

ISPGG PROJECT COMPLETION REPORT (PCR)

A. PROJECT DATA AND KEY DATES

I. BASIC INFORMATION

Project Number: 210015503617	Project Name INSTITUTIONAL SUPPORT PROJECT FOR GOOD GOVERNANCE (ISPGG)	Country: UGANDA	Month and Year DECEMBER 2009 Disb. Rate 99.4%	Date PCR sent to PCR@afdb.org.
Lending Instrument ADF		Sector MULTI-SECTOR	Environmental Classification	
Original Commitment: GRANT UA 9.00 MILLION	Amount to be Cancelled: UA 54,278.78	Amount Disbursed: UA 8.96 MILLION	Percent Disbursed 99.4%	
Borrower REPUBLIC OF UGANDA				
Executing Agency : MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT				

II. KEY DATES

Project Concept Note Approved by Ops. Com.NA	Appraisal Report Approved by Senior Management Committee : SEPTEMBER 2004	Board Approval NOVEMBER 2004	
Restructuring(s)			
	Original Date	Actual Date	Difference in months [Actual-Original]
EFFECTIVENESS		17/3/2005	
MID-TERM REVIEW		17 to 24 September 2007	
CLOSING	31st December 2008	31st December 2009	12 months

III. RATINGS SUMMARY

CRITERIA	SUB-CRITERIA	RATING
PROJECT OUTCOME	Acievement of Outputs	3
	Achievement of Outcomes	2
	Timeliness	2
	OVERALL PROJECT OUTCOME	2
BANK PERFORMANCE	Design and Readiness	2
	Supervision	2
	OVERALL BANK PERFORMANCE	2

BORROWER PERFORMANCE	Design and Readiness	3
	Implementation	3
	OVERALL BORROWER PERFORMANCE	3

IV. RESPONSIBLE BANK STAFF

POSITIONS	AT APPROVAL	AT COMPLETION
Regional Director	B. SIDIBE	Diaretou GAYE
Sector Director	n.a.	Gabriel NEGATU
Sector Manager	W. OSHIKOYA	Carlos SANTISO
Task Managers	M. MALLECK-AMODE	Shirley CHINIEN and Edward SENNOGA (<i>as from April 2009</i>)
PCR Team Leader	n.a.	Edward SENNOGA

B. PROJECT CONTEXT

Summarize the rationale for Bank assistance. State:

- what development challenge the project concerns,
- the borrower's overall strategy for addressing it,
- Bank activities in this country (ies) and sector over the past year and how they performed, and
- ongoing Bank and other externally financed activities that complement, overlap with or relate to this project.

Please cite relevant sources. Comment on the strength and coherence of the rationale.

[250 words maximum. Any additional narrative about the project's origins and history, if needed, must be placed in Annex 5: Project Narrative]

Development Challenge the project addresses: the project was designed to fill the institutional skills gaps faced by the Government in taking forward its economic reforms and good governance agenda. More specifically, the project aimed at building the capacity of central and local government institutions so as to adequately respond to challenges posed by institutional capacity gaps in Public Financial Management (PFM) and fiscal decentralization. The strategy focused on participation from key GOU stakeholders for the adoption of a coordinated and holistic approach with strong links developed between PFM, the Public Service Reform Program (PSRP) and fiscal decentralization. The overall management of the project was under the aegis of the Ministry of Finance and targeted five key institutions -Office of the Auditor General (OAG), Inspectorate General (IG), Ministry of Local Government (MOLG), Ministry of Financial Planning and Economic Development (MOFPED) & Office of the Prime Minister (OPM) - of Government involved in implementation of the PFM and decentralization action plans as well as Monitoring and Evaluation.

Borrower's overall strategy for addressing it: While the multi-year (2002-2005) Poverty Reduction Support Loan (PRSL), cofinanced by the World Bank's annual Poverty Reduction Strategy Credits (PRSCs) and the IMF's three-year Poverty Reduction and Growth Facility (PRGF), focused on poverty reduction and structural adjustment, the achievement of sustainable development results was contingent upon the efficient, effective and accountable use of public resources. In addition, a key part of Uganda's economic and financial governance program was oriented towards a comprehensive program of decentralization. In this context, Uganda's good governance agenda required significant institutional capacity building especially in PFM and decentralized development management. Interventions such as the PSRP (1989), the Bank's ISPGG, and the Financial Management and Accountability Programme (FINMAP) [2006] were thus designed to assist the Government of Uganda in addressing its afore-mentioned capacity challenges.

Bank activities and sector performance over past year: As at 31st December 2009, the Bank Group's portfolio in Uganda comprised of 18 on-going projects with cumulative committed loans and grants amounting to UA 534.8 million. The agriculture sector accounts for the largest percentage of Uganda's portfolio, at 30.3%, followed by transport (17.8%) and social sector operations at 15.2%.

Strength and coherence of rationale: ISPGG was designed to complement the Bank Group's Poverty Reduction Support Loan (2002-2005), the Institutional Support for External Aid Management Project (1999-2003), the World Bank's PRSC and IMF's PRGF.

