



**AFRICAN DEVELOPMENT
BANK GROUP**

PROJECT: COMMUNITY AGRICULTURAL INFRASTRUCTURE IMPROVEMENT PROGRAMME - PROJECT 3 (CAIP-3)

COUNTRY: REPUBLIC OF UGANDA

PROJECT APPRAISAL REPORT

Date: 25th March 2011

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TABLE OF CONTENTS

Loan Information Sheet	ii
Project Summary.....	iii
Results-Based Logical Framework	v
Project Time Line	vii
I – STRATEGIC THRUST AND RATIONALE	1
1.1 Project Linkages with Country Strategy and Objectives	1
1.2 Rationale for Bank’s Involvement	1
1.3 Donor Coordination	2
II – PROJECT DESCRIPTION	3
2.1 Project Objective.....	3
2.2 Project Components	3
2.3 Technical Solutions Retained and Other Alternatives Explored	4
2.4 Project Type	6
2.5 Project Cost and Financing Arrangements	6
2.6 Project Target Area and Beneficiaries	7
2.7 Participatory Process for Project Identification, Design and Implementation.....	8
2.8 Bank Group Experience and Lessons Reflected in Project Design	8
2.9 Key Performance Indicators	9
III – PROJECT FEASIBILITY	9
3.1 Economic and Financial Performance	9
3.2 Environmental and Social Impacts	10
IV – IMPLEMENTATION.....	12
4.1 Implementation Arrangements.....	12
4.2 Monitoring	15
4.3 Governance	16
4.4 Sustainability.....	16
4.5 Risk Management	17
4.6 Knowledge Building	18
V – LEGAL INSTRUMENTS AND AUTHORITY.....	18
5.1 Legal instrument	18
5.2 Conditions Associated with Bank’s Intervention	18
5.3 Compliance with Bank Policies	19
5.4 Recourse in Case of Harm Caused by Non Compliance with the Bank Policies	19
VI – RECOMMENDATION	19
Appendix 1 - Comparative Socio-Economic Indicators	1
Appendix 2 - Summary of Bank Portfolio in Uganda	2
Appendix 3 - Table of Related Projects in Uganda	3
Appendix 4 - Achievements of Predecessor Projects	5
Appendix 5 - Project Area	6
Appendix 6 - Population Table	7
Appendix 7 - CAIIP Management Organigramme	8

Currency Equivalents

As of November 2010

Currency Unit =	Ugandan Shillings (UGX)
UA 1 =	UGX 3,427.74
UA 1 =	USD 1.57179

Fiscal Year

July 1 – June 30

Weights and Measures

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

Acronyms and Abbreviations

AAMP	Area-based Agricultural Modernization Programme
AfDB	African Development Bank
ADF	African Development Fund
AWPB	Annual Work Plan & Budget
CAIIP	Community Agricultural Infrastructure Improvement Programme
CSP	Country Strategy Paper
DP	Development Partners
FAO	UN Food and Agriculture Organization
GoU	Government of Uganda
IFAD	International Fund for Agricultural Development
IRM	Independent Review Mechanism
MoFPED	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MoWT	Ministry of Works and Transport
NAADS	National Agricultural Advisory Services
NARO	National Agricultural Research Organization
NCB	National Competitive Bidding
NDP	National Development Plan
NEMA	National Environment Management Authority
NEPAD	New Partnership for Africa's Development
NSADP	Northwest Smallholder Agricultural Development Project
PEAP	Poverty Eradication Action Plan
PMA	Plan for Modernisation of Agriculture
PFT	Project Facilitation Team
UJAS	Uganda Joint Assistance Strategy
WB	World Bank
WFP	World Food Programme

Loan Information Sheet

Client Information

BORROWER:	Republic of Uganda
EXECUTING AGENCY:	Ministry of Local Government

Financing Plan

Source	Amount (UA)	Instrument
ADF LOAN	UA 40.00 million	Project Loan
Republic of Uganda	UA 2.34 million	Equity/Tax Obligations
TOTAL COST	UA 42.34 million	

Key Financing Information

Loan currency	UA
Interest type*	N/A
Interest rate spread*	N/A
Commitment fee*	0.5%
Other fees*	0.75% Service Charge
Tenor	600 months
Grace period	120 months
EIRR (base case)	28.6%
NPV (base case)	118.3 billion

**if applicable*

Timeframe –Expected Milestones

Concept Note approval	November, 2010
Project approval	May, 2011
Effectiveness	August, 2011
Last Disbursement	December, 2016
Completion	June, 2016
Last repayment	50 years; December, 2066

Project Summary

Project Overview: The proposed Community Agricultural Infrastructure Improvement Programme – Project 3 (CAIIP-3) is a follow-on project to two existing projects, namely, CAIIP-1 and CAIIP-2. As cited in Project Supervision and Quarterly Reports, ongoing CAIIP projects have been well received by the GoU and project beneficiaries, and, in November 2010, CAIIP emerged as the best managed project in Africa for 2010 among projects funded in part by IFAD.

1.2 CAIIP-3 will cover 68 sub-counties across 31 districts in the Western, Central, Northern and Eastern regions of Uganda. The project consists of three components, namely: (i) Rural Infrastructure Improvement (ii) Community Mobilization and (iii) Project Management. Project operations are expected to commence in 2011 and run for 5 years. The total project cost, not including taxes and duties, is estimated at UA40 million, of which the Bank will finance 100%.

1.3 The districts covered by the project correspond to approximately 30% of the total land area of Uganda and account for a population of approximately 10 million, or 29.9% of the national population, based on extrapolations from the 2002 census, or approximately 1.9 million households, based on an average rural household size of 5.2. It is expected to increase household incomes by 20%, increase the volume of agricultural produce that reaches markets by 25% and lead to post-harvest loss (PHL) reductions of 20% in project areas. It will be implemented by district and sub-county local governments with oversight from the Project Facilitation Team (PFT) based in the Ministry of Local Government which currently oversees implementation of CAIIP-1 and CAIIP-2, both predecessor projects of CAIIP-3. The beneficiary communities will participate in the prioritization of infrastructure improvements and will benefit from trainings aimed at enhancing local capacity to sustainably manage and maintain project investments.

Needs Assessment: The overall CAIIP concept and design originated from the Bank's review of Uganda's agriculture and rural sector in 2005. The review recommended increased investment in community agricultural infrastructure within the framework of the PMA Pillars where major financing gaps had been identified. CAIIP-3 is thus the third instalment in a series of CAIIP projects geared toward enhancing development, market access, productivity and income growth across rural Uganda.

Bank's Added Value: The Bank's comparative advantage and added value in this project are derived from its accumulated experience in financing an extensive agricultural portfolio in Uganda, which includes a number of infrastructure-related agricultural projects, notably, CAIIP-3's three predecessor projects: AAMP, CAIIP-1 and CAIIP-2. The positive findings of the AAMP Impact Study (May 2008) and Project Completion Report (December 2009) underline the value of the Bank's investments in rural agricultural communities and further confirm the direct relationship between the rehabilitation and construction of rural roads and markets and an increase in rural household incomes.

Knowledge Management: The knowledge gained through the implementation of similar previous projects in Uganda has been duly applied in designing this project. In the same pattern, the knowledge that will be generated by this Programme will be instrumental in designing and managing similar projects in future. The results from various studies under the

project, notably, PHL baseline and impact assessment studies at project inception and completion will provide valuable information and data to stakeholders on how to further improve on project interventions and achieve the desired outcomes.

