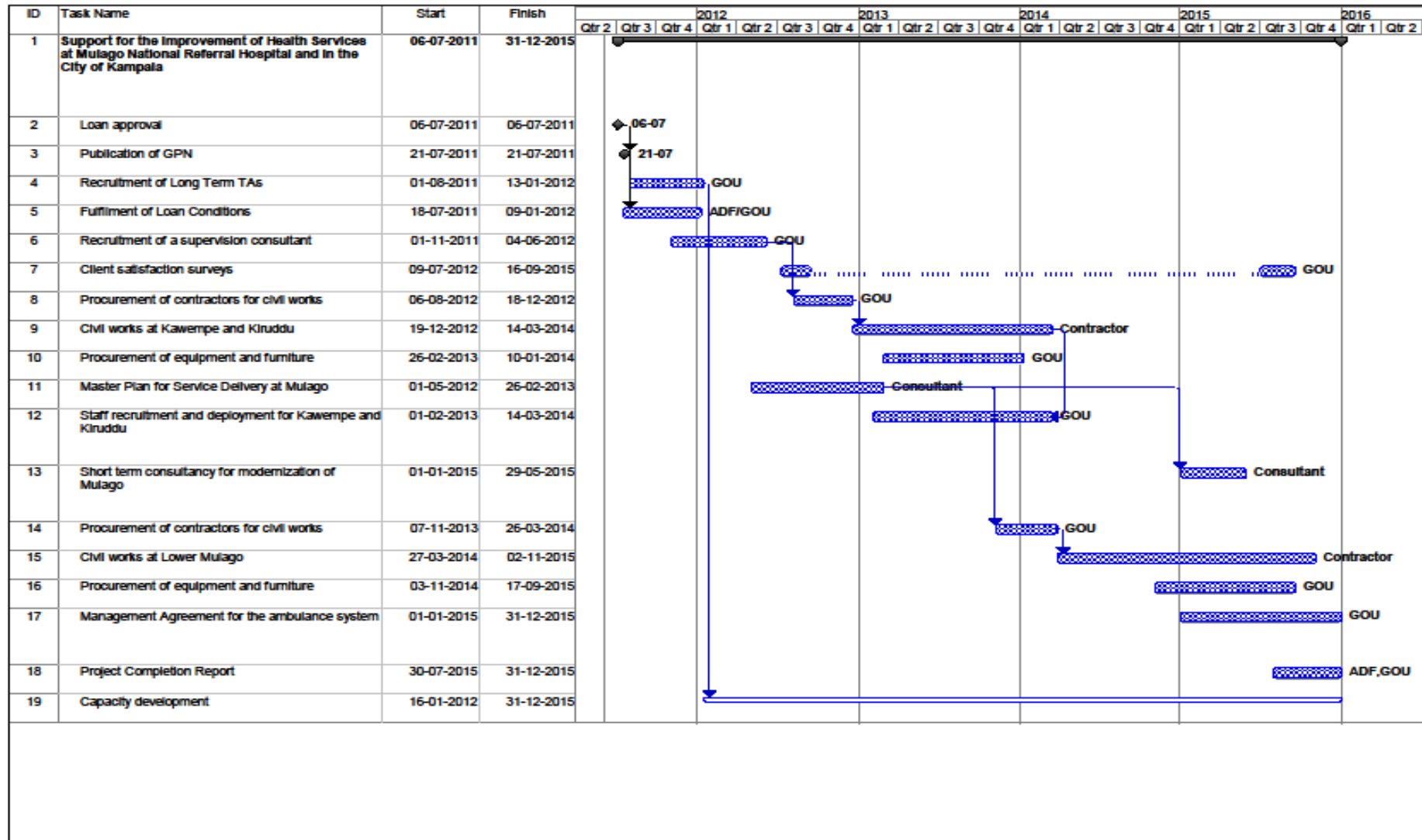
<sup>1</sup> The Kampala Metropolitan area encompasses the City of Kampala and bordering districts

## RESULT-BASED LOGICAL FRAMEWORK

Country and Project Name: UGANDA - Improvement of Health Services Delivery at Mulago Hospital and in the City of Kampala						
Purpose of the project: To improve access to quality and affordable health care services for the population of the Kampala Metropolitan Area						
RESULTS CHAIN		PERFORMANCE INDICATORS			Means of Verification	RISKS / MITIGATION MEASURES
		Indicator (including CSI)	Baseline	Target		
<b>IMPACT</b>	Improved universal access to quality services under the Uganda National Minimum Health Care Package (UNMHCP), with emphasis on vulnerable groups	Per capita out-of-pocket for health	US\$14 per utilization	US\$10 per utilization by 2015	MoH Annual Budget and Policy Statements  Client Survey on health services in Kampala	
	<b>Outcome 1.</b> Capacity Developed and Systems Strengthened in Mulago and the New General Referral Hospitals (2).	1.1 Patients satisfied with the services provided	1.1 46%	At least 70% by 2014/15	Client Satisfaction / surveys  Staff surveys and staff appraisal files  MOH Annual Sector Review	<b>Risk(s):</b> Weak capacity of the MOH to ensure timely implementation of new capacity development program.  <b>Mitigating Measure(s):</b> Project provision of technical assistance services to augment MOH technical capacity to develop and adopt new performance oriented strategies.
		1.2 Revised HR performance management system rolled out to Hospitals	1.2 Zero%	At least 80% of staff with revised job descriptions by 2014		
		1.3 New ICT based management systems operational	1.3 Non-existent	By 2014		
<b>OUTCOMES</b>	<b>Outcome 2.</b> Revitalized referral system with integrated Ambulance service	2.1 New Referral systems adopted and operational	2.1 Non-existent	By 2014	MOH Annual Sector Performance Report  HMIS Reports	<b>Risk(s):</b> Weak public –private sector participation to operationalize the new referral policy.  <b>Mitigating Measure(s):</b> Establish M&E system to ensure high level of performance, accountability and transparency.
		2.2 Percentage of referral cases to Mulago Hospital	2.2 10%	30% by FY 2014/2015		
	<b>Outcome 3.</b> Expanded and improved quality of specialized health facilities in Kampala essential to sustain MDG gains	3.1 Hospital mortality rate(% all admissions)	3.1 5.6%	Reduced by 30% by 2015	MOH Annual Sector Performance Report  HMIS Reports  Joint Assessment Framework by HDPs	<b>Risk(s):</b> Hospital staffing norms will not be attained due to inadequate budget allocation for wage expenditures and lack of recruitable staff due to “brain drain”.  <b>Mitigating Measure(s):</b> Proposed project is reflected in the Uganda National Development Plan for FY 2010/2011 – 2014/2015 as an investment to increase access to hospital services.
<b>OUTPUTS</b>	<b>Component 1</b> 1.1 Management development program formulated and implemented.	1.1.1 Management and leadership framework developed.	1.1.1 In use by 2013	Mulago Hospital Annual Report  MOH Annual Sector Performance Report  Project Quarterly Progress Reports	<b>Risk(s):</b> Weak coordination of similar support to MOH from other development partners.  <b>Mitigating Measure(s):</b> MOH Project Steering Committee will have oversight of the ADF/NTF supported interventions and those of other HDPs.	
	1.2 Effective integrated financial management system developed and functional	1.1.2 Senior and middle managers trained	1.1.2 150 senior and middle managers by FY 2014/15 of which 35% women			

<p>1.3 Effective maintenance system for the buildings and equipment developed and functional.</p> <p>1.4 Mulago teaching capacity and quality strengthened.</p> <p>1.5 Clinical care excellence training completed</p> <p>1.6 Ethics and customer care training completed</p>	1.2.1 ICT based financial and accounting system operational	1.2.1 In all 3 hospital by FY 2014/15		<p>PSC to inform MOH Top Management on project implementation progress .</p>																			
	1.3.1 Hospital staff trained and effectively implementing the maintenance system	1.3.1 50% by FY 2014/15 of which 10% women																					
	1.4.1 No. of students, teaching staff and researchers and utilizing the H IRC	1.4.1 800 by FY 2014/15 of which 50% women																					
	1.5.1 No of hospital clinical services professionals trained	1.5.1 400 by FY 2014/15 of which 50% women																					
	1.6.1 Percent of hospital staff trained	1.6.1 80% by FY 2014/15 of which 10% women																					
<p><b>Component 2</b></p> <p>2.1 National referral system established with community participation in Kampala metropolitan area</p>	2.1.1 Policy and clinical protocols and operation guidelines on care management and referral system developed and implemented	2.1.1 Effective by beginning 2013	<p>Mulago Hospital Annual Report</p> <p>MOH Annual Sector Performance Report</p> <p>Project Quarterly Progress Reports</p>	<p><b>Risk(s):</b></p> <p>Non-adherence to the new referral systems.</p> <p><b>Mitigating Measure(s):</b></p> <p>Enforcement of revised MOH Referral Policy Referral Policy and system.</p> <p>Public awareness campaigns on new referral system for Kampala</p>																			
	2.1.2 PPP Structured Management Contract for Kampala Ambulance Service signed	2.1.2 Effective by mid-2013																					
<p><b>Component 3</b></p> <p>3.1. Lower Mulago Hospital rehabilitated</p> <p>3.2 Health centers upgraded to General Referral Hospitals staffed and equipped</p>	3.1.1 Spatial areas services rehabilitated (in SqM)	3.1.1 96,000 m2 of Lower Mulago, rehabilitated and delivering appropriate diagnostic and treatment services by 2015	<p>Mulago Hospital Annual Report</p> <p>MOH Annual Sector Performance Report</p> <p>Project Quarterly Progress Reports</p>	<p><b>Risk(s):</b></p> <p>Delayed implementation of civil works, equipment and new hospital staff contracts.</p> <p><b>Mitigating Measure(s):</b></p> <p>Project provisions for enhanced supervision of civil works and procurement of equipment, including updates of specifications if need be.</p> <p>Health and Civil Service Commissions to commence new hospital staff recruitments in FY2012/13..</p>																			
	3.2.1 Availability of clinical services in General Hospital in Kampala (Kawempe and Kiruddu)	3.2.1 Two new 170 bed General Hospitals constructed and fully operational by 2014																					
	3.2.2 Proportion of approved positions filled by trained health professionals	3.2.2 75% of the staff positions filled by FY 2014/15 at the two GRHs of which 50% women																					
<p><b>KEY ACTIVITIES</b></p> <p><b>Component I: Capacity Development and Systems Strengthening</b></p> <ul style="list-style-type: none"> <li>- Leadership and management development programs;</li> <li>- Improvement of overall hospital management systems;</li> <li>- Reinforced project management</li> </ul> <p><b>Component II: Revitalization of the Health Referral Services</b></p> <ul style="list-style-type: none"> <li>- Improvement of referral system;</li> <li>- Community sensitization programs;</li> <li>- Public-private integrated ambulance service ;</li> </ul> <p><b>Component III: Expanded and improved specialized health facilities in Kampala</b></p> <ul style="list-style-type: none"> <li>- Master Plan for service delivery at Mulago Hospital Complex</li> <li>- Rehabilitation of Lower Mulago Hospital;</li> <li>- Construction of two general referral hospitals in Kawempe and Kiruddu Divisions;</li> <li>- Provision of medical equipment and furniture;</li> <li>- Provision of ICT networks.</li> </ul>			<p><b>Inputs:</b></p> <p><b>Project cost by category of expenditure</b></p> <table border="0"> <tr> <td><b>Category</b></td> <td></td> </tr> <tr> <td>Goods</td> <td>17.91</td> </tr> <tr> <td>Works</td> <td>21.70</td> </tr> <tr> <td>Services</td> <td>5.20</td> </tr> <tr> <td>Operating costs</td> <td>0.97</td> </tr> <tr> <td><b>Total base cost</b></td> <td><b>45.74</b></td> </tr> <tr> <td>Physical Contingencies</td> <td>3.83</td> </tr> <tr> <td>Price Escalation</td> <td>5.73</td> </tr> <tr> <td>PPF</td> <td>0.50</td> </tr> <tr> <td><b>Total Project Cost</b></td> <td><b>56.0</b></td> </tr> </table>	<b>Category</b>		Goods	17.91	Works	21.70	Services	5.20	Operating costs	0.97	<b>Total base cost</b>	<b>45.74</b>	Physical Contingencies	3.83	Price Escalation	5.73	PPF	0.50	<b>Total Project Cost</b>	<b>56.0</b>
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## PROJECT TIMEFRAME