C. PROJECT OBJECTIVES AND LOGICAL FRAMEWORK

1. State the Project Development Objective(s) (as set out in the appraisal report)

To reduce the level of poverty and inequality in Uganda by improving governance through decentralization and participatory decision-making, reinforced accountability and transparency systems, and more effective monitoring and evaluation. (source: project matrix of Appraisal Report). The overall management of the project was under the aegis of the Ministry of Finance and targeted five key institutions of Government involved in implementation of the PFM and decentralization action plans as well as Monitoring and Evaluation (OAG, IG, MOLG, MOFPED, OPM).

2. Describe the major project components and indicate how each will contribute to achieving the Project Development Objectives.

Components meeting development objectives: (1) Reinforcement of transparency and accountability (T&A) and Public Financial Management (PFM) functions. This component aims to provide support to the T&A and PFM functions within the OAG and the IGG; (2) Strengthening of the Decentralization Action Plan, which provides support for reinforcement of the government's decentralization agenda through the MoLG, and the district and sub-county councils; (3) Linking up decentralized development management with a central M&E function within the MOFPED and OPM by linking up the processes of decentralized decision-making, including project implementation, procurement and financial management, through a network of monitoring and evaluation centers converging towards central M&E Units in MOFPED and OPM; (4) provision of support for project management and auditing to coordinate the proper and timely implementation of the detailed activities to be carried out by the five beneficiary institutions.

3. Provide a brief assesment (up to two sentences) of the project objectives along the following 3 dimensions. Insert a working score, using the scoring scale provided in Appendix 1.

PROJECT OBJECTIVES DIMENSIONS		ASSESSMENT	WORKING SCORE
RELEVANT	a) Relevant to the country's development priorities	Highly relevant to the development objective. Governance is the 4th of the five (5) PEAP pillars. The PEAP was the country's Comprehensive Development Framework (CDF) during the implementation of the ISPGG.	4
ACHIEVABLE	b) Objectives could in principle be achieved with the project inputs and in the expected timeframe	The project components and activities were too widespread and extensive, and thus not easily achievable. In addition, start-up delays in one of the components (IG)--caused by staff restructuring--and the decentralization of procurement activities in 2005--decentralized by the National Steering Committee upon request from the components--led to project implementation delays which ultimately led to extension of the project by one year.	3
CONSISTENT	c) Consistent with the Bank's country or regional strategy	The project objectives were in conformity with the Bank's country strategy paper (CSP) for Uganda since the CSP had a pillar on good governance	4
	d) Consistent with the Bank's corporate priorities	The Institutional Support Project for Good Governance reinforces the ADF's poverty reduction support for Uganda . The policy measures were the main focus of the poverty reduction support and consistent with the Bank's corporate priorities as of 2004	4

4. Lay out the log. frame. If a log. frame does not exist, complete the table below, indicating the overall project development objective, the major components (minimum of two) of the project, the major activities (minimum of two) of each component and their expected outputs, outcomes, and indicators for measuring the achievement of outcomes. Please add additional rows for components, activities, outputs or outcomes if needed.

	Narrative Summary	Measurable Indicators 1998	Means of Verification	Important Assumptions
Sector Goal	Reduce the level of poverty and inequality in Uganda by improving governance through decentralization and participatory decision-making, reinforced accountability and transparency systems, and more effective monitoring and evaluation.	Reduction in poverty level from 38% in 2003 to 10% by year 2017, in line with the Poverty Eradication Action Plan (PEAP).	Annual publication of poverty and social statistics; National Household Surveys; and National Bureau of Statistics (NBOS) reports.	(Sector Goal to Supergoal) The main assumption is that progress on the first three of the five pillars in the PEAP hierarchy (strengthening economic management, enhancing the competitiveness of the production function, and improving security and conflict resolution) is beyond the minimum critical level to allow good governance to make an impact on people's perception of improvement in their well being.
Project Objective	1) Reinforce the institutional capacity of the Office of the Auditor General (OAG) and the Inspector General of Government (IGG) to implement the Transparency and Accountability Agenda of the Government's programme of good governance.	Decrease in cost-over-runs of publicly funded projects, less wastage, less corruption.	Annual Reports of OAG and IGG, quarterly reports submitted to the ADB by National Steering Committee, decrease in number of complaints received from suppliers of goods and services during public tender process, and complaints from general public.	Additional staff is seconded to NSC by MoFPED and the process of coordination among the NSC, the OAG and the IGG works smoothly.
	2) Strengthen the institutional capacity of the MoLG and of the various District and sub-county councils to implement the decentralization programme of Government, including its key thrusts of devolving investment prioritization powers, expenditure making decisions, revenue-raising responsibilities, value-for-money	Amount of public revenue raised at local government level, decrease in procurement-related complaints from suppliers and from end-users regarding quality of physical investments and services, improvement in service delivery to	Annual reports of MoLG, quarterly reports submitted to the ADB by National Steering Committee, surveys of end-user satisfaction carried out by local governments.	The process of coordination among NSC, MoLG and the numerous District and sub-county councils runs smoothly.