Results-Based Logical Framework

Country and project name: UGANDA – Community Agriculture Infrastructure Improvement Programme – Project 3 (CAIIP-3)

Purpose of the project: To contribute to rural poverty reduction and economic growth in Uganda through improvements in rural infrastructure and enhanced commercialization of agriculture.

RESULTS CHAIN		PERFORMANCE INDICATORS		MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES	
		Indicator (including CSI)	Baseline			Target
IMPACT	Poverty reduction in the agricultural sector	Increase in household incomes in project areas (percentage)	TBD in PY1	20% by 2016	Annual project M&E reports Baseline and impact studies UBOS household social economic surveys. UBOS Statistical abstract	
	1. Improved access to roads and market facilities in project areas	1.1. People that can access all season public transportation within 2 km of their homes as a result of the project intervention (number), of which are female (percentage) 1.2. Increase in volume of agricultural production reaching markets (percentage) 1.3 Proportion of people in project area who perceive the programme as a positive development intervention (percentage), or which are female (percentage)	TBD in PY1	1.1. 20% increase in project sub-counties by PY6; of which 50% female	Annual project M&E reports NARO and MoLG PHL baseline and impact surveys Impact Studies	Risk: Districts and sub-counties not able to sustainably and adequately maintain rehabilitated community access roads. Mitigation Measure: PFT to advise local governments to dedicate funds from Uganda Road Fund to maintenance rather than rehabilitation of additional roads. Risk: Project-funded agro-processing facilities may distort the commercial environment for other private sector operators. Mitigation Measure: Agro-processing facilities will be introduced as demonstrational and managed according to private sector principles and practices.
				1.2. 20% increase by 2016		
				1.3 70%, of which 50% are female		
2. Increased production and crop prices in project areas	2.1. Increase in revenue resulting from the project intervention (percentage)	TBD in PY1	2.1. 20% increase by 2016	NAADS Annual project M&E reports NARO, NAADS and MoLG PHL baseline and impact surveys		
3. Post-harvest losses (PHL) reduced in project areas	3.1. PHL reduction resulting from the project intervention (percentage)	TBD in PY1	3.1. 15% reduction in PHL for project area crops by 2016	NARO and MoLG PHL baseline and impact surveys		

OUTPUTS	Component 1: Rural Infrastructure Improvement	1.1. Rural roads constructed or rehabilitated (km), of which are rural (km) 1.2. Rural markets constructed (number) 1.3. Agro-processing units installed (number) 1.4. Community facilities served with access to modern/improved energy resulting from the project intervention (number)	NA	1.1. 3060 km by 2016 1.2. 68 markets by 2016 1.3. 68 agro-processing facilities by 2016 1.4. 68 facilities served by 2016	MoWT Project progress, supervision and audit reports MTR Rural Electrification Agency	Risk: Sustainability on a national scale. Given the expansiveness and wide diversity of the proposed project areas, there is a risk of the project not attaining its objectives uniformly and sustainably across all project areas. Mitigation Measure: Regular and proactive engagement with community, sub-county and district leaders to ensure community participation and involvement with project design and interventions. Risk: Inadequate involvement/participation of beneficiaries and communities, especially women in project activities. Mitigation Measure: Sensitization of local communities, with special focus on women, to encouraging local participation and leadership in guiding project interventions.
	Component 2: Community Mobilization	2.1. Consultative workshops/ meetings on prioritization of rural infrastructure improvements (number/sub-county) 2.2. Rural infrastructure management trainings (number/sub-county)	NA	2.1. 4 workshops/ meetings per sub-county by 2016 2.2. 6 per sub-county by 2016	Project progress, supervision and audit reports MTR	
	Component 3: Programme Management	3.1. Annual work plans prepared (number) 3.2. Progress reports prepared (number) 3.3. M&E reports prepared (number) 3.4. Audit reports prepared (number)	NA	3.1. 5 by 2016 3.2. 20 quarterly progress reports by 2016 3.3. 5 by 2016 3.4. 5 by 2016	Receipt of project work plans and progress, supervision and audit reports MTR	
KEY ACTIVITIES	COMPONENTS			INPUTS (MILLION UA)		
	1: Rural Infrastructure Improvement - Rehabilitation of community access roads - Construction of rural markets - Installation of agro-processing facilities - Provision of rural electrification 2: Community Mobilization - Community engagement and sensitization - Local participation in prioritization and management of infrastructure improvements - Local participation in monitoring of the implementation of the infrastructure - Capacity building 3: Programme Management - Programme management and coordination - Financial management, audit, procurement systems - Monitoring and evaluation - Progress reports			ADF Loan: 40 Component 1: 33.2 Component 2: 3.3 Component 3: 3.5 Total: 40		

**REPORT AND RECOMMENDATION OF THE MANAGEMENT OF THE ADB GROUP TO THE
BOARD OF DIRECTORS ON A PROPOSED LOAN/GRANT TO UGANDA FOR THE
COMMUNITY AGRICULTURAL INFRASTRUCTURE IMPROVEMENT
PROGRAMME – PROJECT 3 (CAIP-3)**

Management submits the following Report and Recommendation on a proposed **loan** for UA **40 million** on **ADF terms** to finance the **Community Agricultural Infrastructure Improvement Programme – Project 3 (CAIP-3) in Uganda**

I – STRATEGIC THRUST AND RATIONALE

1.1 Project Linkages with Country Strategy and Objectives

1.1.1 The project activities, notably, construction of rural agricultural infrastructure and community mobilization to enhance rural household incomes, are consistent with the overall sector goals of the government and well aligned with the Uganda National Development Plan (NDP) 2010, the Agricultural Sector Investment Plan – 2010 (DSIP), the Rural Development Strategy (RDS) of MoFPED, with special emphasis on market access for agricultural produce, Strategies of the Ministry of Works and Transport, as outlined in its District, Urban and Community Access Roads Investment Plan (DUCARIP), and the Local Government Sector Investment Plan (LGSIP Investment Strategy 6, Local Economic Development).

1.1.2 The project activities also lend support to the NAADS Plan for Zonal Agricultural Production, Agro-Processing and Marketing, which encourages production for the export market, and complement the proposed model for the Sub-county Development Programme, which aims to implement the RDS objectives comprehensively in one sub-county in each district in Uganda. Additionally, the investments are in line with the Electricity Act (1999) and the Government’s Rural Electrification Strategy and Plan (2001) in encouraging private sector participation and energy supply for rural transformation through support for basic social services.

1.1.3 Regionally, the project is consistent with Pillar 2 of the NEPAD’s Comprehensive African Agricultural Development Programme (CAADP), which focuses on improvement of rural infrastructure and trade-related capacities for enhanced market access; and with the Millennium Development Goal of halving poverty by 2015.

1.2 Rationale for Bank’s Involvement

1.2.1 The Bank’s comparative advantage and added value in the CAIP-3 intervention derive from a variety of factors. Firstly, the Bank has accumulated considerable experience through its existing agricultural portfolio in Uganda, notably CAIP-1 and CAIP-2. It has a strong record of financing infrastructure-related agricultural projects in Uganda with high efficiency and positive impact at the grassroots level. Moreover, the project is well aligned with the Bank’s Agriculture Sector Strategy and the Medium Term Strategy, as well as the recently approved Country Strategy Paper (CSP) for Uganda for 2011-2015 which lists Infrastructure Development as Pillar 1 of the Bank’s strategy with the goal of increasing agricultural productivity through the “upgrading of community access roads as well as other infrastructure to support the agricultural sector.” The project is also aligned with the Bank Framework Paper: Programme for the Reduction of Post-Harvest Losses in Africa 2010-2014 (PHLP).