# **REPORT AND RECOMMENDATION OF THE PRESIDENT OF THE ADB GROUP TO THE BOARDS OF DIRECTORS ON A PROPOSED LOAN TO THE GOVERNMENT OF UGANDA FOR THE IMPROVEMENT OF HEALTH SERVICES AT MULAGO HOSPITAL AND IN THE CITY OF KAMPALA PROJECT**

Management submits the following Report and Recommendation for proposed Bank loans totalling UA 56 million on ADF and NTF terms to finance the Improvement of Health Services at Mulago Hospital and in the City of Kampala in Uganda.

## **I – STRATEGIC THRUST & RATIONALE**

### ***1.1 Project linkages with country strategy and objectives***

**1.1.1 The project is anchored in the National Development Plan for 2010/11- 2014/15 which identifies social and human development as critical components of accelerating economic growth to reduce poverty.** The health sector in Uganda is geared to reduce morbidity and mortality from the major causes of illness by delivering the Uganda National Minimum Health Care Package (UNMHCP) – the foundation of health reforms enacted with the adoption of the Poverty Eradication Action Plan in the 1990s. The Government of Uganda’s (GOU’s) current commitments with regard to the UNMHCP are captured in the National Health Policy II (NHP II) for the period 2010-2020 and the Health Sector Strategic and Investment Plan (HSSIP) which covers the period 2010/11 - 2014/15.

**1.1.2 The project conforms to the priorities of the 2011-2015 Country Strategy Paper (CSP) for Uganda, and has been included in the indicative project pipeline.** The CSP pillars focus on: (a) supporting infrastructure development (Pillar I); and (b) improving capacity skills development for poverty reduction (Pillar II). Serving the Kampala metropolitan area, and referred cases from the country as a whole, the project will contribute to the GOU’s commitment to enhance universal access to quality health care services. Particular consideration is given to the vulnerable groups with emphasis on efficiency in services planning and management to ensure the effective delivery of the UNMHCP.

### ***1.2 Rationale for Bank’s involvement***

**1.2.1 Uganda is making significant progress to reduce poverty and to reach the health MDGs, however, there is a need for a paradigm shift in service delivery to meet the demands arising from a rapidly growing urban population in the Kampala metropolitan area.** The country requires investments from development partners to address the requirements of modernizing and expanding its health services, infrastructure and systems to sustain the MDG gains. Uganda is expected to achieve some of the MDGs targets related to poverty reduction, HIV/AIDS, universal primary school enrollment and gender inequality. However, Uganda will not reach health related targets set for child and maternal mortality reduction. The GOU has adopted policy frameworks and implemented health reforms that included the abolishment of user fees, deemed necessary to build capacity towards the attainment of the MDGs. The reform measures continue to present paradigm shifts for the delivery of the much needed primary, secondary and tertiary health care services to meet the health demands arising from a rapidly growing population. In this context, the capacities of the MOH, responsible for secondary and tertiary referral health services, and the Kampala

Capital City Authority (KCCA), responsible to provide primary health care services, need to be reinforced to adequately respond to the demand for these services in Kampala.

**1.2.2 Kampala health systems are challenged by the competing needs for effective delivery of essential health care services including reproductive and neonatal health care.** As a result Mulago Hospital's tertiary care and referral support is neither being resourced nor managed in line with its national mandate. Furthermore Uganda needs to respond and better manage new challenges posed by the epidemiological transition challenges posed by the rising prevalence of chronic diseases such as cardiovascular diseases, diabetes and cancer. More effective, but also more expensive, service delivery standards and health technologies are required to assure attainment of better health outcomes. This project will build on earlier investments made to establish the PHC Assessment Center at Mulago Hospital as part of the Bank's first intervention in the 1990s. This intervention by the Bank has been successful but now warrants further investments to better support the delivery of cost-effective services. The lack of a functioning referral system, with an integrated ambulance service, in the City of Kampala is also impacting the Government's commitment to guarantee an effective continuum of health care services. This situation has resulted in inefficient utilization of services available at Mulago Hospital, identified as the main service provider especially for the vulnerable groups. The annual utilization of outpatient services translates into more than 1,500 patients per day with 50% accessing the PHC Assessment Centre and the hospital's emergency services.

**1.2.3 In responding to the GOU request, the Bank is focusing its interventions on areas that receive considerably less support from other development partners.** Improving access to public hospital services will significantly reduce household budget expenditures for health among the largely poor population in Kampala and beyond. In this regard, the GOU applied for and received UA 500,000 from the ADF's Project Preparation Facility Fund (PPF) to study requirements to enhance its public health system and infrastructure in Kampala. Particular attention was accorded to investment requirements to decongest and improve the quality of clinical care at the Mulago Hospital, the designated national Center of Excellence for health. Medical education and research are other areas warranting quality improvements at Mulago Hospital in partnership with the Makerere University's College of Health Sciences to address the prevailing and emerging health problems in the country in line with the Bank's Higher Education, Science and Technology (HEST) Strategy. Through this investment, Makerere University's role as regional center for academic excellence would be reinforced.

### **1.3 Donor coordination**

**1.3.1 The health sector has well-functioning donor coordination mechanisms established to support implementation of sector development plans such as the current HSSIP<sup>2</sup>.** The Health Development Partner (HDP) Group, consisting of 20 development partners, provides a forum for information sharing, consensus building and collating and coordinating responses to the government. This group meets with the MOH Top Management through the Health Policy Advisory Committee to contribute to the effectiveness of the HSSPs and budget support framework as part of an agreed Long-Term Institutional Arrangement Framework for improved aid coordination. The MOH organizes Annual Joint Review Meetings, which engages the HDPs in sector performance assessments prior to the

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<sup>2</sup> HSSIP is third sector planning framework launched in FY2000/01 as a sector wide approach program (SWAp).

commencement of the budget preparation period in order to prioritize Medium-Term Expenditure Framework (MTEF) allocations. Most HDPs have streamlined their operations to support the MTEF sector budget planning processes, and recently projections have been extended to inform the Ministry's Long-Term Expenditure Framework. Budget support is of two types: (i) earmarked health sector support (Belgium, France and Italy); and (ii) general budget support to the Treasury within the framework of the Poverty Action Fund. The Bank and several other partners (such as China, Denmark, Japan, Netherlands, Sweden, USAID, WHO, UNICEF, UNFPA, WFP and the World Bank) are also providing assistance through projects fully aligned with country priorities outlined in the NDP and HSSIP. Appendix III provides details of development partner interventions for the MTEF period ending in FY 2010/11.

**1.3.2 The project is aligned with the efforts of multinational organizations such as WHO, UNICEF, UNFPA and WFP, and global health initiatives such as the Global Fund, GAVI, and PEPFAR to strengthen health systems.** The assistance through these initiatives is channeled mainly through disease control programs such as malaria and HIV/AIDS delivered in primary health care centers. In addition, the GOU is signatory to the International Health Partnership (IHP+), which has resulted in a Country Compact signed in November 2010 by all IHP+ signatories working in Uganda, including the Bank. This compact embodies the principles of country ownership, aid harmonization and alignment.

Sector or subsector*	Size		
	GDP	Exports	Labor Force
Health Sector	N/A	N/A	45,598 (2008)
<b>Players - Public Annual Expenditure (average 2009/10 -2010/11)**</b>			
	<b>Government</b>	<b>Donors</b>	
UGX billion	UGX 1003.56bn	UGX 391.94bn	
%	71.9%	29.1%	
			ADB 12%
			Belgium 1%
			DANIDA 3%
			GAVI 8%
			Global Fund 30%
			Netherlands 1%
			Other Multinational Organizations 36%
			PEPFAR 3%
			World Bank 6%
			100%
<b>Level of Donor Coordination</b>			
	Existence of Thematic Working Groups		Yes
	Existence of SWAPs or Integrated Sector Approaches		Yes
	ADB's Involvement in donor coordination		Member

**1.3.3 The project strategically complements current efforts from other development partners in the areas of capacity development, public-private partnership and health infrastructure expansion.** The project investments will build on the efforts of other partners such as the World Bank, the Belgian Technical Cooperation, WHO and USAID which are targeting organization and management issues in the sector. With regard to expanding access to specialized hospital services, a new general referral hospital is being constructed in Kampala with assistance from the Government of China. This bilateral support from China together with the Bank's proposed support for two new general referral hospitals will

increase access to secondary health care services critical to enforce the referral system in the City of Kampala to decongest Mulago Hospital. Furthermore the Islamic Development Bank has committed to finance the construction of a new Women’s Hospital at the Mulago Hospital Complex (estimated costs of UA 20 million) as an outcome of the study financed through the ADF PPF loan. The Bank will also collaborate with the World Bank and the IFC in supporting the MOH’s interests in service delivery options, including the establishment of an ambulance service, that utilize public-private partnership arrangements.