	procurement monitoring tasks, and reporting-and-accountability responsibilities to local government authorities.	population.		
	3) Provide institutional capacity building support to MoFPED to implement phase II of the ADFinanced ISEAMP (ISPGG) , including training to prepare the Medium- Term Expenditure Framework government budget and effect ITbased monitoring of its execution, and support the Development Committee in project design capabilities.	Evolution of key indicators ofpoverty reduction – incidence ofpoverty, school attendance,access to health facilities, childmortality rates, etc.	Progress reports of MoFPED onPEAP implementation, and quarterly reports submitted by SC to ADB.	Trained staff will remain in the Government service.
	4. Build up institutional capacity within the Office of the Prime Minister to carry out the M&E function for implementation of PEAP, measure the impact on poverty reduction of policy measures enacted by Government in view of refining the policies and action plans to enhance such impact.	Figures on income growth and income distribution, job creation, access to health and education services, etc.	Progress reports of the NSC and the ALD of MoFPED, and quarterly progress reports of OPM.	The NIMES and IFMS are installed and working effectively.
Outputs	1 . Increase in the number of trained staff and equipment in OAG and IGG, in the quality of work produced(audits effected, reports prepared and remedial measures proposed, investigations carried out, etc.)	199 members of staff of OAG trained in high-skill proficiencies of accounting and auditing, and techniques of financial investigation and fraud detection.	NSC reports and quarterly progress reports of OAG and IGG.	OAG and IGG are ready to free staff to attend courses. Trained staff will be retained.
	2. Increase in number of MoLG and local government staff trained in accounting and auditing, in best practices in procurement procedures, project design and costing,	4,000 trainees of lower local government exposed to basic Itskills and procurement procedures.	NSC reports and quaterly progress reports of MoLG	Government commitment to provide appropriate trainee profiles

	LoGICS etc, and increase in volume and quality of equipment.			
	3. Increase in number of MoFPED staff trained in Financial Management System, monitoring and evaluation, data management and analysis.	Several dozens of MoFPED staff trained in M&E processes, project impact evaluation techniques, sensitivity indicators of policy adjustment, and performance assessment methods.	Quarterly progress reports of MoFPED and NSC reports.	MOFPED is ready to free staff to attend courses. Trained staff will be retained
	4. Increase in number of OPM staff trained in IT-based M&E, data collection and analysis.	37 Ministers and Permanent Secretaries as well as an unspecified number of elected district officials offered executive-level training.	NSC reports, progress reports submitted by OPM.	Government commitment to provide appropriate trainee profiles
Activities/ Components	Activities 1. Training of 199 members of staff of OAG in high-skill proficiencies of accounting and auditing, and techniques of financial investigation and fraud detection.	Inputs UA '000 Training 4,620 Computers and Equip. 1,250 Technical Assistance 1,700 Project Management 1,060 Operating costs <u>740</u> 9,370	Appraisal Report	1. The Project management unit is effective.
	2. Provision of skills-formation to 4,000 trainees of lower local government departments in basic IT skills and procurement procedures.	Resources ADF grant: UA 9.0 million Government: UA 0.84 million Technical Assistance	Quarterly progress reports	2. Timely implementation of training programme.
	3. Procurement of computers, equipment, books, and supplies..		Supervision mission reports	3 Timely availability of counterpart funds..

5. For each dimension of the log. frame, provide a brief assessment (up to two sentences) of the extent to which the log. frame achieved the following. Insert a working score, using the scoring scale provided in Appendix 1. If no log. frame exists, score this section as a 1 (one).

LOG. FRAME DIMENSIONS		ASSESSMENT	WORKING SCORE
LOGICAL	a) Presents a logical causal chain for achieving the project development objectives	Within the appraisal report, the chain of inputs-activities-outputs-outcomes is well defined and logical. However, within the logical frame, indicators for two of the four outputs are not adequately defined (i.e. quantitative targets were not explicitly indicated).	3
MEASURABLE	b) Expresses objectives and outcomes in a way that is measurable and quantifiable	Objectives are clearly defined but within the logical frame, indicators were not adequately defined (i.e. quantitative targets were not explicitly indicated).	2
THOROUGH	c) States the risks and key assumptions	The assumptions are identified in the logframe but the risks (3) are only presented in the PAR. Further, although procurement is identified as a risk, mitigating measures are not proposed. Procurement has been, over the project life cycle, the greatest binding constraint to implementation of the numerous project activities.	2

D. OUTPUTS AND OUTCOMES

I. ACHIEVEMENT OF OUTPUTS

In the table below, assess the achievement of expected vs. actual outputs for each major activity. Import the expected outputs from the log. frame in Section C. Score the extent to which the expected outputs were achieved. Weight the scores by the activities' approximate share of project costs. The overall output score will be auto-calculated as the sum of the weighted scores. Override the auto-calculated score, if desired, and provide justification.

MAJOR ACTIVITIES		Working Score	Share of Project Costs (In retrospect)	Weighted Score
Expected Outputs	Actual Outputs			
199 members of staff of OAG trained in high-skill proficiencies of accounting and auditing, and techniques of financial investigation and fraud detection	1. OAG : A total of 370 officials trained in financial audit using (CAATS); 50 officials received professional training (ACCA, CPA); 50 officials trained in Value For Money (VFM) auditing ; a Value for Money Audit unit created . 2. IG: A total of 377 officials trained in investigative skills for forensic auditing procurement and surveillance; systems for data management developed (case management and LAN/WAN); 2 national integrity surveys conducted; national awareness created; and information disseminated to the entire population using print and electronic media :	4	37	1,48