1.2.2 In essence, CAIP-3 is a follow-up intervention to two on-going programmes (CAIP-1 and CAIP-2). While incorporating minor changes (see Sections 2.3 and 4.5) which reflect experience and lessons learnt from predecessor projects, it fits within the overall design and framework of the CAIP programme and will serve to increase the coverage of the overall programme in terms of geographic reach across the rural space of Uganda. The project is also well-aligned with the Bank's response to address food crisis risk in Africa in the medium term, through the enhancement of agricultural production and productivity. High marks on past performance, namely, recognition of CAIP in November 2010 as the best managed project in Africa among projects receiving partial funding from IFAD, further strengthen the rationale for the Bank's continued involvement. See Appendix 4 for full details on physical achievements, i.e. outputs, under predecessor projects to CAIP-3, notably, AAMP, which was completed in 2008, and CAIP-1, which is on-going.

1.2.3 The outlook for the project and justification for the Bank's involvement are further strengthened by the findings of the AAMP Project Completion Report (PCR, December 2009), which indicates that AAMP was successful in meeting and surpassing all expected outcomes. See Appendix 4 for a summary of the PCR's findings on project outcomes:

1.3 Donor Coordination

	Sector or subsector*	Size		
		GDP	Exports	Labor Force
	Agricultural Sector	14.6%	90%	70%
Players - Public Annual Expenditure (average 2003/2004 to 2008/2009)**				
	Government	Donors		
UA m	UA 28.2 m	UA 44.3 m	AfDB	32.4%
%	38.9%	61.1%	IDA	21.2%
			IFAD	12.1%
			Danida	11.5%
			USAID	9.7%
			EC	5.2%
			DfID	2.9%
			Italy	1.6%
			FAO	1.5%
			JICA	1.6%
Level of Donor Coordination				
	Existence of Thematic Working Groups	Y		
	Existence of SWAPs or Integrated Sector Approaches	Y		
	ADB's Involvement in donors coordination***	M****		

* as most appropriate ** Years [yy1 to yy2] *** for this sector or sub-sector

**** L: leader, M: member but not leader, none: no involvement

1.3.1 The Bank is one of the major Development Partners (DPs) in the agricultural sector in Uganda, providing about 32.49% of development assistance in the Sector. The Bank collaborates closely with other Development Partners, especially IFAD, Danida, the World Bank, and the EU for agricultural related projects, within the framework of the Agriculture and Rural Development Donor Coordination Group. The Group has been greatly invigorated through the Bank's field presence and together with these development partners, mechanisms have been put in place to ensure collaboration in design of programmes and projects to share

experiences, engage government on policy issues and avoid duplication of investments. The GoU and the Bank are also exploring the possibility of complementary financing from the Islamic Development Bank (IsDB) under CAIP-3.

1.3.2 Recognizing government leadership and ownership in the development process, DPs are committed to supporting implementation of the Agricultural Sector Development Strategy and Investment Plan (DSIP) that is a significant component of the overall National Development Plan (NDP) that became effective in July 2010. An Agricultural Sector Working Group, comprising DPs and senior government technical staff in the sector, has been established to boost collaboration and harmonisation of investments in the sector. The Bank is represented on this forum by UGFO.

II – PROJECT DESCRIPTION

2.1 Project Objective

2.1.1 The overall sector goal of the project is to contribute to poverty reduction and economic growth in Uganda through enhanced commercialization of agriculture. Its specific objectives are to enhance farmers' access to markets, attract competitive prices and increase incomes through improvements in rural infrastructure and infrastructure management by well mobilized communities.

2.2 Project Components

Table 2.2: Project Components

Component	Estimated cost (UA '000) - (excluding taxes)	Component Description
Rural Infrastructure Improvements	33.2	<ul style="list-style-type: none"> ▪ Improvement of Community Access Roads ▪ Construction of Markets ▪ Installation/Construction of Agro-Processing Units and Housings ▪ Rural Electrification for Markets
Community Mobilization	3.3	<ul style="list-style-type: none"> ▪ Community Sensitization ▪ Local Participation in Prioritization of Works ▪ Capacity Building
Programme Management	3.5	<ul style="list-style-type: none"> ▪ Financial Management ▪ Monitoring and Evaluation ▪ Post-harvest Loss Studies ▪ Technical Support and Operating Expenses

Rural Infrastructure Improvements

2.2.1 The project will construct 3060 km of community access roads (45 km per sub-county) to connect to district roads, main roads, production areas and commercial centers. Community access roads will be selected based on the priorities of selected sub-counties. Project roads will be all-weather gravel in line with Class III specifications and designed in accordance with the standards of the Ministry of Works and Transport (MoWT).

2.2.2 The Project will improve or construct one marketplace per sub-county for a total of 68 rural market places. Market placement and size decisions will be guided by production levels, trade volumes, existing infrastructure, numbers of vendors, land availability and revenue potential and based on consultation with key stakeholders.

2.2.3 The project will provide one agro-processing or value addition facility per sub-county for a total of 68 facilities. Where feasible, these facilities and their housings will be incorporated into designs and construction of the rural markets to ensure integrated marketing and processing in a single market unit where farmers can simultaneously deliver, sell, store and add value to commodities. The menu of agro-processing options includes but is not limited to rice hullers/millers, maize mills, fruit and grain millers, peanut cracker and peanut paste machines, cassava chipping equipment, honey extractors and milk coolers.

2.2.4 The project will provide a reliable, affordable and sustainable electricity supply for basic services in the 68 marketplaces and related agro-processing facilities. This rural electrification will primarily be provided in the form of grid extensions and diesel generators.

Community Mobilization

2.2.5 The project will finance community mobilization activities, such as trainings and seminars for prioritization of works and project sensitization workshops, to make small rural farm holders, interest groups and communities aware of the programme. Trainings for relevant district officers will also be conducted to strengthen their capacity for working in partnership with local communities and managing infrastructure developed under the project. This will enable all relevant stakeholders to participate actively in the inventorization, prioritization, selection and implementation of local area infrastructure interventions. This will also assist to establish the necessary structures that will ensure the maintenance and sustainability of investments. In addition to relevant district officers, mobilization will target farmers groups, women groups, Parish development committees and community appointed road maintenance brigades (of which at least 50% will be women). Further details on specific community mobilization activities are provided in Technical Annex D.3.

2.2.6 To ensure appropriate mainstreaming of gender and other cross cutting social concerns in project implementation, the PFT includes dedicated Community Development Officers (CDOs) with expertise in gender related issues at both the national and regional levels. As is the case with the CAIP-1 and CAIP-2, the CDOs will ensure that at least 30% of the beneficiaries of community outreach and mobilization activities are women.

Programme Management

2.2.7 The Project will provide resources for management and coordination, including project and district coordination equipment, training, monitoring and evaluation, supervision, preparation of audit and progress reports and studies.

2.3 Technical Solutions Retained and Other Alternatives Explored

2.3.1 The approach to this project supports a shift from investments in agricultural production to rural infrastructure improvements, as a catalyst for enhancing market competitiveness and rural incomes. Technical solutions proposed for the provision of infrastructure and works under the project are simple, locally available and guided by the successes, achievements and lessons learnt from previous and ongoing Bank-funded projects, including AAMP, CAIP-1 and CAIP-2. In particular, the proposed project includes a narrower menu of infrastructure components than was funded under CAIP-1 and CAIP-2. Whereas CAIP-1 and CAIP-2 funded construction and rehabilitation of district roads and

construction of produce stores and cold storage facilities, these items were dropped from the proposed design of CAIP-3 in favour of more targeted focus on key areas of rural vulnerability, notably, community access roads, markets and agro-processing facilities. This design shift is based on feedback from MoWT officials and district stakeholders at both preparation and appraisal stages as well as complementary activities of the GoU and other donors.