## II – PROJECT DESCRIPTION

### 2.1 Project components

**The objective of the project is to improve access to quality and affordable health care services for the population of the Kampala Metropolitan Area.** The project is proposed for implementation over 54 months, and will be realized through the execution of the following components:

*Table 2.1: Project components*

	Component name	Est. cost (UA)	Component description
1	Capacity Development and Systems Strengthening	3.95 million	<ul style="list-style-type: none"> <li>• Improve the organization and management of health services at Mulago Hospital, with particular attention to hospital leadership and management, clinical excellence, and ethics and customer care.</li> <li>• Strengthen hospital systems through a comprehensive development of hospital governance frameworks, and HRH performance development tools; preparation of clinical protocols; HMIS and knowledge management; supply chain management for drugs and medical supplies; financial management and accounting; asset management, buildings and equipment maintenance.</li> <li>• Strengthen medical education and research capacity of Mulago Hospital and Makerere University College of Health Sciences</li> <li>• Reinforce MOH’s management capacity in its role as the project’s Executing Agency, through provision of technical assistance.</li> </ul>
2	Revitalized Referral and Counter-referral Systems	2.09 million	<ul style="list-style-type: none"> <li>• Technical assistance to develop national referral policy and support MOH formulation and implementation of a revised referral system, including an operational framework and clinical protocols, linked to the national Health Management Information System (HMIS).</li> <li>• Support the piloting of a public–private partnership ambulance service within Kampala on the basis of a Management Contract structured in accordance with the Uganda MOH policy</li> <li>• Community sensitization and knowledge management of public perceptions to enhance appropriate utilization of the health system.</li> </ul>
3	Expanded and improved Specialized Health Facilities in Kampala	49.46 million	<ul style="list-style-type: none"> <li>• Technical assistance and finance Master Plan to rationalize service delivery at Mulago Hospital Complex to increase efficiency and effectiveness.</li> <li>• Extensive rehabilitation and modernization of the Lower Mulago Hospital building (currently 860 bed capacity), including complete replacement of water, electrical, sewerage and mechanical systems, re-organizing the space for increased efficiency, and rehabilitation of all wards including the Private Patients Services Wing.</li> <li>• Construction of two new general referral hospitals in Kawempe and Makindye (Kiruddu) Divisions of Greater Kampala: with 170 bed capacity. Forty per cent (40%) of the beds in each of the hospitals would be devoted to maternal and child health services and the remainder for</li> </ul>

	Component name	Est. cost (UA)	Component description
			<p>general and specialist services (medicine, surgery, and casualty). These regional referral hospitals will also have adequate provisions for 24-hour emergency/trauma services.</p> <ul style="list-style-type: none"> <li>• Provision of medical equipment and furniture: All hospitals will be provided with appropriate health care technology, medical equipment and devices to improve both the diagnosis and treatment capacities.</li> <li>• Provision of ICT network equipment and software for patient, administrative and financial management systems etc.</li> </ul>

## 2.2 *Technical solution retained and other alternatives explored*

The Bank's intervention, as presented above in Table 2.1, is the preferred project investment option arising from the ADF PPF financed study on requirements to modernize and improve the functionality of health services for the Kampala metropolitan area residents. This preferred option will rehabilitate and upgrade clinical services at Lower Mulago Hospital, and upgrade existing health centers to two general referral hospitals in two of the most densely populated divisions of the City of Kampala. In addition, this option will facilitate an opportunity to address system weaknesses in the quality of health services in Kampala in general and specifically at Mulago Hospital. The project's plan for enhanced management and leadership is expected to increase service delivery efficiency supported by an ICT platform for better information and financial management. The proposed project will also enhance the teaching functions of the hospitals. By design the project will contribute to the establishment of a national referral system that would be piloted in City of Kampala as primary, secondary and tertiary care levels would be functional for the first time underscoring the value added impact of the investment through this project. The GOU considered other scenarios for the Bank's assistance presented below in Table 2.2 which were not adopted.

**Table 2.2: Project alternatives considered and reasons for rejection**

Scenario	Brief description	Reasons for rejection
1	Renovation of Lower Mulago and construction of a Women's Hospital at Mulago Hospital Complex	Primary health care centers in Kampala would continue to effect referral to the tertiary care level. The Women's Hospital would improve better access to care but services would remain centralized at Mulago Hospital. Hence, service delivery at Mulago Hospital would remain congested.
2	Construction of 2 General Referral Hospitals in the City of Kampala, and a Women's Hospital at Mulago Hospital Complex	Service delivery at Mulago Hospital would be decongested as a referral system would be enforceable. The Women's Hospital would improve better access to care but other specialized care critical for an increasing urban population in an epidemiological transition would remain unchanged. The poor health infrastructure at Lower Mulago Hospital would not be improved and the investment would not sufficiently support the revitalization of the referral system in line with WHO standards. This option was deemed to be only partially responsive to the need to improve health services in Kampala

### 2.3 *Project type*

This project is a stand-alone operation to be financed by the Bank and that will be implemented by using as much as possible the Uganda country systems. The project also reinforces donor commitments to the SWAp by being aligned with the HSSIP and NDP objectives.

### 2.4 *Project cost and financing arrangements*

2.4.1 The total cost of the project is estimated at UA 56.00 million (equivalent to UGX 201.41 billion<sup>3</sup>) excluding taxes and duties. The project will be jointly co-financed by ADF Loan UA 46.00 million (equivalent to UGX 165.44 billion) and by NTF Loan UA 10.00 million (equivalent to UGX 35.97 billion). In line with a waiver received from the Bank's Operations Committee (OpsCom) on 1 June 2011, the ADF and NTF loans will cover 100% of the project investment and recurrent costs, excluding taxes and duties. The GOU will cover ancillary costs including taxes and duties, and additional salaries for new staff to be recruited for the two general referral hospitals to be constructed under this project.

2.4.2 The waiver of counterpart funding requirements follows the guiding principles outlined in the revised Bank Policy on Expenditure Eligible for Bank Group Financing (ADF/BD/WP/2007/72/Rev.1) and the recent ORPC Information Note on Counterpart Funding of 30<sup>th</sup> September 2010, and recognizes the GOU's commitment to the sector and earlier Bank supported projects. The consideration given to the financing of 100% of the project costs demonstrates the Bank's flexibility in response to the country's development agenda.

2.4.3 The estimated project costs and proposed sources of finance are summarized below in tables 2.3 through 2.6:

*Table 2.3: Project cost estimates by component [amounts in millions UA equivalents]*

<b>Components</b>	<b>FE</b>	<b>LC</b>	<b>Total</b>	<b>% foreign</b>
Component 1: Capacity Development and Systems Strengthening	0.77	2.58	3.35	23%
Component 2: Revitalization of the Health Referral Services	1.21	0.58	1.79	68%
Component 3: Expanded and improved specialized health facilities in Kampala	30.73	9.91	40.64	75%
Total base cost	32.71	13.07	45.78	71%
Physical Contingencies	2.14	1.69	3.83	
Price Escalation	4.18	1.71	5.89	
PPF	0.47	0.03	0.50	
<b>Total Project Cost</b>	<b>39.50</b>	<b>16.50</b>	<b>56.00</b>	

<sup>3</sup> April 2011 exchange rate: 1UA=UGX3,596.69

*Table 2.4: Sources of financing [amounts in millions UA equivalents]*

Source	FE	LC	Total	
ADF	34.83	11.17	46.00	82%
NTF	4.67	5.33	10.00	18%
<b>Total Project Cost</b>	<b>39.50</b>	<b>16.50</b>	<b>56.00</b>	

*Table 2.5: Project cost by category of expenditure [amounts in millions UA equivalents]*

Category	FE	LC	Total	% foreign
Goods	17.34	0.57	17.91	97%
Works	13.02	8.68	21.70	60%
Services	2.25	2.95	5.20	43%
Operating costs	0.10	0.87	0.97	10%
Total base cost	32.71	13.07	45.78	68%
Physical Contingencies	2.14	1.69	3.83	
Price Escalation	4.18	1.71	5.89	
PPF	0.47	0.03	0.50	
<b>Total Project Cost</b>	<b>39.50</b>	<b>16.50</b>	<b>56.00</b>	70%

*Table 2.6: Expenditure schedule by component for ADF and NTF financing [Amounts in millions UA equivalents]*

Component	2010	2011	2012	2013	2014	2015	Total
Component 1: Capacity Development and Systems Strengthening		0.29	1.03	1.09	1.05	0.49	<b>3.95</b>
Component 2: Revitalization of the Health Referral Services		-	0.29	1.10	0.35	0.35	<b>2.09</b>
Component 3: Expanded and improved specialized health facilities in Kampala		-	5.96	11.46	19.08	12.96	<b>49.46</b>
PPF	0.50						<b>0.50</b>
<b>Total Project Cost</b>	<b>0.50</b>	<b>0.29</b>	<b>7.28</b>	<b>13.65</b>	<b>20.48</b>	<b>13.80</b>	<b>56.00</b>

## 2.5 Project's target area and population

2.5.1 The project is expected to benefit the national population currently estimated at 31.8 million taking into consideration that Mulago Hospital is the main National Referral and Teaching Hospital. But the more immediate project beneficiaries are an estimated 3 million people (9.4% of the national population), the majority of whom are women and children under 15 years, who reside in the Kampala metropolitan area. This area comprises the residents of the City of Kampala (1,597,900) and a significant proportion of the inhabitants in bordering districts of Wakiso, Mukono, Luwero, Nakaseke, Mpigi and Mityana districts that use the City's services. The overall beneficiary population is expected to rapidly increase due to a combination of a high urbanization rate and higher than world average national fertility rates resulting in a population growth rate of 3.4% with estimates as high as 4.1% for the Kampala metropolitan area. Consequently, the beneficiary population at project completion is projected at 3.7 million.

**2.5.2 There are few public sector health care facilities within a radius of fifty kilometers from the Kampala City Center, and private sector services not deemed affordable by the majority of the population.** This high dependency on the Kampala health system, particularly on services from Mulago Hospital is because services in the government-run facilities are free of charge in accordance with the UNMHCP.

**2.6 *Participatory process for project identification, design and implementation, including active participation of the private sector and civil society***

**Multi-stakeholder consultations with government, HDPs, academia, community leaders and the private sector were key features in determining the demand for the project, particularly for hospital level services.** The consultations provided useful insight on stakeholders' views regarding the design of the project. Particular attention was given to the need for donor collaboration and co-financing opportunities following consultations with other HDPs as well as the needs to sensitize the beneficiary communities on anticipated changes in service delivery referral systems. The main participatory processes undertaken during project design included consultations with government officials both at central and local levels including health facility community boards in Kawempe and Makindye Divisions, Makerere University, the Kampala Capital City Authority (KCCA), health professional associations, private providers of health services in Kampala among others. These consultations, confirmed the need to undertake continuous quality monitoring measures such as client satisfaction surveys including preparation and execution of a communication strategy to inform project beneficiaries on planned activities and interventions included in the project design. The consultations revealed that pre-national elections poll carried out in November-December 2010 put health as a key issue for development in the country, scoring 97% against other parameters considered critical which scored lower than 95%. Hence, a pre-project survey and the voice of civil society organizations in Kampala will be important in monitoring progress towards the health improvements awaited as a result of this project.