2. 4000 trainees of lower local government exposed to basic IT-skills and procurement procedures	MoLG (1) 326 Higher and 1,200 Lower Local Government (LLG) staff trained in ICT. (2) 600 LG staff trained in Performance Monitoring Management Information System (PMMIS). (3) 1,080 LG staff trained in Results Oriented Management (ROM). (4) 700 LG staff trained on procurement practices. (5) National Capacity Building Policy rolled out to all districts; procured 171 personal computers which were distributed to LGs to enhance operational efficiency, developed ICT Policy for LGs and installed LANS in 20 of Uganda's current 86 districts to ease communication.	3	24	0,72
3. Several dozens of MoFPED staff trained in M&E processes, project impact evaluation techniques, sensitivity indicators of policy adjustment, and performance-assessment methods.	<p>(1) 800 MoFPED staff trained in budgeting and expenditure management; 56 staff trained in Unit Cost Budgeting, Output Oriented Budgeting, and Results Oriented Management.</p> <p>(2) 17 staff of MoFPED Development Committee trained in project design and analysis.</p> <p>(3) 35 MoFPED staff trained in World Fiscal Systems on Oil and Gas and 32 staff trained in Oil and Petroleum Revenue Management.</p> <p>(4) Five studies conducted to inform policy formulation: (i) Unit Cost Budgeting; (ii) Optimal Vehicle Use in Public Service; (iii) Office Accommodation in Public Service; (iv) Synchronizing Government MTEF with Chart of Accounts in the Integrated Financial Management System; and (v) Poverty Action Fund Expenditure Tracking.</p>	4	11	0,44
4. 37 Ministers and Permanent Secretaries as well as an unspecified number of elected district officials offered executive-level training	(1) 15 officials of National Integrated Monitoring and Evaluation Systems (NIMES) secretariat under the Office of the Prime Minister trained in M&E; (2) 243 LG officials provided with executive level training in M&E; and (3) Five (5) studies to inform policy were conducted including (i) Gender and Productivity Survey; (ii) Mapping of Government Monitoring Systems and Related Capacity Needs; (iii) Mapping of Evaluation Practice, Demand and Related Capacity	2	12	0,24

	Needs; (iv) Development of An evaluation Research Fund/ Framework; and (iv) The NIMES Communication and Advocacy strategy.			
				2,88

 Check here to override the calculated score

Insert the new score or re-enter the autocalculated score	

II. ACHIEVEMENT OF OUTCOMES

1. Using available monitoring data, assess the achievement of expected outcomes. Import the expected outcomes from the log. frame in Section C. Score the extent to which the expected outcomes were achieved. The overall outcome score will be auto-calculated as an average of the working scores. Override the auto-calculated score, if desired, and provide justification.

OUTCOMES		Working Score
Expected	Actual	
Decrease in cost - over - runs of publicly funded projects, less wastage, less corruption.	<p>(1) Office of the Auditor General: Audit output has increased from 163 reports per year in the past to 354 reports as at 2007/08; 20 Value for Money (VFM) reports were produced in first year of activity in 2007/08; a back log of 1432 audit reports dating back to the period 2000/1 to 2004/5 was cleared; and the 2007/8 audit report was produced on schedule for the first time thus allowing Uganda's Parliament to exercise its oversight function. The timely production of Audit and VFM Reports has improved expenditure management and the sanctioning of the implicated officers.</p> <p>(2) Inspectorate of Government (IG): Staff are better trained and equipped to conduct corruption related investigations with the time taken to complete investigations dropping from six to three months; the number of complaints received/handled rose from 4,323 in 2006 to 5,125 in 2007; the number of cases prosecuted increased from 34 in 2006 to 64 in 2009 with the number of successful convictions increasing from 2 in 2006 to 10 during the same period. Awareness campaigns and integrity surveys have increased public awareness and support to eradicate the corruption vice. Installation of a LAN/WAN system linking all the thirteen IG regional offices with the headquarters has allowed for the expeditious completion of investigations and prosecution of suspects.</p>	4

<p>Amount of public revenue raised at local government level, decrease in procurement -related complaints from suppliers and from end- users regarding quality of physical investment and services, improvement in service delivery to population</p>	<p>MoLG: Revenue generation in local governments has not increased due to the abolition of Graduated Tax (GT) in 2005—introduced as a poll tax during colonial times, the GT was a "crude" type of income tax that was levied on every able-bodied citizen with an income and was a major source of Local Government revenues. Alternative taxes (Local Service Tax and Local Government Hotel Tax) were introduced in 2008 but performance has so far been poor, with local revenues contributing 3-5% to local budgets.</p> <p>The IT equipment provided to LGs in 60 districts under the project has enabled them to operate the Local Government Communication Information System (LoGICS), which supports Service Delivery, Project Cycle Management, Compliance Inspection, Financial and Geographical Information systems. LoGICS provides comprehensive data on LGs, which is used for evidence-based planning and decision making by the District Service Commissions (DSCs), District Councils, other LG agencies and the Central Government. These interventions have enhanced decentralized planning and decision making processes and thus improving service delivery.</p> <p>Provision of IT equipment to the entire country was however, hampered by the increase in the number of districts from 56 at project design (2004) to 80 at midterm review (2007) and 112 at project closure (2009/10).</p>	<p>3</p>
<p>MoFPED Improved budgeting, budget performance reporting and monitoring and enhanced resource planning and utilisation. Improved MTEF, Government budgeting and Expenditure Management, Enhanced project design and analysis capability of the Dev. Committee</p>	<p>Definition of outputs on the MTEF Chart of Accounts of the IFMIS allowed for the explicit linkage of resources to outputs (codes). Further, the training of the Ministry of Finance, Planning and Economic Development (MoFPED) staff has contributed to improvements in staff and institutional operational efficiency which facilitated the adoption of Output Oriented Budgeting and Results Oriented Management. This has improved budgeting, budget performance reporting and monitoring and enhanced resource planning and utilization.</p> <p>The studies conducted including Unit Cost Budgeting, Transport and Office Accommodation in public service, and Poverty Action Fund Expenditure Tracking have informed budget reforms aimed at improving public expenditure utilization, elimination of waste and duplication so as to improve service delivery.</p> <p>Training in project design and analysis has equipped the MoFPED's development committee with skills to appraise investments and to ensure complementarity with national development objectives.</p>	<p>4</p>