2.3.2 District road maintenance is largely provided for and funded through the Uganda Road Fund (URF). The URF supports routine maintenance of community access roads but does not provide resources for construction and rehabilitation. Although Government is in the process of strengthening district road construction force account units, there are concerns about its efficiency. Hence the community access road class suffers from a backlog of unfinished roads and is deemed most vulnerable. Furthermore, experience demonstrates that the beneficial impact of improvements to community access roads on rural incomes is immediate. Produce stores, meanwhile, are covered by investments from other donors, including the FAO and WFP, at district and community levels and not deemed of critical need. Finally, previous experience indicated that the high energy requirements of cold storage facilities significantly reduce their cost effectiveness in rural areas while improvements in roads and markets allow goods to reach urban centres much sooner, thereby reducing the demand for cold storage facilities linked to rural markets.

2.3.3 The proposed project design also allows for greater variation in market size to incorporate experience from prior projects which suggests that standard, large size markets do not always deliver best value for cost, specifically in remote and rural areas where production volumes do not necessitate a large market space. A further innovation to the proposed market improvements is to capture potential synergies and value addition from agro-processing facilities by integrating them into overall market design. An integrated unit combining all facilities in one location offers flexibility to farmers to determine the form in which to sell their produce.

2.3.4 Finally, the proposed project design retains the flexibility in market and agro-processing management solutions which has proved successful in implementation of CAIP-1 and CAIP-2. Experience suggests that management choices vary from sub-county to sub-county but broadly fit into four main categories: 1) management directly by the sub-county; 2) management through lease by a private contractor; 3) management by farmers' groups; and 4) management through a public-private partnership. The experience of CAIP-1 and CAIP-2 further suggests that management solutions have the best chance for success and sustainability when communities own the decision making process and have the flexibility to determine the solution which works best within the local context.

Table 2.3: Project Alternatives Considered and Reasons for Rejection

Alternative name	Brief description	Reasons for rejection
District Feeder Roads	Construction and rehabilitation of larger District and Feeder road corridors	<ul style="list-style-type: none"> ▪ MoWT officials and District stakeholders requested that the project focus on area of greatest weakness, i.e. community access roads.
Produce Stores	Construction of independent and integrated produce stores	<ul style="list-style-type: none"> ▪ Funded through projects by WFP and FAO ▪ Experience from AAMP and CAIP-1 indicates the produce stores are not always fully utilized, reflecting low need.
Cold Storage Facilities	Construction of cold storage facilities and related energy solutions.	<ul style="list-style-type: none"> ▪ Deemed not cost-effective. ▪ Rendered unnecessary by investments in roads

		and markets which facilitate faster transport of goods to urban centres where cold storage facilities already exist.
Standard, large-size markets	Construction of a standard, large-size market in all locations	<ul style="list-style-type: none"> ▪ Choice in the selection of market size allows communities to adopt the design which best reflects local needs and trade volumes. ▪ Reflects lessons learnt from previous projects which suggest that, in certain rural areas, smaller markets may have better value for the cost.

2.4 Project Type

2.4.1 CAIP-3 is an investment loan. It complements other existing production oriented programmes such as NAADS and the Farm Income Enhancement Programme and is closely linked in design, purpose and implementation framework to CAIP-1 and CAIP-2.

2.5 Project Cost and Financing Arrangements

2.5.1 The total project cost, including price contingencies (10% domestic and 2.5% foreign) and physical contingencies (10%) and excluding duties and taxes, is estimated at UA 40.00 million. This includes foreign exchange components amounting to UA 16.7 million, or 42% of total costs, and local cost components amounting to UA 23.3 million or 58% of total costs. The unit costs of roads, marketplaces and agro-processing facilities are based on current contracts for similar works under CAIP-1 and CAIP-2.

2.5.2 The ADF loan allocation will amount to UA 40 million and, in line with a waiver received from the Bank's Operations Committee (OpsCom) on November 24, 2010, will cover 100% of project investment and recurrent costs, excluding taxes and duties (See Section 4.1.9 for a full explanation of the waiver). The GOU will cover ancillary costs including taxes and duties, amounting to approximately UA 2.43 million. In addition, the GoU will fund salaries of seconded staff and space for the planned Mbarara Regional Office.

2.5.3 Standard conditions applicable to ADF Loan Agreements shall apply for loan effectiveness. Specific conditions to be fulfilled by the GoU prior to first disbursement include: 1) the opening of one foreign currency special account (SA), for the deposit of the proceeds of the loan, and one local currency account (LCA), for transfer of funds from the special account, with the Bank of Uganda; and 2) provision to the Bank of a Letter of Undertaking that gives written confirmation that the land where the market infrastructure is to be constructed belongs to the Government.

2.5.4 Specific cost details for the project by component and category are itemized in the tables below:

Table 2.5a: Project Cost Estimates by Component ('000)

Components	UGX ('000)	UA ('000)	% Foreign Exchange	% Total Base Cost
RURAL INFRASTRUCTURE				
Rural Roads	67,361,628.6	19,651.9	42	63
Markets and Agro-Processing	17,066,047.3	4,978.8	50	16
Rural Electrification	3,500,847.3	1,021.3	55	3
SUBTOTAL RURAL INFRASTRUCTURE	87,928,523.1	25,652.0	44	83
COMMUNITY MOBILIZATION	8,940,535.6	2,608.3	54	8
PROGRAMME MANAGEMENT	9,673,136.7	2,822.0	58	9
TOTAL BASELINE COSTS	106,542,195.4	31,082.3	46	100

Physical Contingencies	9,965,322.1	2,907.3	47	9
Price Contingencies	20,602,016.5	6,010.4	16	19
TOTAL PROJECT COSTS	137,109,534.0	40,000.0	42	129

Table 2.5b: Sources of Financing ('000)

Source	UGX ('000)	UA ('000)	% Foreign Exchange	% Project Cost
PROJECT COSTS (EXCLUDING TAXES AND DUTIES)				
ADF	137,109,534.0	40,000.0	42	100
TAXES AND DUTIES				
GOU	8,339,202.0	2,432.9	-	6
TOTAL (INCLUDING TAXES AND DUTIES)	145,448,736.0	42,432.9	39	106

Table 2.5c: Project Cost by Category of Expenditure ('000)

Categories	UGX ('000)	UA ('000)	% Foreign Exchange	% Total Base Cost
Civil Works	76,637,000.0	22,357.9	40	72
Vehicles	348,926.0	101.8	90	-
Equipment	4,524,842.7	1,320.1	90	4
Technical Assistance	2,509,000.0	732.0	100	2
Studies and Supervision	1,793,000.0	523.1	80	2
Training and Capacity Building	8,011,423.0	2,337.2	60	8
Cross Cutting Issues	1,338,036.0	390.4	73	1
Audit	500,000.0	145.9	100	-
TOTAL INVESTMENT COSTS	95,662,227.7	27,908.3	47	90
TOTAL RECURRENT COSTS	10,879,967.8	3,174.1	35	10
TOTAL BASELINE COSTS	106,542,195.4	31,082.3	46	100
Physical Contingencies	9,965,322.1	2,907.3	47	9
Price Contingencies	20,602,016.5	6,010.4	16	19
TOTAL PROJECT COSTS	137,109,534.0	40,000.0	42	129