**2.7 *Bank Group experience, lessons reflected in project design***

**The Project Completion Reports (PCRs) of the past Bank Group operations in Uganda's health sector have been used to inform the design and management of this proposed operation.** To date, the total approved Bank investments in the health sector in Uganda amount to UA 112.08 million. The first Bank project, the Health Services Rehabilitation Project approved in 1990, established a PHC Assessment Center at Mulago Hospital and expanded the network of health centers in Kampala which remain operational. The design of the new project factors in the population growth in Uganda and the City of Kampala which has more than doubled since the Bank's first intervention 20 years ago. This project also builds on the lessons learned by the MOH from the experience in implementing the last two Bank projects. These projects have supported the GOU efforts to implement the UNMHCP from its launch as part of the Bank's funded Support to the Health Sector Strategic Plan Project (SHSSPP) I and II approved in September 2000 and in December 2006, respectively. The time saving benefits of advance preparation of designs and bidding documents prompted the GOU to request for the ADF PPF loan used to prepare this project following start-up delays of the ongoing project, SHSSPP II. Furthermore, the experience in executing the ongoing project (74% disbursed as at 31 May 2011, one year before

completion) has enhanced MOH institutional competence, and familiarity with the Bank's procurement procedures for enhanced efficiency in project management which is directly linked to the Ministry's senior management for rapid decisions (ref. Technical Annex B1).

## **2.8 Key performance indicators**

**2.8.1 Achievement of the project development objective will be measured using the indicators presented in the project's Result-Based Logical Framework.** The process of assessing the expected project outcomes will directly engage project beneficiaries through client satisfaction and hospital staff surveys to determine if the quality and environment of service delivery are improving and the effectiveness of change management strategies. Service delivery accountabilities will be monitored based on improved ICT based financial and administrative reporting systems to provide feedback for management decision-making with quicker turnaround times. The Management Contract for the new Kampala Ambulance Service will include service delivery indicators to assess the effectiveness and efficiency of the referral system and the number of lives saved.

**2.8.2 To monitor project implementation progress emphasis will be put on gender-disaggregated data, socio-demographic characteristics households, availability of inputs versus standards, and service delivery outcomes.** The project's contribution will be assessed in line with the framework of the HSSIP Core Indicators. The sources of data include the Annual Health Sector Performance Report, HMIS Reports, Joint Assessment Framework, Annual Health Sector Joint Review Missions and Human Resources Information Management Systems Bi-Annual Reports which engage MOH senior management and HDPs. Client satisfaction surveys to assess improvements in the quality of services, particularly the referral system will be executed with community and CSO participation.

## **III – PROJECT FEASIBILITY**

### **3.1 Economic and financial performance**

**3.1.1 The project will contribute to addressing equity in access to specialized health care services, particularly at Mulago Hospital where patients overwhelm the hospital with demand for basic health care services that should be available at lower level facilities.** Appropriate access to Mulago Hospital's tertiary and secondary care services to be availed at the proposed two new general hospitals will benefit more Ugandans. Increasing the capacity of the GOU to ensure access to affordable hospital services is critical for the success of the UNMHCP. In effect, the project will reduce the cost of specialized services due to increased supply and convenient location of the services for patients and will thus stimulate health service utilization to benefit positive health outcomes. The proposed investment will have an impact in reducing household expenditures for health, and waiting time that will be important savings on productive person hours.

**3.1.2 The project will contribute to easing the financing gap in the health sector MTEF and thus enhance the capacity of the country to attain its objective for improving the quality and access to publicly-funded health services supported by a referral system.** The demand for government hospital care is particularly acute among the urban-based population in the Kampala metropolitan area as this population is in epidemiological

transition and there are no government hospitals aside from the Mulago Hospital. This transition has led to growing demands of costly hospital services for road accidents, emergency and trauma care, and management of chronic health conditions such as diabetes, cardiovascular diseases and cancer. This is increasing pressure on the health budget as under the UNMHCP health services are free at the point of delivery.

### **3.2 *Environmental and social impacts***

#### **Environment**

**3.2.1 The environment classification of the project is Category 2 due to the civil works envisaged during the construction and operation phases of the Lower Mulago Hospital and two (2) general referral hospitals located in the City of Kampala.** Potentially significant impacts will be localized and site-specific largely occurring during the operational phase of the hospitals from generation and disposal of waste (medical, wastewater and general waste) which will likely increase the pollution load on the environment and potential risks to public health. To ensure compliance with the Bank's Environmental and Social Assessment Procedures and the Uganda environmental law, an Environmental and Social Assessment was carried out as part of the feasibility studies. The mitigation measures described in the associated Environmental and Social Management Plan together with the National Health Care Waste Management Plan (HCWMP) for 2009/10-2011/12 will be adopted to reduce the potential negative impacts and ensure proper handling and disposal of all types of waste to minimize environmental and health risks.

**3.2.2 The project will generate positive environmental impacts through improved access to adequate and efficient health services which will increase productivity from a healthy society and in turn lead to long term economic benefits.** The project will also create employment for both skilled and unskilled labor during the construction and operational phases of the project. Significant environmental impacts related to handling and disposal of hazardous and non-hazardous waste that could potentially occur during the operation phase will be mitigated through the implementation of the HCWMP. The Ministry of Health through the National Medical Stores will be responsible for handling and disposal of radioactive waste in compliance with the HCWMP and national requirements. Routine construction related impacts (dust, air and water pollution) will be addressed through the mitigation measures described in the ESMP (see Technical Annex B8 for details). The cost of mitigation measures which form part of the Project Costs is estimated at UA 325,000 and also presented in Technical Annex B8.

#### **Climate change**

**3.2.3 The project's contribution to climate change can be considered minimal.** The buildings are designed to be low energy consumers in cooling and lighting. Cross ventilation and natural lighting are used in most spaces except where mechanical ventilation is necessary. The infrastructure also includes provisions for appropriate drainage in flood prone areas. Selected trees will be planted within the hospital premises, as a means to contribute to carbon sinks. Rainwater will be harvested and used for appropriate cleaning and gardening as this being an urban project particle contamination from the air does not make the water very safe for all uses. Surface runoff water will be appropriately channeled into the municipal storm water drainage systems to reduce erosion. Solar energy is being proposed as the energy

source for heating of water and emergency lighting in staff housing for the Kawempe and Kiruddu new hospitals.

### **Gender**

**3.2.4 The project is aligned with the Gender Policy of Uganda (2007) which guarantees the right of women to have access to health and stipulates that gender should be mainstreamed in all health sector programs.** Women constitute about 52% of the target population and about 30% of households in Kampala are headed by women. The project is expected to benefit and empower women, by addressing disparities in access to specialized health services and reducing the risks of families falling into poverty due to high out-of-pocket health expenditures. The project will mainstream gender equality in all components and also through enhanced gender-friendly facilities and promotion of women health workers. Through the project, the MOH will be able to increase the number of women mid-level managers in the hospital administration and service delivery in order to support empowerment of women. Many of these positions are filled by women who have transitioned from nursing care to management but currently are performing management functions for which there are no job descriptions. While this situation is under review by the Ministry of Public Services, the project includes management and leadership, and clinical excellence training support that will enhance capacity and professionalism of women managers as 50% and 35% of trainees, respectively will be women.

**3.2.5 Service utilization rates, however, are expected to be markedly improved for women as the project will bring basic services closer to the community level to meet the high demand for reproductive health and newborn care services as a result of the high fertility rate.** With 80% of all deliveries at Mulago Hospital without complication, the project is expected to result in a significant decrease of such deliveries to increase timely medical attention to complicated pregnancies. Untimely medical response to these pregnancies contributes to the high maternal mortality in Uganda estimated at 435 per 100,000 live births. The project will facilitate access by women to specialized health services. Important services in this regard include those that address complications of living with HIV/AIDS, emergency response to cases of gender-based violence, increased demand for early intervention for cancer care which has more than doubled in past five years, and diabetes which has a higher incidence among women. In enforcing the gender mainstreaming guidelines other women-specific needs such as choice of service delivery hours will further enhance access particularly by women working in both the formal and informal sectors.

### **Social**

**3.2.6 The project will have significant health and socio-economic impacts, as a result of improved access to quality health care for an estimated 3 million people of whom an estimated 39% live in poverty 50% of which is under the age of 15 and not economically active.** The fact that Uganda will half poverty by 2015 is an important achievement towards the attainment of the MDGs. But other health related MDGs will not be attained. Health indicators of concern in the country pertain to women and children with regard to the need for referral services upon diagnosis of complications of common illnesses due to: (i) vaccine preventable diseases (measles and pneumonia affecting children); (ii) malaria (accounting for up to 50% of outpatient care) and HIV/AIDS (prevalent in 6.5% of adults 15-49 years); and (iii) reproductive health problems that contribute to high maternal mortality (435 deaths per 100,000 births). The project will have a positive impact on national health indicators through

the improvement of and sustained access to quality health care services, ensuring a continuum of care in accordance with WHO recommendations, and establishing a functioning referral system from primary to tertiary health care services. The project is expected to reduce household budget expenditures for health which have been plummeting despite the abolishment of user fees in 2001. Studies indicate that health expenditures in excess of 10% of total household expenditures increased from 8% in 1996 to 28% in 2005 in Uganda.

**3.2.7 The project will further contribute to the national poverty reduction agenda through employment creation during the construction phase and staffing of the two new general referral hospitals in the City of Kampala.** About 600 new jobs will be created to support services at these hospitals. The project is expected to significantly reduce travel costs and opportunity costs due to long waiting time for outpatient services and in-patient hospital days at Mulago Hospital. Small scale businesses are expected to emerge to provide services required by outpatient and in-patient hospital services and positively impact economic activities in the project areas. The project is expected to raise the awareness of the population in Kampala on health and health services through community involvement and help rationalize service delivery and efficient use of resources. In addition, the project will establish a Hospital Information Resource Centre (HIRC) at Mulago Hospital that will contribute to knowledge generation and evidence-based health care services.

#### **Involuntary resettlement**

**3.2.8 The ESIA determined that there are no involuntary resettlement and land acquisition issues associated with the project.** The facilities under this project will be constructed on the grounds of existing health facilities.

## **IV – IMPLEMENTATION**

### ***4.1 Implementation arrangements***

#### **Executing Agency and MOH institutional arrangements**

**4.1.1 Through implementation of past Bank funded projects, the MOH has developed the institutional knowledge and experience to execute this project using its existing structure enabling a broader use of the Uganda country systems during project implementation.** Key country systems important for the project pertain to the public financial management systems. In this regard, the Bank has assessed and found the financial management, procurement and audit systems of the MOH to be satisfactory (ref. the project's Technical Annexes B4, B5 and B6, respectively). The Permanent Secretary (PS) of the MOH will, therefore, be the Project Accounting Officer as the MOH has the mandate of the GOU for standards setting, capacity development and provision of guidance on the management of referral hospitals. The authority of the PS extends to Mulago Hospital and the new general referral hospitals which are designated self-accounting entities in the national budget framework. A coordinator will be designated by the PS for the day-to-day implementation and functions of the project. Overall supervision of the project will be guided by the MOH Project Steering Committee (PSC) chaired by the Permanent Secretary of the Ministry of Health or his/her designee. The PSC will serve as a platform through which the MOH will align its oversight of the proposed project with similar projects in the sector that are supporting improvements of hospital-based service delivery – such as a World Bank's health

systems strengthening project approved in May 2010, and the new project being considered by the Islamic Development Bank (IsDB). Key project documents such as Audit Reports shall be considered by the PSC before submission to the Bank.