OPM increased institutional capacity within the Office of the Prime Minister to carry out the M&E function	M&E skills and analytical capacity of the National Integrated Monitoring and Evaluation System (NIMES) staff to inform policy decisions for improving service delivery and good governance have been enhanced. In particular, NIMES staff taking leadership of M&E functions such as the Institutional Framework for the Coordination of Government Policy and Programme Implementation. The findings of this initiative are reported in a semi-annual report on Government performance which highlights achievements and areas for improvement.	3
OVERALL OUTCOME SCORE [Score is calculated as an average of the working scores]		3,5

Check here to override the calculated score

Provide justification for over-riding the auto-calculated score	
Insert the new score or re-enter the autocalculated score	3,5

2. Additional outcomes. Comment on the project's additional outcomes not captured in the log. frame, including cross-cutting issues (e.g., gender).
The Gender and Productivity Survey enabled policy makers to understand how gender dynamics influence intra-household resource allocation and in turn impact on productivity at household level
3. Risks to sustained achievement of outcomes. State the factors that affect, or could affect, the long-run or sustained achievement of project outcomes. Indicate if any new activity or institutional change is recommended to help sustain outcomes. The analysis should draw upon the sensitivity analysis in Annex 3
the risks include (1) Sustaining of the created capacity; (2) Change management accepting change); (3) Budget credibility, (4) Reform benefits; (5) Trained staff retention; (6) Staff succession plans.

E. PROJECT DESIGN AND READINESS FOR IMPLEMENTATION

1. State the extent to which the Bank and the Borrower ensured the project was commensurate with the borrower's capacity to implement by designing the project appropriately and by putting in place the necessary implementation arrangements. Consider both design aspects (inputs) and actual outcomes. Design aspects include: extent to which project design took account lessons learned from previous PCRs in the sector or the country (please cite key PCRs); whether the project was informed by robust analytical work (please cite key documents); how well Bank and Borrower assessed the capacity of the implementing agencies and Project Implementation Unit; and provisions made for technical assistance. Project outcomes include the extent to which the project was completed on time and activities were implemented as designed.

Borrower: ISPGG was designed at appraisal to have a National Steering Committee (NSC), an Executing Agency supported by Component Task Forces, a Technical Committee, and a centralized PIU. However, procurement activities were decentralized by the NSC in 2005, which resulted in significant project implementation delays.

The Bank: The design of the ISPGG was informed by the PCR of the Bank funded Institutional Support External Aid Management Program (ISEAMP) which was completed in December 2003. Key lessons adopted from the ISEAMP comprised retaining PIU in the Aid Liaison Department of MoFPED the provision of training programs to project staff as a condition precedent to 1st disbursement

Overall: Project designed was based on lessons learnt from the implementation of the ISEAMP, including: (i) the use of local consultants, which has been extensively done throughout the ISPGG lifecycle; (ii) training needs assessment, which was carefully taken into account during the identification of the ISPGG. However, the ISPGG was unable to comprehensively address the procurement challenges that plagued project implementation. Designating a PIU procurement expert and enhanced support from the Bank Group particularly in designing and linking procurement to activity plans would have mitigated some of these challenges.

2. For each dimension of project design and readiness for implementation, provide a brief assessment (up to two sentences). Insert a working score, using the scoring scale provided in Appendix 1.

PROJECT DESIGN AND READINESS FOR IMPLEMENTATION DIMENSIONS		ASSESSMENT	WORKING SCORE
REALISM	a) Project complexity is matched with country capacity and political commitment.	Government has shown political commitment to address institutional capacity constraints by addressing such issues within the 4th Pillar of the Poverty Eradication Action Plan (PEAP). In terms of project capacity, in light of the significant numbers of procurement activities, a procurement expert should have been designated at the PIU level to support procurement activities and also to train ISPGG component staff.	3
RISK ASSESSMENT AND MITIGATION	b) Project design includes adequate risk analysis.	Risks and mitigation measures were not adequately identified at project appraisal since no mention was made of possible procurement complexities stalling project implementation especially given that the project had five beneficiary institutions. Consequently, no measures were taken to ensure that the PIU was adequately staffed to implement the project.	2
USE OF COUNTRY SYSTEMS	c) Project procurement, financial management, monitoring and/or other systems are based on those already in use by government and/or other partners.	Procurement was designed at appraisal to be implemented according to Bank Procurement Rules and Procedures which were parallel to Government's procedures. The need to accommodate these parallel procedures coupled with the decentralization of procurement activities contributed to significant project implementation delays.	2