Table 2.5d: Expenditure Schedule by Component (UA'000)

Components	2011/12	2012/13	2013/14	2014/15	2015/16	Total
RURAL INFRASTRUCTURE	2,998.0	7,934.1	9,937.5	10,367.6	1,960.9	33,198.2
COMMUNITY MOBILIZATION	465.9	722.9	886.8	923.2	289.9	3,288.7
PROGRAMME MANAGEMENT	741.7	482.7	519.7	838.0	931.1	3,513.1
TOTAL PROJECT COSTS	4,205.6	9,139.7	11,344.0	12,128.8	3,181.9	40,000.0

2.6 Project Target Area and Beneficiaries

2.6.1 CAIP-3 will cover 68 sub-counties across 31 districts in the Western, Central, Northern and Eastern regions of Uganda. The breakdown of districts by region is as follows: Western Region - 22 districts (Buhweju, Bundibugyo, Bushenyi, Hoima, Ibanda, Isingiro, Kabale, Kabarole, Kamwenge, Kanungu, Kasese, Kiruhura, Kisoro, Kyegegwa, Masindi, Mbarara, Mitooma, Ntoroko, Ntungamo, Rubirizi, Rukungiri, Sheema); Central Region - 2 districts (Luwero, Nakaseke); Northern Region - 3 districts (Apac, Kole, Oyam); and Eastern Region - 4 districts (Bugiri, Busia, Mayuge, Namayingo). See Appendix 5 for an integrated map of the CAIP-1, CAIP-2 and CAIP-3 project areas.

2.6.2 The bulk of interventions will take place in 46 sub-counties in the Western region where the programme will deepen previous interventions under the Area-based Agricultural Modernization Programme (AAMP) by raising coverage to 50% of sub-counties in each district. CAIP-3 will also extend interventions to 22 sub-counties in the Central, Northern and Eastern regions in districts not previously covered by CAIP-1 or 2, to ensure the

continued even and balanced roll-out of the programme across the entire rural space of Uganda. With the implementation of CAIP-3, CAIP will have covered all regions in Uganda with the exception of Karamoja and some districts in the West Nile. Resources permitting, a CAIP-4 could be developed to follow CAIP-3 and cover all remaining districts, consistent with the original concept from the GoU, namely, that CAIP would eventually cover the entire rural space of the country.

2.6.3 Selection of sub-counties where interventions will take place will be determined through consultations and prioritization discussions with local officials and stakeholders. Selection of sub-counties will also incorporate additional considerations such as growth potential, the presence of NAADS and additional factors such as the presence of other programmes with similar interventions such as AAMP or the ongoing District Livelihood Support Programme (DLSP). The detailed criteria will be spelt out in the Project Operations Manual (POM) to be developed by the PFT and based on previous versions which guided implementation of CAIP-1 and CAIP-2.

2.6.4 In total, the 31 selected districts comprise roughly 30% of Uganda's total land area. The total population of the 31 districts, based on extrapolations from the 2002 census, is estimated at 10 million, of which 51.4% are estimated to be women. This corresponds to approximately 1.9 million households or about 29.9% percent of the national population. See Appendix 6 for a detailed breakdown of population figures by district.

2.7 Participatory Process for Project Identification, Design and Implementation

2.7.1 Extensive consultations were conducted at all levels, including Government ministries and agencies, including, NAADS, MoWT, MoFPED, MAAIF, MoLG, MTTI and NEMA; and the district/sub-county authorities, local communities and Development Partners. Consultations on the design, modalities, project coverage and activities were undertaken at all stages of the project preparation. A stakeholders' workshop which convened district officers from 28 of the prospective CAIP-3 districts was also held during appraisal to discuss and agree on the modalities, scope of coverage and procedures for project implementation.

2.8 Bank Group Experience and Lessons Reflected in Project Design

2.8.1 Lessons learnt from the Bank agricultural portfolio in Uganda, notably, CAIP-1, CAIP-2 and their precursor AAMP, include; (i) a good interactive consultative process with project districts, government officials and members of parliament strengthens the commitment from all stakeholders and contributes to speedy effectiveness of the project and development effectiveness; (ii) sector analytical work is an essential basis for sound design and buy in by development partners (IFAD co-financing, EU and World Bank support); (iii) institutional continuity in project coordination (adoption of AAMP PFT for CAIP-1 and CAIP-2) coupled with adequate incentives facilitates speedy project start-up and ensures sustainability; (iv) use of experienced national institutions (use of Ministry of Works and Transport in CAIP-1 and CAIP-2) for the design of infrastructure enhances project implementation processes; and (v) rural infrastructure works have immediate impact on commodity prices, transportation costs and general livelihood. Although the Government has established the Uganda Road Fund for the rehabilitation of rural feeder and community roads, consistent road maintenance is still not being well undertaken, particularly due to inadequate financial and human resources. To alleviate this bottleneck, the project will assist in the training of district Road Engineers on various aspects of road maintenance and contract

management. In addition the project will assist in training of district technical staff to equip them with key skills in supervision, monitoring and reporting. This will serve to improve the timely delivery of quality project outputs.

2.8.2 Financial control and delays in financial transactions and reporting have been a challenge in past projects. This is being addressed by ensuring the training of district accountants on financial management and control systems to enable them to undertake the requisite financial accounting in a timely and efficient manner.

2.9 Key Performance Indicators

2.9.1 The Key Performance Indicators (KPI's) will include:

- (i) Rehabilitation and construction of 3060 kilometres of community access roads across 68 sub-counties (45 kilometres per sub-county);
- (ii) Construction of 68 rural markets across 31 districts (1 market per sub-county);
- (iii) Installation of 68 demonstrational, agro-processing facilities (1 facility per sub-county). Indicative figures for the facilities are 30 milk coolers, 20 maize mills, 10 rice hullers and 8 other types of facilities;
- (iv) Rural electrification provided to 68 rural markets and associated agro-processing facilities;
- (v) 20% increase in people that can access all season public transportation within 2 km of their homes as a result of the project intervention, of which 50% are female by 2016;
- (vi) 15% reduction in PHL in project area crops due to project interventions by 2016;
- (vii) 20% increase in agricultural revenue due to project interventions by 2016;
- (viii) 20% increase in marketed goods due to project intervention by 2016;
- (ix) 20% increase in household incomes due to project interventions by 2016; and
- (x) 70% of respondents, of which 50% are female, in project area perceive the programme as a positive development intervention upon project completion.

III – PROJECT FEASIBILITY

3.1 Economic and Financial Performance

Economic Analysis

Table 3.1: Key Economic Figures

EIRR (base case)	28.6%
NPV (base case)	UGX 118.3 billion

Note: Detailed calculations and underlying assumptions of the model are available in Technical Annex B7

3.1.1 The model for the project's economic rate of return (EIRR) and net present value (NPV) is based on estimates of project costs and benefits over a 25 year project life.

3.1.2 Costs captured by the model include full project investment costs over the five years of project implementation and production and maintenance costs for the duration of the project life. All duties and taxes have been excluded in the calculations as the net effect will

be zero due to government exemptions. Additional cost assumptions in the model are presented in Annex B7 of the Technical Annexes.

3.1.3 The project is also expected to lead to a sharp increase in the number of people who can access all weather roads in project areas. Other indirect and/or non quantifiable benefits, not captured in the model but nevertheless representing real and tangible benefits of the project will stem from reduced commuter time as well as improved access to education, health care and other social services as a result of road improvements and improved market selection and access to higher quality products for consumers as a result of market and agro-processing improvements.