**4.1.2 Although the MOH has the requisite capacity to execute the project, the current civil service staffing provisions for the MOH and budgetary provisions are limited and will not enable the recruitment of additional staff.** In the interest of reinforcing the MOH capacity to deliver the expected project results, Long-Term Technical Assistants will be provided through the project to ensure the MOH has sufficient skilled and competent expertise for its project implementation work. These technical assistants will be recruited to augment the Clinical Services Directorate which executes the MOH mandate over referral hospitals to support activities envisioned under each of three project components. The MOH's public financial management capacity, namely accounting and procurement functions, assessed as lowly staffed will also be strengthened. In addition, the project will support the MOH's acquisition of design and supervision consulting services required in executing the highly specialized civil works under component III, and other short-term consultancies as deemed essential to execute components I and II. The design consultancy will be limited to review and update of the designs and bidding documents developed by the consultant under the ADF PPF financed study to reach the goal of modernization and efficiency of the hospital facilities.

**4.1.3 From the Bank side, the Uganda Field Office (UGFO) will continue to facilitate the implementation of the project.** UGFO will ensure, during all stages of the project cycle that the Borrower is compliant with the procurement and disbursement provisions to be stipulated in the Protocol Agreement. In addition, regional procurement and financial management experts will contribute to project implementation as required.

**4.1.4 Effective implementation of the project will require sound collaborative arrangements to advance the principles such as enhancing the functional relationship between sectors (education and health) as outlined in the Bank's HEST strategy.** As the leading teaching hospital in Uganda, Mulago Hospital works hand in hand with Makerere College of Health Sciences to support postgraduate medical education and research. To leverage the teaching functions of the Mulago Hospital, the MOH will ensure the finalization of a Memorandum of Understanding between the Mulago Hospital and Makerere University College of Health Sciences outlining collaborative activities that promote excellence in the teaching standards to be employed at Mulago Hospital and the two general referral hospitals. The MOU will encompass several areas of collaboration including, health services delivery standards, education and training, research, production of human resources for health (HRH) and strategic and operational responsibilities including leadership and management obligations.

**4.1.5 The MOH will establish a referral system and pilot an ambulance service for effective continuum of care and follow-up within the Kampala metropolitan area.** The ambulance service will be managed through a public-private partnership arrangement. The management terms of this arrangement will be defined in a robust contractual agreement with a service provider based on clear terms of reference and performance measurement standards. The identification of the required private sector expertise to partner with the MOH will be undertaken in line with the Bank's procurement procedures. In this management arrangement, the project will finance the capital expenditures for the equipment and ambulances required for the referral system, and then entrust them to a private sector entity

which will operate and maintain the equipment during the pilot phase. The MOH will be responsible for establishing the management of the service.

#### **Procurement arrangements**

4.1.6 **All procurement of goods, works and acquisition of consulting services financed by the Bank will be in accordance with the Bank's Rules and Procedures for Procurement of Goods and Works or, as appropriate, Rules and Procedures for the Use of Consultants, using the relevant Bank Standard Bidding Documents.** However, national procurement procedures based on the Public Procurement and Disposal of Public Assets Act (2003) and accompanying bidding documents acceptable to the Fund shall be used for procurement of goods and works under National Competitive Bidding subject to the conditions stipulated in detail in Technical Annex B5. The conditions are based on a detailed assessment of the national procurement procedures, accompanying regulations and bidding documents undertaken by the Bank. Detailed procurement arrangements are provided in Technical Annex B5.

4.1.7 **The Ministry of Health's Procurement and Disposal Unit (PDU) will be responsible for the procurement of works, goods, services and miscellaneous items.** An assessment of the PDU to undertake procurement under ADF and NTF financing was undertaken and it was concluded that the unit will need further strengthening through provision of technical assistance in order to effectively support the project. In this regard, a Senior Procurement Specialist will be recruited to be responsible for procurements under the ADF operation, support PDU regular activities and mentor staff.

#### **Disbursement arrangements**

4.1.8 **In terms of disbursements, the MOH as the Executing Agency will open two (2) Special Accounts (SAs) in foreign currency to receive the ADF and NTF loan proceeds, and two (2) Local Currency Account (LCA) in Bank of Uganda to support local cost expenditures financed from these funds respectively.** The Bank will be requested to disburse funds on the basis of eligible expenditures incurred by the project after the initial disbursement deposited into the project SA based on a six month cash flow forecast. In addition, all disbursements will be made based on the agreed work plan. Actual expenditures will be replenished through submission of Withdrawal Applications supported by Statements of Expenditures (SOE) while direct payment method may be used for payments to contractors or service providers upon recommendations of their satisfactory performance by the project authorized officials. Payments may also be made to Bank of Uganda for expenditures against ADF and NTF special commitments covering Bank of Uganda's Letter of Credit. In short, all the four methods indicated in the Disbursement Handbook will be used by the project.

#### **Financial management arrangements**

4.1.9 **The project's financial management transactions will be managed by the MOH Accounting Department.** This department is staffed with experienced qualified accountants; however, their numbers are not sufficient due to additional work load arising from new and existing projects. The project will therefore support the MOH to recruit additional accounting staff, as technical assistant, that will be supervised by and report to the Assistant Commissioner Accounts. The GOU accounting policies and procedures will be used for the project. These are documented in the government's Treasury Accounting Instructions, 2003

issued under the Public Finance and Accountability Act 2003. These procedures, however, will be supplemented with additional guidance on Bank project requirements on external auditing and financial reporting which are documented in this Appraisal Report. The MOH will maintain the project's accounts by category of expenditure and source of funding and put in place a system of internal control to ensure prompt recording of transactions, timely production of accounts and reports and safeguard project assets. Financial records will be maintained in accordance with internationally acceptable accounting procedures and standards, and audited annually by the Uganda Auditor General within six months after the end of each year. In addition to the annual financial audits, the Ministry will be required to submit at least one Value for Money Audit Report at the project's midterm review. The cost of this audit if undertaken by a private auditor will be borne by the project. A detailed financial management assessment is presented in Technical Annex B4, and Audit Arrangements are outlined in Technical Annex B6.

**4.1.10 The project will use the MOH internal control systems and as such the Internal Audit of the MOH will cover the project at least twice every year.** The Internal Audit Reports will be shared with the Bank. Existing MOH internal control functions will benefit this project. It has been noted that the current projects in the sector make use of civil works Supervision Consultants to verify the works certificates before payment. These consultants are employed by the MOH to verify the quality and completion of contracted works. The MOH is linked to the Integrated Financial Management Information Systems (IFMIS). Until recently, the IFMIS could not be configured to prepare accounts for projects. Now a multi-currency system has been developed and piloted on six projects. The capacity development provisions and project progress reporting obligations will leverage the GOU's experience. As a result, the project will also benefit substantially in using the country's public financial management (PFM) systems. The project's financial statements will be audited by the Auditor General in accordance with statutory requirements, and suitable Terms of Reference will be developed and agreed between the Bank and GOU.

## **4.2 Monitoring**

**The project will be subject to project monitoring and reporting frameworks under the MOH led by the Quality Assurance and Inspectorate Department.** Both the MOH and the Bank have responsibilities for monitoring and evaluation, some of which would be conducted jointly. The Bank will do periodic monitoring through half-yearly project supervision missions and review of project reports. The project implementation progress will also be reported in the Joint Annual Reviews which engage the MOH and its HDPs in assessing progress of the implementation of HSSIP activities. Preparation of the Project Completion Report (PCR) will be done jointly between the Bank and GOU. Table 4.2 below shows the detail sequence of the main milestones, and Technical Annex B9 provides project supervision schedules.

**Table 4.2: Monitoring schedule**

<b>Timeframe</b>	<b>Milestone</b>	<b>Monitoring process / feedback loop</b>
July 2011	Board Approval	Appraisal Report
November 2011	Project Launch	Supervision report
January 2012	Loan Effectiveness	Letter of communication to the Borrower
December 2012	Beginning of Construction of the two hospitals	Bid evaluation and quarterly progress reports
February 2013	Completion of the master plan for service delivery at Mulago Hospital	Master plan report and revised design report
March 2014	End of Construction of two hospitals	Final report and certificate of acceptance
March 2014	Beginning of civil works at Lower Mulago Hospital	Bid evaluation and quarterly progress reports
January 2015	Signing of Management Agreement for the ambulance system	Management contract
July 2015	Preparation of PCR	Progress Completion Report
November 2015	End of civil works at Lower Mulago	Final report and certificate of acceptance

### **4.3 Governance**

**The main governance issues for the project pertain to public financial management (PFM) as the project will be implemented using country systems.** This project will be implemented within the Ministry of Health following, to a great extent Uganda's PFM system. The GOU has made some notable progress by initiating a series of reforms which include the introduction of a legislative framework for PFM and service delivery arrangements under sector wide approach programs (SWAp). The 2008 Public Expenditure and Financial Accountability (PEFA) assessment done in 2008 concluded that Uganda has robust systems of PFM laws and regulations. However, major challenges still remain, relating in particular to compliance by ministries and agencies. As such, the MOH's Internal Audit Department will assist in monitoring and evaluating the internal controls. External oversight will be provided by the Auditor General. The Bank will provide oversight especially during supervision missions, and the Bank's Internal Audit may as and when deemed necessary audit the project. While the basic policy, legal and institutional framework for improved accountability is in place, enforcement is a challenge for the MOH in areas such as drug supply chain management now subject to close GOU monitoring and donor assistance. All the anti-corruption measures on reporting and prosecuting corruption that pertain to government will apply to this project.

### **4.4 Sustainability**

**4.4.1 The project is part of a broader GOU commitment to improve public sector services and infrastructure in Kampala whose oversight now fall under central government with the adoption of the Kampala Capital City Authority Act (2010) by the Uganda Parliament.** The commitment for health services improvement can be seen in pre-national polls (December 2010) and was clearly spelt out in the Presidential campaign in February 2011. Prospects of sustaining investments effected through this project are therefore high and should continue to benefit from Uganda's sound economic performance and anticipated increases in revenue as a result of oil export earnings from 2015 onwards. Furthermore, the project complements efforts by other development partners supporting the broader government program under the HSSIP. The high cost investments under the project will be at the Mulago Hospital and the Kawempe and Kiruddu General Referral Hospitals that have separate budget votes in the MOH MTEF. In addition, each of these hospitals will

operate private wings with full cost recovery to augment the official budget allocations in line with government policy. Improved management of the private wings would lead to improved Non-Taxed Revenue (NTR) collection which would support recurrent expenditures in the hospitals. At Mulago Hospital, the NTR amounts are equivalent to 10% of the hospital's annual budget requirements. The GOU has also given assurances that new staffing requirements of the two general referral hospitals under the project are incorporated into the FY 2012/13 budget to facilitate staff recruitments by the Health Service Commission in conjunction with the Ministry of Public Services.