For the following dimensions, provide separate working scores for Bank performance and Borrower performance:			WORKING SCORE	
			Bank	Borrower
CLARITY	d) Responsibilities for project implementation are clearly defined.	Both on the Bank's side as well as the Borrower's side, this was clearly defined from the beginning	4	4
PROCUREMENT READINESS	e) Necessary implementation documents (e.g. specifications, design, procurement documents) are ready at appraisal.	At project design the standard project documents were available both at the Bank and the Public Procurement & Disposal of Public Assets Authority (PPDA). However, specific project documents (e.g. LOI, RFQs...) were not available at appraisal.	2	3
MONITORING READINESS	f) Monitoring indicators and monitoring plan are agreed upon.	Monitoring indicators specified in the Appraisal Report were ready.	3	3
BASELINE DATA	h) Baseline data are available or are being collected.	The baseline data was not available in the PAR	1	1

F. IMPLEMENTATION

1. State the major characteristics of project implementation with reference to: adherence to schedules, quality of construction or other work, performance of consultants, effectiveness of Bank supervision, and effectiveness of Borrower oversight. Assess how well the Bank and the Borrower ensured compliance with safeguards. Briefly list what was accomplished at the time of project closing.

[200 words maximum. [Any additional narrative about implementation should be included at Annex 5: Project Narrative.]

Schedules: The project was approved in November 2004 and the grant agreement signed in January 2005. Grant effectiveness was attained on 17th March 2005. All PIU project staff was appointed by April 2005 and 1st disbursement was in May 2005.

Technical assistance: The performance of consultants on the project activities was relatively satisfactory in particular on training.

Supplies: The performance of the suppliers of goods and services was satisfactory.

The Borrower: Overall, the borrower implemented project activities against quarterly work plans satisfactorily. However, the decentralized procurement process, the need to accommodate parallel GoU and Bank procurement procedures; and start-up delays in the IG component led to slippages in implementation

Accomplishments: Support to the Office of the Auditor General (OAG) with ICT equipment and training resulted in the creation of a Value for Money (VFM) Audit Unit with 50 officials trained. The VFM unit produced 20 VFM reports in first year of activity in 2007/08. A back log of 1432 audit reports dating back to the period 2000/1 to 2004/5 was cleared; and the 2007/8 audit report was produced on schedule for the first time. These achievements were in part due to synergies with other donors e.g. DFID and NORAD, which provided complimentary software and training.

Secondly, implementation performance under the Inspectorate of Government (IG) was also satisfactory. Staff are now better trained and equipped to conduct corruption related investigations with the time taken to complete investigations dropping from six to three months; the number of cases prosecuted increased from 34 in 2006 to 64 in 2009 with the number of successful convictions increasing from 2 in 2006 to 10 during the same period. Installation of a LAN/WAN system linking all the thirteen IG regional offices with the headquarters has allowed for the expeditious completion of investigations and prosecution of suspects. A total of US\$ 18.256 Billion (US\$ 8.5 million) has been recovered on account of these investigations.

2. Comment on the role of other partners (e.g. donors, NGOs, contractors, etc.). Assess the effectiveness of co-financing arrangements and of donor coordination if applicable.

The project was complementary to other donors' interventions, particularly the Financial Management & Accountability Program (FINMAP), which focuses notably on training in Public Financial Management (PFM). To ensure synergy, the Bank provided equipment and some of the training required especially in Financial and VFM audits while other donors (e.g. World Bank, DFID, NORAD and JICA) provided the relevant software. In addition, the Bank actively participated in thematic working groups on PFM, decentralization and M&E. These fora maximized the synergies from the various donor interventions thus enhancing their effectiveness.

3. Harmonization. State whether the Bank made explicit efforts to harmonize instruments, systems and/or approaches.

In light of the fact that the ISPGG focused on capacity building, the project activities were harmonized and complementary to other donors. Moreover, the Bank used the Government's own audit systems for auditing of project activities and accounts.

4. For each dimension of project implementation, assess the extent to which the project achieved the following. Provide a brief assessment (up to two sentences) and insert a working score, using the scoring scale provided in Appendix 1.

PROJECT IMPLEMENTATION DIMENSIONS		ASSESSMENT	WORKING SCORE
TIMELINESS	a) Project was completed on time. Draw directly from Section A on Project Data and Key Data. Calculate the ratio of planned time from approval to closing. Score "4" if the ratio is 1.0, score "1" if the ratio is 2.0, score "0" if ratio is greater than 2.0 (i.e. project completion took more than twice as long as planned)].	At appraisal, the project was to use UN Volunteers (UNVs) from the UNDP in the Inspectorate of Government to provide TA. However, at implementation the project used outright consultants for effective delivery of services. This and the ensuing staff restructuring in the Inspectorate of Government (IG) component--where over 50% of the staff were replaced--contributed to start-up delays of upto one year for this component, hence necessitating a one-year extension in the project disbursement deadline. Implementation depicted a marked improvement following the extension, with the project's physical completion rate at 100% and the disbursement rate at 99.4% at project closure on 31st December 2009.	3
	b) Bank complied with:		
BANK PERFORMANCE	Environmental Safeguards	The programme was classified as Category II with limited environmental impact.	3
	Fiduciary Requirements	The project grant disbursement conditions included a requirement for disbursements to the special account after the accountability of 50% of the previous disbursements.	3
	Project Covenants	The project grant agreement provided for grant effectiveness to be triggered by: (1) Evidence of an acceptable special account opened, (2) an adequately staffed PIU (3) Payment of staff salaries while on training, (4) Office Accommodation to the PIU, and (5) An external and internal local training programmes approved by the Bank.	3
	d) Bank provided quality management oversight	The Bank provided close support to the Executing Agency which was strengthened by Field Office support in relevant areas. The project's challenge was the frequent changes of task managers. In addition, there were often considerable delays in providing no	2