Financial Performance

3.1.4 The analysis of financial performance and impact of the project at the farming household level in project areas is based on assumptions derived from findings from the December 2009 AAMP PCR and applied to estimates for household income growth under a ‘with project’ scenario. Observed and demonstrated impacts under AAMP are taken as a meaningful basis for analysis given the strong overlap in project design, types of interventions and objectives between AAMP and CAIP. Interventions under CAIP-3 are expected to yield the following direct financial benefits in project areas:

- (i) Increase in average farming household income of 20% stemming from higher prices reaching farmers as a result of reduced transport costs, improved access for buyers and improved access to value addition options; and
- (ii) Increase in marketed production of 20% and a 15% reduction in PHL both stemming from improved access to markets and agro-processing opportunities.

3.1.5 Further details of the economic and financial performance and underlying assumptions are presented in Annex B7 of the Technical Annexes.

3.2 Environmental and Social Impacts

3.2.1 The Project is classified as Category 2 because works and rehabilitation activities financed by the project will target pre-existing sites, routes and alignments and therefore are not expected to lead to either major environmental disruption or any social resettlement. Within the framework of the harmonization and alignment process underlying the Paris Declaration, the Project will ensure; 1) compliance with all Ugandan legal requirements, including the National Environment Act (Cap. 153), the Guidelines for Environmental Impact Assessment (1997) and the Environmental Impact Assessment Regulations (1998); and 2) use of the Ugandan’s EIA country system for scaling-up the development impacts, increasing country ownership and building institutional capacity of the MoLG, the MoWT, NEMA and in the beneficiary districts. The project will also take into account MoWT sectoral Policy Statements and Guidelines for mainstreaming cross-cutting issues such as: HIV/AIDS, Gender, Occupational Health and Safety and People with Disabilities into the road sub-sector. All designs of project roads will meet MoWT specifications for class III roads. Further details on the potential impact of the project and proposed mitigation measures are provided in Annex B8 of the Technical Annexes.

3.2.2 The project M&E staff will receive regular reports from Project Support Officers at the district level. The reports will summarize the project performance with regard to

mainstreaming of environmental and social issues into its implementation. Key monitoring indicators of focus will include, amongst others, reports on environmental screenings, numbers of roadside trees planted, numbers of site meetings held, access to homesteads provided by contractors, progress in restoration of borrow pits and involvement of women in the project activities.

Climate Change

3.2.3 In recent years, some districts in the project area have experienced unusual climatic events which have resulted in occasional flash floods, notably in low plains areas. These have had serious effects on the road infrastructure, curtailing transport and movement between districts. The design of the project has taken this aspect into consideration, particularly for the community access roads that will be constructed under the project. This will include ensuring use of good quality and certified construction materials, grading the roads to facilitate easy drain-off of rain water, installing culverts and drains, and implementing satisfactory road maintenance plans.

Gender

3.2.4 The improvement of community access roads, construction of markets and installation of agro-processing facilities will positively affect the structure, quality of working conditions and volume of business undertaken by women. The project will boost small businesses undertaken by women in urban and market centres along sub-project roads. Income generated from these businesses will facilitate improvement in the health of women and children at the household level. It is anticipated that the number of women operating market stalls and agro-processing will increase to reach 70%; while Infrastructure Management Committees will be composed of at least 30% women. Women will also benefit from wages through participation as members of labour brigades responsible for road maintenance after project closure.

3.2.5 To ensure appropriate mainstreaming of gender and other cross cutting social concerns, the PFT includes dedicated Community Development and Gender Officers with expertise in gender related issues at both the national and regional levels. There are no direct negative impacts on gender anticipated as a result of project implementation. However, the increased movement of people and especially the influx of traders from urban centres with the improved infrastructure and the interaction with local communities could increase the incidence of communicable diseases, including HIV/AIDS and STDs in the project areas. This will be mitigated through sensitization campaigns.

Social

3.2.6 The project will generate considerable socio-economic benefits to all layers of the rural communities, including youth, women and other vulnerable groups, in the respective project areas and generally to the national economy as a whole. Improved access to the rural hinterland will lead to expansion of production and enhanced marketing and household incomes. The growth of markets, new businesses and economic development along the rehabilitated roads will have added social benefits, including improved access to healthcare facilities, schools and the overall monetisation of the rural communities.

3.2.7 Implementation of the project will also lead to improved transportation services that are expected to drive an increase in the volume of trade and commercial activities in the targeted

districts and sub-counties. It is also anticipated that increased volume of trade and better transport services will lead to better prices for farm produce, as well as facilitating access to farms inputs and services. Indirectly, better farm produce prices are an incentive to increasing farm productivity at the household level. Improved transportation services are also expected to result in better access to health care, improved delivery of social services by the GoU, particularly in the health, education and agriculture sectors, and increased secondary school enrolment rates.

Involuntary Resettlement

3.2.8 There will be no involuntary resettlement as a result of the programme. The community access roads targeted for construction or rehabilitation by the project will generally follow existing right-of-way, requiring only short horizontal adjustments without any major changes. The markets and agro-processing facilities will mainly be constructed on current market locations, which are already demarcated under the jurisdiction of the respective District Authorities.

IV – IMPLEMENTATION

4.1 Implementation Arrangements

Executing Agency

4.1.1 The MoLG is the Executing Agency (EA) for CAIP-1 and CAIP-2 and will also oversee the implementation of CAIP-3. This will ensure that existing institutional knowledge and experience are carried forward and facilitate timely start-up and implementation of the project.

4.1.2 At the national level, the MoLG maintains an experienced PFT, which is fully integrated within the MoLG and responsible for the day-to-day coordination and monitoring of implementation of the project activities of CAIP-1 and CAIP-2. As evidence of the PFT's professionalism and efficiency, it is notable that, in November 2010, CAIP emerged as the best managed project in Africa in 2010 among projects funded in part by IFAD. The PFT will also coordinate the implementation of the proposed CAIP-3 project. In this regard, the PFT will ensure that project activities are initiated on schedule and adequately budgeted, consolidate project records, submit all procurement documents to the Bank for review and approval, compile and submit all disbursement applications and quarterly progress reports, and undertake annual audits of all project accounts and submit the audit reports to the Bank.

4.1.3 The PFT has been in continuous operation since the launch of AAMP. It is headed by an Assistant Commissioner within the MoLG who is directly answerable to the Permanent Secretary and serves as National Programme Coordinator. The PFT comprises the following other professional staff: a Financial Controller, a Rural Infrastructure Advisor, three Infrastructure Engineers, two M&E Officers, a Rural Energy Expert, four Accountants, three Community Development Officers and one Procurement Assistant. A Procurement Officer from the Procurement Unit of the MoLG is also attached to the PFT. The CAIP-3 budget also provides for the hiring of an environmental consultant on a case-by-case basis. Costs of staffing and operating the PFT will be jointly covered by the program budgets from CAIP-1, CAIP-2 and CAIP-3 as well as the GoU through the salaries of seconded staff.

4.1.4 To ensure that the PFT has adequate technical and human capacity to undertake and manage CAIP-3, in addition to the ongoing CAIP-1, CAIP-2 and MATIP, the project will fund the recruitment of additional technical staff, namely, an Infrastructure Engineer, a Community Mobilization Officer, an M&E Officer and a Field Accountant. New staff will be located in a new regional office in Mbarara to ensure adequate supervision and technical support in the 22 Western districts where the bulk of programme activities will take place. Meanwhile, the districts in Eastern, Central and Northern Uganda will continue to be supervised from the existing CAIP regional offices in Mbale, Kampala and Lira, respectively, and costs of staffing and operating the offices will be shared with CAIP-1 and CAIP-2 budgets. See Appendix 7 for a chart depicting the full CAIP Management Structure with staff added under CAIP-3.