**4.4.2 The project in its design has adopted measures to optimize the investments with a view of improving services delivery for an increasing urban-based population.** The selection of building structures and finishing materials is so as to reduce cost of recurrent and longer-term maintenance. Service agreements will be established to ensure timely maintenance of medical and diagnostic medical equipment procured under the project. Specialized diagnostic equipment will be available for use by private health care practitioner and institutions on referral and on service fee basis to off-set operational and maintenance costs. Staff training opportunities under this project constitute a valuable asset that will contribute highly to the project's sustainability. The training of key staff technicians who will be in charge of maintenance of non-specialized equipment and infrastructure including ICT systems and equipment is critical. The provision of long-term technical assistants to support implementation of this project will allow the MOH time to establish new technical posts as the MOH and Mulago Hospital are restructured during ongoing civil service reforms. The contract arrangements for the pilot Kampala Ambulance Service will be critical for high performance. The effectiveness of this arrangement will contribute to the MOH efforts to attract other investors during the expansion phase as part of a broader agenda to leverage private sector engagement in the health sector.

**4.4.3 The financial impact of the project on government's health spending will be minimal in view of the sector development plans outlined in the HSSIP.** Foreseen recurrent costs include maintenance of medical and diagnostic equipment and renovations as well as new building resulting from the project. Other scheduled costs are those of the operations of the two new general referral hospitals which will require the recruitment of additional staff (about 300 per hospital as per MOH guidelines) for effective administration and delivery of clinical services. The recurrent costs as a result of project completion will amount to about UGX 11.64 billion in FY2015/16 which is about 2% of the FY 2010/11 GOU budget estimates for health, excluding donor supported projects.

#### **4.5 Risk management**

**4.5.1 Anticipated risks are minimal as the proposed project is a Government priority action under the ADF XII cycle in response to the broader government program under the NDP for the period 2010/11-2014/15, and consequently the HSSIP.** The PSC's oversight of the Bank financed interventions as well as the complementary investments from other HDPs will facilitate MOH's monitoring of its results measurements. It is anticipated that the project will be included in the MTEF to assure timely availability of GOU funding of staff costs associated with two general referral hospitals to be constructed under this project. However, the appropriate budget allocations to fund the new staff costs will need to be confirmed during project implementation. The MOH is expected to initiate early recruitment and budgeting for new general referral hospitals during FY2012/13. Effective implementation of the revitalized national referral and counter-referral system will require the full

participation of the public and private health sub-sectors in line with new MOH policy guidelines. The MOH will be supported to monitor and evaluate the new referral system through stakeholder consultations. Project implementation delays are anticipated particularly pertaining to the capacity development and systems strengthening initiatives and timely completion of civil works. Hence, results-oriented measures such as use of performance contracts and enhanced supervision will be used in executing the project. The provision of Long-term Technical Assistants is a Bank intervention that will augment MOH technical capacity to carry-out project implementation plans including financial management and procurements, in line with GOU's commitment to aid effectiveness. Hence, effective risk management will entail follow-up on appropriate mitigation measures identified at appraisal and incorporated in the project's design. The mitigation actions are also presented in the respective Technical Annexes of this project. The table below summarizes the risks and related mitigation measures project.

**Table 4.5 Risk and Mitigation Measures**

<b>Risk</b>	<b>Rating</b>	<b>Mitigation Measures</b>
Weak capacity of the MOH to ensure timely implementation of new capacity development program	Medium	Project provision of technical assistance service to augment MOH technical capacity to develop and adopt new performance oriented strategies to enhance PFM systems
Weak public –private sector participation to operationalize the new referral policy	Low	Establish M&E system to ensure high level of performance, accountability and transparency
Hospital staffing norms will be not be attained due to inadequate budget allocation for wage expenditures and lack of recruitable staff due to “brain drain”	Medium	Proposed project is reflected in the Uganda National Development Plan for FY 2010/2011 – 2014/2015 as measure to increase access to hospital services
Weak coordination of similar support to MOH from other development partners		MOH Project Steering Committee will have oversight of ADF/NTF supported interventions that are complementary to those of other HDPs.
Non-adherence to the new referral systems	Medium	Public awareness campaigns on new referral system
Delayed implementation of civil works, equipment and HR contracts	Low	Explore feasibility to use performance- based contracts to recruit hospital staff while Health and Public Service Commissions recruit new hospital staff

#### **4.6 Knowledge management**

**4.6.1 The project will support knowledge management capacity building at the 3 hospitals through the introduction of an ICT platform and communication network.** The knowledge to be harnessed from this project includes patient care, service planning and management as well as teaching of health sciences and research. The project addresses hospital systems strengthening that cut across the hospital governance, financial planning and management, administration manuals and guidelines, human resources management, equipment and asset management to ensure quality of care. The project will develop and implement a variety of surveys to measure health workforce motivation, services quality and customer satisfaction. Also the master-planning process will bring on board a new mechanism for health services planning and management to share with partners. In addition, the project will also contribute to increasing knowledge on service utilization by gender and community of origin as the health management information systems will be upgraded. Efforts to improve gender specific data collection through the project will enable the MOH to better structure service delivery to meet the needs of all beneficiaries.

**4.6.2 Generation and application of essential information and knowledge needed to support research will be promoted through the project due to the collaborative partnership between Mulago Hospital and Makerere University.** A Hospital Information Resource Centre (HIRC) will be established to facilitate knowledge management for scientific research and innovations for patient care and customer satisfaction. The HIRC will provide access to selected textbooks and health sciences journals and also copies of the dissertations and research work that is locally produced. Also the broad band internet connectivity will link the hospital staff and researchers to the world's best sources of knowledge and open channels of bilateral and multilateral collaboration in knowledge generation and scientific research. The Master Plan to develop enhanced service delivery at the Mulago Hospital Complex is expected to contribute to knowledge generation, within the Bank, to inform similar investment scenarios in other RMCs. As such, joint analytical work with other development partners with whom the Bank will collaborate during project implementation will be pursued.

## **V – LEGAL INSTRUMENTS AND AUTHORITY**

### **5.1 *Legal Instrument***

The legal instrument to be used for the project is an ADF Loan and a NTF Loan to the Republic of Uganda.

### **5.2 *Conditions Associated with the ADF and NTF Intervention:***

#### Conditions Precedent to Entry into Force:

5.2.1 The entry into force of the Loan Agreements shall be subject to the fulfillment by the GOU of the provisions of Section 12.01 of the General Conditions Applicable to African Development Bank and Fund Loan Agreements and Guarantee Agreements.

#### Conditions Precedent to First Disbursement of the Loans

5.2.2 Prior to first disbursement of the Loans, the GOU shall:

- i. provide evidence of having opened foreign currency Special Accounts (SA) and local currency accounts with the Bank of Uganda for the deposit of the proceeds of the ADF and NTF Loans and for transfer of funds from the SA respectively; and
- ii. provide evidence of approval by the National Environment Management Authority (NEMA) of the Environmental and Social Management Plan for the implementation of the Project.

#### Conditions to Further Disbursement of the Loans

5.2.3 Prior to further disbursements of the Loans the GOU shall:

- i. submit written confirmation that the MOH will (i) operate and manage the General Hospitals to be established at Kawempe and Kiruddu, (ii) recruit and deploy appropriate medical, nursing, administrative and maintenance staff among

- others in line with MOH staffing guidelines and in collaboration with the Health Service Commission and Ministry of Public Service by 31 January 2012;
- ii. provide written confirmation that the MOFPED will allocate adequate non-wage budgetary allocations beginning in the 2012/2013 fiscal year for the two new General Hospitals by 31 May 2012;
  - iii. prepare a Community Safety Management Plan, a Transport Management Plan, a Pollution Prevention Plan, a Waste Management Plan and an Emergency Response Plan (collectively referred to as the “ESMPs”) as established in the ESMP and have them approved by NEMA, before signing the contract for the civil works and no later than 30 June 2012;
  - iv. submit to the Bank and Fund for review and approval, prior to execution, any contract to be entered into by the MOH and the selected service provider, for the management of the ambulance referral system in the city of Kampala and provide written confirmation that any contract entered into by the MOH for purposes of the ambulance referral system in the city of Kampala, is in accordance with the Republic of Uganda’s legislation and public policy concerning ‘public private partnerships’ by 31 July 2013;
  - v. submit a Letter of Undertaking that gives written confirmation that the land on which the two new General Referral Hospitals to be established at Kawempe and Kiruddu belongs to the GOU by 31 October 2012 (before signing the contract for the civil works); and
  - vi. submit a Memorandum of Understanding between MOH, Mulago Hospital and Makerere University, in form and substance acceptable to the Bank and Fund; clarifying roles and responsibilities towards the improvement of health care delivery, training and research to create synergies based on each institution’s strengths and resources by 31 December 2012.

### Particular Undertaking

5.2.4 The GOU undertakes to:

- i. implement the ESMP and the ESMPs therein foreseen and to report on a quarterly basis, in a form acceptable to the Bank and Fund, on the status of said implementation.

### **5.3 Compliance with Bank Policies**

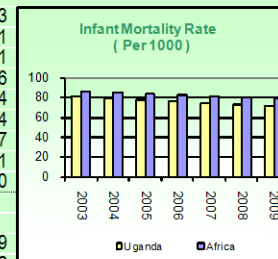
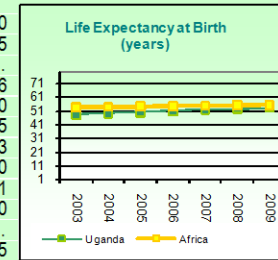
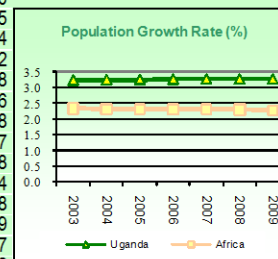
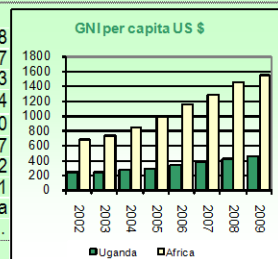
This project complies with all applicable Bank policies.

## **VI – RECOMMENDATION**

Management recommends that the Boards of Directors approve the proposed ADF Loan of UA 46.00 million and NTF Loan of UA 10.00 million amounting to UA 56.00 million to the Government of Uganda.