		objections or disbursing resources, this being caused by the frequent changes of Task Managers and submission of incomplete procurement and disbursement dossiers by the PIU.	
BORROWER PERFORMANCE	e) Borrower complied with:		
	Environmental Safeguards	The project was classified as Category II with limited environmental impact.	3
	Fiduciary Requirements	The project prepared a Financial Management Manual at the commencement of the project to guide implementation. In addition Quarterly Progress Report (QPR) and Audit timeliness was observed.	3
	Project Covenants	The Government fulfilled most of the conditions precedent to disbursements in a timely manner. The one that encountered delays related to the setting up of the PIU	3
	f) Borrower was responsive to Bank supervision findings and recommendations	The Borrower complied with Bank supervision recommendations	3
	g) Borrower collected and used monitoring information for decision making	The PIU conducted routine M&E, which informed the QPRs and general implementation of project activities.	3

G. COMPLETION

Briefly describe the PCR Process. Describe the Borrower's and co-financers' involvement in producing the document. Highlight any discrepancies concerning the assessments made in this PCR. Describe the team composition and confirm whether an in-sight visit was undertaken. Mention any major collaboration from other development partners. State the extent of field office involvement in producing the report.

[100 words maximum]

PCR process: the process was initially guided by the OSGE/UGFO supervision mission of August 2009, which explained the PCR template to the PIU. Thereafter a Bank mission of November 2009 was fielded to conduct consultations with the Borrower and other stakeholders to inform the PCR.

Borrower's involvement: the PCR process has benefitted extensively from the inputs of the Borrower and PIU staff. In addition, constructive discussions were held between the Borrower and the Bank regarding the working scores and there was full concurrence.

Team Composition of PCR Mission (November 2009): Edward Sennoga (macroeconomist, UGFO); Emmanuel Ofori (consultant, OSGE.1); Gilbert Kagoro (disbursement officer, UGFO); Monica Nandujja (procurement officer); Charles Bitarabe (PIU Coordinator); Ibrahim Mukwaya (Project Accountant); Charles Ogol (AfDB desk officer, GoU) and Oode Obella (Commissioner Aid Liason, GoU).

Field Office (UGFO) involvement: UGFO led the preparation of the PCR and ensured that all requisite information is obtained from the Borrower in a timely manner.

H. LESSONS LEARNED

Summarize key lessons for the Bank and the Borrower suggested by the project's outcomes

[250 words maximum. Any additional narrative about lessons learned, if needed, must be placed in Annex 5: Project Narrative]

(1) The main project design challenge was to ensure proficient implementation of programme with five beneficiaries, each with different mandates and accountabilities in their own right. Such a design would work best where the implementing agencies being supported are conversant with Bank rules and procedures. Therefore, project implementation would have been enhanced by an adequately staff PIU—equipped with the requisite competencies in fiduciary management—and continuous Bank Group training for the implementing agencies. Other lessons include: (2) The project results framework should provide a candid assessment of risks and possible mitigating measures. Quantitative targets should be explicitly defined for indicators to facilitate measurement of project outputs. (3) Harmonization of Bank Rules and Procedures with GoU procurement rules had the potential of expediting the completion of procurement and disbursement activities; (4) Frequent changes of Task Managers should be limited to the extent possible especially since it hampered project implementation; (5) Collaboration between development partners and other stakeholders during the implementation of the ISPGG maximized synergies and complementariness and should be encouraged; (6) Substantial changes in target beneficiaries e.g. increase in the number of districts in MOLG from 56 at project design to over 100 at project closure diluted the impact of results; (7) In multisector projects with various beneficiaries but implemented by a central coordination unit, the use of a Technical Committee alongside Task forces is desirable for successful implementation; and (8) The twinning arrangement of foreign institutions providing training locally is more beneficial as it enables training of more beneficiaries at least cost and should encouraged.

I. PROJECT RATINGS SUMMARY

All working scores are auto-generated by the computer from the relevant section in the PCR.

CRITERIA	SUB-CRITERIA	WORKING SCORE
PROJECT OUTCOME	Achievement of outputs	2,88
	Achievement of outcomes	3,5
	Timeliness	3
	OVERALL PROJECT OUTCOME SCORE	3
BANK PERFORMANCE	Design and Readiness	
	Project Objectives are relevant to country development priorities.	4
	Project Objectives could in principle be achieved with the project inputs and in the expected time frame.	3
	Project Objectives are consistent with the Bank's country or regional strategy	4
	Project Objectives are consistent with the Bank's corporate priorities	4
	The log frame presents a logical causal chain for achieving the project development objectives.	3
	The log frame expresses objectives and outcomes in a way that is measurable and quantifiable.	2
	The log frame states the risks and key assumptions.	2
	Project complexity is matched with country capacity and political commitment.	3
	Project design includes adequate risk analysis.	2
	Project procurement, financial management, monitoring and/or other systems are based on those already in use by government and/or other partners.	2
	Responsibilities for project implementation are clearly defined.	4
	Necessary implementation documents (e.g. specifications, design, procurement documents) are ready at appraisal.	2