4.1.5 As is standard management procedure under CAIP-1 and CAIP-2, each beneficiary district will second additional relevant technical staff to support project implementation. The implementation of project activities will thus be largely carried out through established structures under the office of the Chief Administrative Officer (CAO) and with support from the PFT. Each district CAO will assign a Programme Support Officer (PSO) at the district level who will coordinate the implementation and technical supervision of the programme in their respective areas, and the District Technical Planning Committees will mainstream the implementation of CAIP-3 in their normal Work Plans, Annual Budgets and Programmes. It is important to note that the MoLG also has the prerogative to assign or second additional technical staff to the PFT when and as deemed necessary in the course of implementation.

4.1.6 As is standard practice under CAIP-1 and CAIP-2, the PFT will also collaborate with other government ministries and institutions such as the MoWT, the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), the Ministry of Tourism, Trade and Industry (MTTI), the National Planning Authority (NPA), the National Agricultural Advisory Services (NAADS), the Rural Electrification Agency (REA) and the National Agricultural Research Organization (NARO) as well as projects financed by other Development Partners that are directly or indirectly linked to the successful implementation of CAIP-3.

Procurement Arrangements

4.1.7 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. It is proposed to use national procurement procedures under NCB provided the deviations noted under NCB procedures and the Standard Bidding Documents for NCB are adjusted to the satisfaction of the Bank (See Annex B5 of the Technical Annexes and the Legal Agreement).

4.1.8 As is being done successfully under CAIP-1 and CAIP-2, the procurement processes of the project will be mainstreamed within the procurement institutions and processes of the MoLG, which houses a well-staffed and functioning Procurement and Disposal Unit (PDU) responsible for the overall procurement functions of the Ministry. The Head of the PDU is a Principal Procurement Officer with specialist training in procurement, supported by 2 procurement officers and 2 procurement assistants, one of whom, as mentioned above, is appointed to handle CAIP and MATIP project procurements. These officers are conversant with the ADB procurement rules and procedures. The PFT Financial Controller and Accountants have worked closely in coordination with the PDU to handle all procurement under CAIP-1 and

CAIIP-2 and will continue to do so under CAIIP-3. Additional details on the resources, capacity, expertise and experience of the PFT are described further in Technical Annex B5.

4.1.9 In line with the guiding principles of 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 30th September 2010, CAIIP-3 received a waiver of counterpart funding requirements in recognition of the existing government commitments to the sector and predecessor projects, notably, CAIIP-1 and CAIIP-2. This permits financing of up to 100% of project investment costs to be undertaken by the Bank and demonstrates Bank flexibility in response to country and sector-specific conditions.

4.1.10 Procurement arrangements are summarized in Table 4.1 below and further details are provided in Technical Annex B5.

Table 4.1: Procurement Arrangements (UA'000)

Category	NCB	Shortlist	Other*	Total
Works				
Civil Works	29,178.4			29,178.4
Goods				
Vehicles			113.8	113.8
Equipment	1,494.6		69.2	1,563.8
Services				
Design, Supervision and Consultancies		1,475.2		1,475.2
Training and Capacity Building			2,880.3	2,880.3
Environmental/Social Mitigation Activities			450.7	450.7
Audit		155.3		155.3
Personnel/ Salaries			1,843.7	1,843.7
Maintenance			454.5	454.5
Operating Expenses			1,884.3	1,884.3
Total	30,673.0	1,630.5	7,696.5	40,000.0

Note: All costs are Bank costs.

* - Other may be Shopping, Direct Purchase or Force Account.

4.1.11 Following existing procedures under CAIIP-1 and CAIIP-2, post procurement review procedures will be applied for individual contracts of value less than the following thresholds:

- Civil Works: UA 100,000.
- Goods: UA 50,000.
- Services: UA 20,000.

Financial Management and Disbursement Arrangements

4.1.12 The current arrangements for flow of funds under CAIIP-1 and CAIIP-2 will be adopted by CAIIP-3. The overriding principle will be to provide an incentive to each district to account quickly such that a fast performing district, that manages its contracts well, is not delayed by slower performing districts. Current Bank guidelines on disbursement will apply and these will be illustrated in more detail through the issuing of a disbursement letter to the Government.

4.1.13 The Special Account (SA) method and the Direct Payment method will be used. The MoLG will open a SA in foreign currency at Bank of Uganda (BoU) into which part of the loan resources will be deposited. It will also open a Local Currency Account (LCA) at the BoU. Thereafter, funds will be transferred from the SA to the LCA as and when required to finance the project activities. Other expenses, especially for minor works, goods and services and all the expenses under miscellaneous will be paid through the SA. The ADF will replenish the SA in two or three tranches on an annual basis after the PFT has provided valid justifications for the use of at least 50% of the previous deposit, plus outstanding unjustified balance of the earlier tranche. The opening of the SA and the LCA will be a condition precedent to first disbursement. The Direct Payment method will be used to finance major civil works, goods, and services.

4.1.14 The signatories to both the SA and the LCA shall be the Permanent Secretary (MoLG), the PFT Programme Facilitator and the PFT Financial Controller as is the current practice. Each district will also have a district programme account (DPA) and the signatories to this will be the CAO, the CFO, or as an alternate signatory, the PSO.

4.2 Monitoring

4.2.1 The foundation for the overall project monitoring and evaluation systems will be the logical framework, a series of key performance indicators and the Project Operational Manual (POM) which will be adapted to suit CAIP-3 activities by the PFT shortly after project launch. For this purpose, the PFT will adapt the existing Manual being used under CAIP-1. The monitoring indicators, disaggregated by gender, where applicable, will compare project performance each year with the targets set in the AWP/B for that year. The project will finance a baseline study in PY1 to provide reference for monitoring and evaluating project impact.

4.2.2 The general principles for the participatory monitoring and evaluation of project activities will include: (a) community interest groups will monitor sub-county activities and investment performance, supported by service providers; (b) district authorities will monitor activities, inputs and output achievements in their respective areas; (c) relevant institutions, such as NAADS, UBOS and REA will monitor attainment of NDP objectives; d) NEMA will monitor the ESMP; e) the MoLG will monitor overall operations for planning and facilitation purposes for rural economic development in line with its LGSP objectives; while MoWT will monitor the implementation of the roads infrastructure for attainment of national objectives under DUCARIP. The M&E Unit within the PFT will monitor and evaluate overall performance and impact of the project. The unit will also compile the project's quarterly and annual reports for dissemination to the Bank and other stakeholders.

4.2.3 In collaboration with NARO, the project will conduct detailed baseline and Post-Harvest Loss (PHL) assessment studies at the inception and completion of the project. As part of the evaluation process, the project will also include periodic impact and case studies throughout its life.