## Appendix I. Country's Comparative Socio-Economic Indicators

	Year	Uganda	Africa	Developing Countries	Developed Countries
<b>Basic Indicators</b>					
Area ('000 Km²)		241	30 323	80 976	54 658
Total Population (millions)	2010	33.8	1,031.5	5,659	1,117
Urban Population (% of Total)	2010	13.3	39.9	45.1	77.3
Population Density (per Km²)	2010	140.2	34.0	69.9	20.4
GNI per Capita (US \$)	2009	460	1 525	2 968	37 990
Labor Force Participation - Total (%)	2010	43.3	40.1	61.8	60.7
Labor Force Participation - Female (%)	2010	46.5	41.0	49.1	52.2
Gender -Related Development Index Value	2007	0.509	0.433	0.694	0.911
Human Develop. Index (Rank among 169 countries)	2010	143	n.a	n.a	n.a
Popul. Living Below \$ 1 a Day (% of Population)	2009	28.7	42.3	25.2	...
<b>Demographic Indicators</b>					
Population Growth Rate - Total (%)	2010	3.3	2.3	1.3	0.6
Population Growth Rate - Urban (%)	2010	4.6	3.4	2.4	1.0
Population < 15 years (%)	2010	48.7	40.3	29.0	17.5
Population >= 65 years (%)	2010	2.9	3.8	6.0	15.4
Dependency Ratio (%)	2010	105.1	77.6	55.4	49.2
Sex Ratio (per 100 female)	2010	100.4	99.5	93.5	94.8
Female Population 15-49 years (% of total population)	2010	21.7	24.4	49.4	50.6
Life Expectancy at Birth - Total (years)	2010	54.1	56.0	67.1	79.8
Life Expectancy at Birth - Female (years)	2010	54.8	57.1	69.1	82.7
Crude Birth Rate (per 1,000)	2010	45.4	34.2	21.4	11.8
Crude Death Rate (per 1,000)	2010	11.9	12.6	8.2	8.4
Infant Mortality Rate (per 1,000)	2010	70.3	78.6	46.9	5.8
Child Mortality Rate (per 1,000)	2010	115.2	127.2	66.5	6.9
Total Fertility Rate (per woman)	2010	6.2	4.4	2.7	1.7
Maternal Mortality Rate (per 100,000)	2008	430.0	530.2	290.0	15.2
Women Using Contraception (%)	2006	23.7	...	61.0	...
<b>Health &amp; Nutrition Indicators</b>					
Physicians (per 100,000 people)	2005-09	12.0	58.3	109.5	286.0
Nurses (per 100,000 people)*	2005-09	131.1	113.3	204.0	786.5
Births attended by Trained Health Personnel (%)	2006	41.9	50.2	64.1	...
Access to Safe Water (% of Population)	2008	67.0	64.5	84.3	99.6
Access to Health Services (% of Population)	2005-08	...	65.4	80.0	100.0
Access to Sanitation (% of Population)	2008	48.0	41.0	53.6	99.5
Percent of Adults (aged 15-49) Living with HIV/AIDS	2007	5.4	4.9	0.9	0.3
Incidence of Tuberculosis (per 100,000)	2009	293.0	294.9	161.0	14.0
Child Immunization Against Tuberculosis (%)	2009	90.0	79.9	81.0	95.1
Child Immunization Against Measles (%)	2009	81.0	71.1	80.7	93.0
Underweight Children (% of children under 5 years)	2006	16.4	30.9	22.4	...
Daily Calorie Supply per Capita	2007	2 211	2 465	2 675	3 285
Public Expenditure on Health (as % of GDP)	2008	6.3	5.7	2.9	7.4
<b>Education Indicators</b>					
Gross Enrolment Ratio (%)					
Primary School - Total	2009	121.6	102.7	107.2	101.3
Primary School - Female	2009	122.4	99.0	109.2	101.1
Secondary School - Total	2009	27.4	37.8	62.9	100.1
Secondary School - Female	2009	24.9	33.8	61.3	99.6
Primary School Female Teaching Staff (% of Total)	2009	40.5	47.0	60.5	81.4
Adult literacy Rate - Total (%)	2008	74.6	64.8	80.3	98.4
Adult literacy Rate - Male (%)	2008	82.4	74.0	86.0	98.7
Adult literacy Rate - Female (%)	2008	66.8	55.9	74.8	98.1
Percentage of GDP Spent on Education	2009	3.2	4.6	3.8	5.0
<b>Environmental Indicators</b>					
Land Use (Arable Land as % of Total Land Area)	2008	28.7	7.8	10.6	10.9
Annual Rate of Deforestation (%)	2005	...	0.7	0.4	-0.2
Annual Rate of Reforestation (%)	2005	...	10.9	...	...
Per Capita CO2 Emissions (metric tons)	2009	0.1	1.1	2.9	12.5



Sources : ADB Statistics Department Databases; World Bank: World Development Indicators; last update : May 2011  
 UNAIDS; UNSD; WHO, UNICEF, WRI, UNDP; Country Reports.  
 Note : n.a. : Not Applicable ; ... : Data Not Available.

## Appendix II - Summary of Bank Portfolio in Uganda

### Summary of Bank Group Portfolio of On-going and Newly-approved Projects/Programs/Studies

Country: UGANDA

Date of Update: 31st May 2011

Serial No.	Project Description	Approval Date	Approved Amount UA million			Amount Cancelled (UA million)			Net Commitments (UA million)	Amount Disbursed (UA million)	Disbursed (%)	Deadline for Last Disbursement
			ADB	ADF Loan	ADF Grant	ADB	ADF	ADF Grant				
<b>A. AGRICULTURE</b>												
1	Farm Income Enhancement & Forestry Conservation project	29/09/04	nil	31.57	9.85	nil	nil	nil	41.42	22.89	55.3%	30/12/12
2	Community Agricultural Infrastructure Improvement Programme- Project I	31/01/07	nil	30.00	nil	nil	nil	nil	30.00	18.67	62.2%	31/12/13
3	Community Agricultural Infrastructure Improvement Programme- Project II	17/09/08	nil	45.00	nil	nil	nil	nil	45.00	4.00	8.9%	31/12/14
4	Markets and Agricultural Trade Improvement (MATIIP)	25/03/2009	nil	38.00	nil	nil	nil	nil	38.00	0.87	2.3%	30/09/15
<b>Agriculture - Sub Total</b>									<b>154.42</b>	<b>46.43</b>	<b>30.1%</b>	
<b>B. TRANSPORT</b>												
5	Road Sector Support Project 1 (Kabale Kisoro Bunagana Rd)	27/04/05	nil	27.01	1.49	nil	nil	nil	28.50	26.94	94.5%	29/12/12
6	Road Sector Support Project 1 supplementary Loan	20/12/2006	nil	32.99	nil	nil	nil	nil	32.99	21.17	64.2%	29/12/12
7	Road Sector Support Project 2 (Fortportal Bundibugyo Rd)	17/12/07	nil	56.65	1.35	nil	nil	nil	58.00	22.25	38.4%	31/12/13
8	Road Sector Support Project 3 (Nyakahaha Ibanda Rd)	25/09/09	nil	80.00	nil	nil	nil	nil	80.00	-	0.0%	31/12/14
<b>Transport - Sub Total</b>									<b>199.49</b>	<b>70.36</b>	<b>35.3%</b>	
10	Kampala Water Sanitation Project	16/12/2008		35.00	nil	nil	nil	nil	35.00	0.17	0.5%	31/12/14
<b>Water and Sanitation - Sub total</b>									<b>35.00</b>	<b>0.17</b>	<b>0.5%</b>	
<b>D. SOCIAL</b>												
11	Support to Post Primary Education and Training Project (Education III)	19/12/05	nil	nil	20.00	nil	nil	nil	20.00	16.02	80.1%	31/12/11
12	Support to the Health Sector Strategic Plan II	08/11/2006	nil	20.00	nil	nil	nil	nil	20.00	14.83	74.2%	31/12/12
13	Support to Post Primary Education and Training Project (Education IV)	25/11/08	nil	52.00	nil	nil	nil	nil	52.00	1.45	2.8%	31/12/14
14	Rural Income and Employment Enhancement Project	17/11/09	nil	10.20	0.00	nil	nil	nil	10.20	4.87	47.7%	n/a
<b>Social - Sub Total</b>									<b>102.20</b>	<b>37.17</b>	<b>36.4%</b>	
<b>F. INDUSTRY</b>												
15	Mineral Resources Management & Capacity Building Project	29/09/04	nil	nil	5.35	nil	nil	nil	5.35	3.98	74.4%	31.07.2011
<b>Industry - Sub total</b>									<b>5.35</b>	<b>3.98</b>	<b>74.4%</b>	
<b>G. ENERGY</b>												
16	Bujagali Transmission Interconnection Project	28/06/07	nil	19.21	nil	nil	nil	nil	19.21	11.60	60.4%	31/12/11
17	Mbarara-Nkenda/Tororo-Lira Transmission Lines Project	16/12/08	nil	52.50	nil	nil	nil	nil	52.50	0.25	0.5%	31/12/13
<b>Energy - Sub total</b>									<b>71.71</b>	<b>11.85</b>	<b>60.9%</b>	
<b>GRAND TOTAL FOR PUBLIC SECTOR OPERATIONS</b>									<b>568.17</b>	<b>169.96</b>	<b>29.9%</b>	
<b>F. MULTI NATIONAL PROJECT</b>												
18	NELSAP 1	17/12/08	nil	7.59	0.00	nil	nil	nil	7.59	0.00	0.0%	31/12/14
19	Creation of Sustainable Tsetse and Trypanosomiasis Free Areas	08/12/04	nil	3.45	0.24	nil	3.10	nil	3.69	2.02	54.7%	31/12/11
<b>Multi National Projects- Subtotal</b>									<b>11.28</b>	<b>2.02</b>	<b>0.18</b>	
<b>H. PRIVATE SECTOR OPERATION</b>												
20	Bujagali Hydro Power Project	02/05/07	72.17	nil	nil	nil	nil	nil	72.17	60.57	83.9%	31/12/12
21	Buseruka Hydropower Project	29/07/08	5.84	nil	nil	nil	nil	nil	5.84	5.84	99.9%	31/12/10
<b>Private Sector Operation - subtotal</b>									<b>78.01</b>	<b>66.41</b>	<b>85.13</b>	
<b>GRAND TOTAL INCLUDING MULTI NATIONAL AND PRIVATE SECTOR PROJECTS</b>									<b>657.46</b>	<b>238.39</b>	<b>36.26</b>	