	Monitoring indicators and monitoring plan are agreed upon.	3
	Baseline data are available or are being collected.	1
	PROJECT DESIGN AND READINESS SUB-SCORE	3
	Supervision:	
	Bank complied with:	
	Environmental Safeguards	3
	Fiduciary Requirements	3
	Project Covenants	3
	Bank provided quality supervision in the form of skills mix provided and practicality of solutions.	2
	Bank provided quality management oversight.	2
	SUPERVISION SUB-SCORE	3
	OVERALL BANK PERFORMANCE SCORE	3
BORROWER PERFORMANCE	Design and Readiness	
	Responsibilities for project implementation are clearly defined.	4
	Necessary implementation documents (e.g. specifications, design, procurement documents) are ready at appraisal.	3
	Monitoring indicators and monitoring plan are agreed upon and baseline data are available or are being collected	3
	PROJECT DESIGN AND READINESS SCORE	3
	Implementation	
	Borrower complied with:	
	Environmental Safeguards	3
	Fiduciary Requirements	3
	Project Covenants	3
Borrower was responsive to Bank supervision findings and recommendations.	3	
Borrower collected and used of monitoring information for decision-making.	3	
IMPLEMENTATION SUB-SCORE	3	
OVERALL BORROWER PERFORMANCE SCORE	3	

J. PROCESSING

STEP	SIGNATURE AND COMMENTS	DATE
Sector Manager Clearance	Carlos Santiso	June 14th 2010
Regional Director Clearance	Diaretou Gaye	June 21st 2010
Sector Director Approval	Gabriel Negatu	June 21st 2010

Annex I. Project Cost Estimates

Table 1 Summary of Project Cost by Category of Expenditure

	US Dollars ('000)			UA ('000)		
	Foreign Currency	Local Costs	Total Costs	Foreign Currency	Local Costs	Total Costs
Training	5,460	950	6,410	3,690	645	4,335
Technical Assistance	2,280	630	2,910	1,540	425	1,965
ADB Program Management	900	770	1,670	610	520	1,130
Equipment	2,100	--	2,100	1,420	--	1,420
Operating Costs	360	400	760	245	270	515
Total Basic Costs	11,100	2,750	13,850	7,505	1,860	9,365
Contingency	600	100	700	405	70	475
Grand Total	11,700	2,850	14,550	7,910	1,930	9,840

Table 2 Summary Cost Estimates by Source of Finance (UA '000)

Source of Finance	Foreign Currency	Local Costs	Total Costs	% of Total
ADF/TAF	7,910	1,090	9,000	91.46
GOU	--	840	840	8.54
Total	7,910	1,930	9,840	100

Annex II. Uganda ISPGG Bank Inputs/ Monitoring Supervision Missions

(data from SAP)

- (a) Field supervision: August 23rd to August 28th 2006
 - Implementation Progress: 1.75

- (b) Mid-term review: September 17th to September 24th 2007

- (c) Field supervision: September 9th to September 17th 2008:
 - Implementation Progress: 2.18

- (d) Field supervision: June 18th to June 23rd 2009
 - Implementation Progress: 2.59

Annex III. Summary of Disbursement and Completion Rates by Beneficiary

Agency	Training				Technical Assistance				Equipment				Overall	
	Total Budget \$	Total Disbursement \$	Disbursement Rate %	Completion Rate %	Total Budget \$	Total Disbursement \$	Disbursement Rate %	Completion Rate %	Total Budget \$	Total Disbursement \$	Disbursement Rate %	Completion Rate %	Total Disbursement rate	Total completion Rate
OAG	2,166,248	2,166,248	100%	95%	72,000*	72,000	100%	100%	507,180	495,219	98%	100%	99%	99%
IG	1,653,086	1,653,086	100%	100%	460,116	438,275	95%**	100%	723,278	711,605	98%	100%	98%	100%
MoLG	2,595,422	2,595,422	100%	100%	555,085	555,080	100%	100%	685,628	685,628	100%	100%	100%	100%
MoFPED	952,409	952,409	100%	100%	580,130	580,130	100%	100%	30,000	27,283	91%	100%	97%	100%
OPM	640,622	640,622	100%	100%	571,623	571,623	100%	100%	76,631	76,631	100%	100%	100%	100%
TOTAL	8,007,78	8,007,787	100%	100%	2,238,9	2,217,108	99%	100%	2,022,71	1,996,366	97%	100%	99%	100%

Notes: OAG=Office of the Auditor General; IG=Inspectorate of Government; MoLG=Ministry of Local Government; MoFPED=Ministry of Finance, Planning and Economic Development; OPM=Office of the Prime Minister.

Annex IV. List of Supporting Documents

- African Development Bank (2004), *Institutional Support for Good Governance Appraisal Report*, ADF/BD/WP/2004/131, October
- African Development Bank Staff Supervision Mission Reports
- Audited Project Accounts
- Institutional Support for Good Governance Quarterly Progress Reports
- Relevant UGFO Newsletters and Reports
- Republic of Uganda (2004), *Poverty Eradication Action Plan (2004/5-2007/8)*
- Republic of Uganda (2010), *Institutional Support of Good Governance Independent Assessment and Evaluation, Preliminary Draft Report*