**Appendix III. Key related projects financed by the Bank and other development partners in the country**

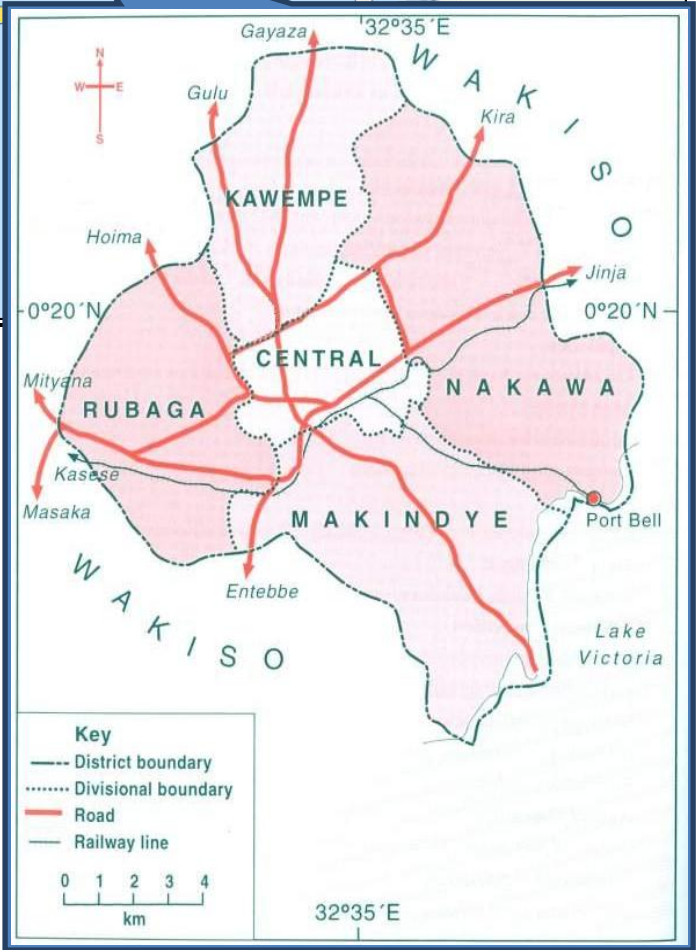
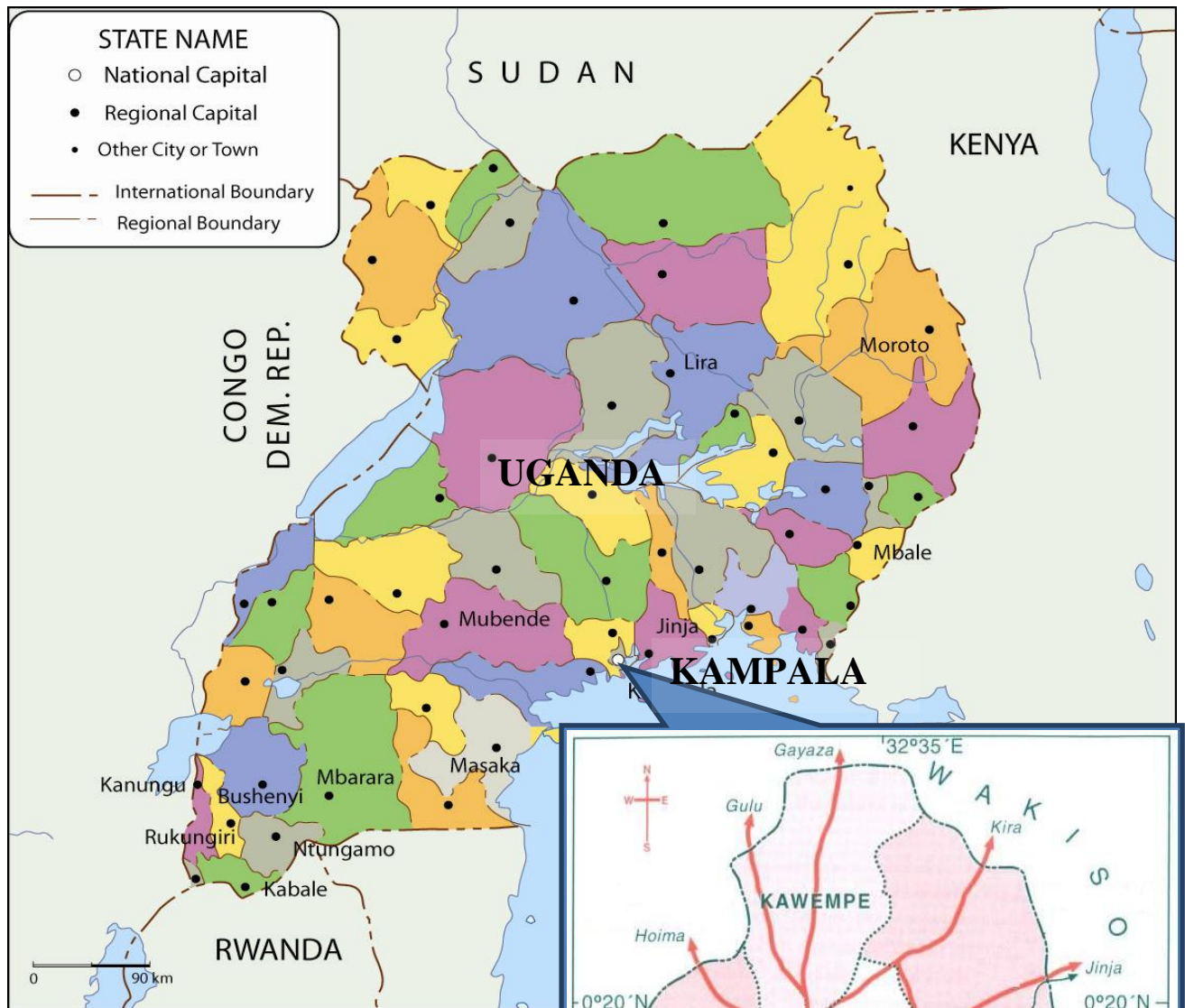
**Existing projects supporting HSSIP implementation**

PROJECT	FUNDING AGENCY	STAGE OF IMPLEMENTATION	OBJECTIVE	MAJOR PURPOSE	Total Project Amount
Strengthening Reproductive and Mental Health Care	African Development Bank (ADB)	Ongoing (Project in Implementation Stage) <b>Project is in 3<sup>rd</sup> Year of implementation</b>	Improve Maternal and Mental Health	Infrastructure Development	US \$ 33.3m over 5 years
Mulago Hospital Complex	GOU	Ongoing (Project in Implementation Stage)	Improve the infrastructure of the Hospital	Infrastructure Development including Equipment (oxygen)	UGX 4.016 bn annually
Imaging and Theatre Equipment Project Phase	Netherlands and GOU	<b>Project in last year of Implementation Stage</b>	Improve the diagnostic capability of the health system	Equipment	EUR 11.5m for 5 years
Butabika Health Centre Remodeling/Construction	GOU	Ongoing (Project in Implementation Stage)	maintenance of Hospital infrastructure	Hospital infrastructure maintenance	UGX 1.325bn annually
Primary Health Care Development	GOU District Grant	Ongoing (Project in Implementation Stage)	Improve quality and quantity of health infrastructure in all Districts	Infrastructure Development	UGX 39.18bn annually including PRDP.
District Infrastructure Support Program	GOU	Ongoing (Project in Implementation Stage)	Improve the infrastructure of the health system	Infrastructure Development	UGX 4.623bn annually
Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)	GFATM	Ongoing (Project in Implementation Stage)- Project is in 5 <sup>th</sup> Year of Implementation	Mitigate the negative effects of the 3 diseases	Logistics, Supply of Medicines and Disease Prevention	US\$ 103.182m for FY 9/10
Health Service Commission	GOU	Ongoing (Project in Implementation Stage)	Provide the necessary logistics	Transport Equipment	UGX 0.347bn annually
Development of Social Health Initiative (SHI)	GOU	Ongoing (Project in Implementation Stage)	establishing a SHI scheme	Preparatory activities for alternative Financing	UGX 1.4bn annual
Rehabilitation of Regional Referral Hospitals	GOU	Ongoing (Project in Implementation Stage)	Improve infrastructure at regional referral hospitals	Infrastructure Development	UGX 17bn
Institutional Support to Ministry of Health	GOU	Ongoing (Project in Implementation Stage)	Provide Additional office space and other service rooms	Infrastructure Development	UGX 1.45bn annually
Uganda Cancer Institute Project	GOU	Ongoing (Project in Implementation Stage)	develop the Uganda Cancer Institute	Infrastructure Development	UGX 3 bn annually
Uganda Heart Institute Project	GOU	Ongoing (Project in Implementation Stage)	Develop the existing Uganda Heart Institute	Infrastructure Development	UGX 1.5 bn annually
Health Systems Strengthening	World Bank and GOU	Ongoing (Project in Implementation Stage)	Strengthen Health systems (Human Resource, Management and infrastructure)	Infrastructure, Human Resource Development, Reproductive Health	US\$ 130 m. for 3 Years US 1.6m Secured for Project Preparation
Support to the Health Sector	DANIDA	Project ended in July 2010 (Completion Stage)	Improve the infrastructure of the health system, capacity for planning, availability of drugs	infrastructure, availability of drugs	US\$ 38.314m for FY 2009/10

PROJECT	FUNDING AGENCY	STAGE OF IMPLEMENTATION	OBJECTIVE	MAJOR PURPOSE	Total Project Amount
			and health care delivery.		
Construction of Naguru 100 bed Hospital	CHINA	Design- Project Implementation begins in FY 2010/11	Improve Health Care Delivery in Kampala	Infrastructure Development	US\$ 9.5 m (18 months)
Support to Mulago & Kampala City Council Health Services	ADB	Project Implementation begins in FY 2011/12	Improve Health service Delivery in Kampala	Infrastructure Development	US \$ 84. m
Avian & Human Influenza Preparedness & Response-Health Sector Component	WB	Project became effective December 2009 to run for 4 years	Reduce the threat by and prepare for control of avian and human influenza	Prepare and effectively respond to avian, human influenza and other disease emergencies to livestock and humans	US \$ 2.06 mfor the Health component. Project is nationally coordinated by OPM
GAVI		Project Design			
Global Sanitation Fund	Global Sanitation Fund	Project Design	Improve Sanitation	Improve Sanitation	US \$ 5 m for 5 years
Rural Energy	GOU	Ongoing (Project in Implementation Stage)	Improve service delivery in remote areas	Provide solar systems in health centres without connection to electricity supply	UGX 200m annually
UNFPA Support to Reproductive Health	UNFPA	Ongoing ( <b>Program</b> in Implementation Stage)	Improve Reproductive Health Supplies	Support family planning	US \$ 1.7m annually
. SURE PROJECT, Securing Uganda's Right to Essential	USAID	Start September 2010	Logistical Support Pharmacy	Improve infrastructure	US \$ 40m for 5 years
Rehabilitation of General Hospitals in Central Region	BADEA	Project Design	Improve Health service Delivery in Central Region	Rehabilitate 2 Hospitals Nakaseke and Kiryandongo	US \$5M
Capacity building in Planning, Management and Leadership	Belgium	Project Design	Capacity building in Planning, Management and Leadership	Build capacity of health workers and institutions	UGX 13 bn for next 3 years
Food Fortification project	WFP	Project Design	Nutrition improvement program	Improve institutional nutrition	US\$2.3 m
Global Alliance for Vaccine Initiative	GAVI	Project Design	Improve preventive care services	Supplies of Vaccines	UGX 740.55 bn for the next 5 years.
Support to Uganda AIDS Commission Secretariat	GFTAM	Project Design	Improved HIV/AIDS care services.	Coordination of HIV/AIDS activities	UGX 3.02 bn for the next 3 years
Support to Karamoja	Italian cooperation	Start September 2010	Staff houses in HC111'S	Hard to reach package	EUR 4.2m
UNHRO	WORLD BANK	December 2010		Research	UGX 300m
UNEPI	GAVI	October 2010		Office and stores for UNEPI	UGX 7.2 bn

Source: Uganda Health Sector Strategic and Investment Plan (HSSIP), 2010/11-2014/15, updated June 2011

**Appendix IV. Map of the Project Area**



This map was provided by the African Development Bank exclusively for the use of the readers of the report to which it is attached. The names used and the borders shown do not imply on the part of the Bank and its members any judgment concerning the legal status of a territory nor any approval or acceptance of these borders.