<u>Timeframe</u>	<u>Milestone</u>	<u>Monitoring and Evaluation process / feedback loop</u>
Year 1	Baseline study	PFT and Districts to monitor
Year 1	PHL Baseline	MOLG, NARO, NAADS
Year 1 – 5	Implementation	Beneficiaries, Districts, MoWT & MOLG

Year 1 – 5	Audit Reports	Annually by PFT
Year 3	Outcome survey	Beneficiaries, sector goals to be monitored by MOLG & MoWT
Year 3	Mid-Term Review	Bank and PFT to monitor
Year 5	Impact study	Beneficiaries, sector goals to be monitored by MOLG, MOWT, NARO, NAADS,
Year 5	Project Completion Report	PFT and District to monitor

4.3 Governance

4.3.1 Most of the Governance issues that have plagued past and on-going Bank-funded projects in Uganda, including, the capacity to manage and provide timely accounting of funds and undertake proper contracting and bidding procedures, have been minimized by the demonstrated professionalism and competence of the experienced PFT. To facilitate better project management at the district level, respective district staff working with the project will be provided with the requisite training and monitored closely by the PFT staff. With regard to ensuring quality of construction works and materials used, contractors will be closely supervised by the respective district Road Engineers in collaboration with Engineers from the PFT. The quality of building and construction materials will be certified by these agencies prior to undertaking any construction at site. To avert irregularities in the bidding and contracting procedures, the standard Bank bidding and contracting procedures and guidelines will be used. Additionally, the Government has a well systemized procurement procedure, which has been successfully applied under other on-going Bank projects, including CAIP-1 and CAIP-2. Provision has been made under the project for an annual Audit covering all aspects of project implementation, including accounting, financial and procurement issues.

4.4 Sustainability

4.4.1 The project will seek to fully establish ownership of the project by the beneficiaries and promote the longevity and sustainability of project works by adopting a fully participatory, demand-driven process during all stages of project development and implementation. Through the participatory process, all parties will be assigned clear commitments and responsibilities at each stage. As is standard practice under CAIP-1 and CAIP-2, all relevant district personnel, including Engineers, Agricultural Officers, Commercial Officers, Community Development Officers and Monitoring and Evaluation Officers, will participate actively in the implementation of CAIP-3. This involvement at every stage ensures the building of the necessary capacity at the local level to undertake and maintain CAIP interventions after the closure of the project. Furthermore, local communities will be fully involved in identifying the infrastructure and agro-processing facilities to be funded under the project with a view of cultivating local ownership and identification with the project from the earliest decision points.

4.4.2 The sustainability of maintenance of community access roads will be assured through both the Uganda Road Fund and finances generated through the districts' own initiative as well as the planned district road force account units. It is anticipated that the revenues of the project districts and sub-county will increase as a result of increased business activity generated through the project, thus empowering them financially to undertake the requisite maintenance processes on the markets and community access roads. Visits to project sites since the closure of the AAMP project in 2008, most recently during the Preparation mission

for CAIIP-3, confirmed that districts do have the capacity and resources to maintain and sustain the rural infrastructure after project closure.

4.4.3 Meanwhile, private sector operators, particularly in agro-processing will be encouraged to work closely with farmers, especially in the marketing of their produce. Tailor-made training packages will be imparted to both the local communities and private operators to lay down the foundations of business linkages and facility management. The project will also be linked to other related on-going projects and programmes to facilitate the creation of synergies and exchange of expertise and experiences. Markets may also be leased out to private operators thus generating further revenues to be applied to maintenance needs.

4.5 Risk Management

4.5.1 Based on experience from CAIIP-1 and CAIIP-2 and challenges identified during implementation, the following five risks to the project during implementation phase have been identified:

4.5.2 CAIIP-1 and CAIIP-2 faced budget challenges due to unforeseen climate-related contingencies such as heavy rains washing out projects in mid-construction or prior to commissioning, thus necessitating the allocation of additional resources to redo or reconstruct project works. CAIIP-3 addresses this cost risk by increasing the base unit estimate for roads in the project budget and including higher price and physical contingency estimates.

4.5.3 Environmental concerns raised during CAIIP-1 and CAIIP-2 due to selection of roads implicating environmentally sensitive areas led, in some cases, to time delays due to lack of full engagement by NEMA from the beginning. CAIIP-3 addresses by developing a full ESMP in collaboration with NEMA during the project approval phase and allocating budget resources for environmental consultants to follow up on recommendations from the ESMP and ensure a strong link and collaboration with NEMA throughout project implementation.

4.5.4 Considering the expansiveness and wide diversity of the proposed project areas in terms of socio-economic development, human resource base, cultures and values, there is a risk of the project not attaining its objectives uniformly in all the project areas. As is being done under CAIIP-1 and CAIIP-2, this risk of uneven outcomes will be averted through properly targeted advocacy and community mobilization, to ensure that communities and stakeholders in each district participate equally in the selection and maintenance of project interventions in their respective areas.

4.5.5 Another potential risk is that of the communities and districts/sub-counties not being able to maintain the constructed/rehabilitated infrastructure facilities, particularly community access roads. To this effect the Uganda Road Fund through which the roads will be maintained on a yearly basis, may not be sufficient to cover the entire rural road network, inclusive of those constructed under CAIIP-3. As is being done under CAIIP-1 and CAIIP-2, this will be addressed by working with district governments to upgrade some of the community access roads to the category of district feeder roads, thus making them eligible for additional maintenance funding from the central Government, while encouraging local communities, through the community mobilization component, to mobilize local work brigades to undertake minor routine and periodic spot maintenance.

4.5.6 Finally, as observed under CAIP-1 and CAIP-2, there is the risk that district and sub-county staff may not be sufficiently motivated to provide the necessary technical support to the communities. This will be minimized by ensuring that facilities, including adequate operating funds and necessary logistics support, are provided to elevate the work ethic amongst staff CAIP-3 also addresses this risk through capacity building measures aimed at district and sub-county personnel under the Community Mobilization component.

4.6 Knowledge Building

4.6.1 The project is expected to generate considerable knowledge attributes that will add value to the overall design, management and evaluation of similar projects in future. Knowledge will be derived from the adopted design, in terms of adaptive maintenance procedures, integrated market/agro-processing units; and their management arrangements. Moreover, the systematic monitoring modalities will inform project management, beneficiaries, the Government and other stakeholders the status of project implementation and address constraints in a consistent and timely manner.

4.6.2 In line with the recent Bank Framework Paper: Programme for the Reduction of Post-Harvest Losses in Africa 2010-2014 (PHLP), the project will also fund targeted research, in collaboration with NARO, on Post-Harvest Losses (PHL) within the project areas to update and improve available data on PHL within specific value chains in Uganda. The proposed project design includes a baseline study on existing PHL within the project areas at project inception and an impact study upon project completion.

4.6.3 Other knowledge tracking processes include regular supervisions, Mid-Term Review and Project Completion Report. Knowledge attributes would be systematically elaborated during stakeholders' workshops and documented for wide dissemination to respective project stakeholders and other regions of the country through various means, including Government publications and Audio-Visuals Aids (posters, leaflets, flyers, etc).

V – LEGAL INSTRUMENTS AND AUTHORITY

5.1 Legal instrument

5.1.1 ADF Loan to the Republic of Uganda

5.2 Conditions Associated with Bank's Intervention

- Conditions Precedent to Entry into Force. The entry into force of the Loan Agreement shall be subject to the fulfillment by the Borrower of the provisions of Section 12.01 of the General Conditions.
- Conditions Precedent to First Disbursement. (i) Provided evidence of having opened: (a) one foreign currency special account (SA) for the deposit of the proceeds of the loan; and (b) one local currency account (LCA) for transfer of funds from the special account, in the Bank of Uganda; (ii) approval by the National Environment Management Authority (NEMA) of the Environmental and Social Management Plan (ESMP) for the implementation of CAIP-3; and (iii) provided a Letter of Undertaking that gives written confirmation that the land where the market infrastructure is to be constructed belongs to the Government.

5.3 Compliance with Bank Policies

This project complies with all applicable Bank policies.

5.4 Recourse in Case of Harm Caused by Non Compliance with the Bank Policies

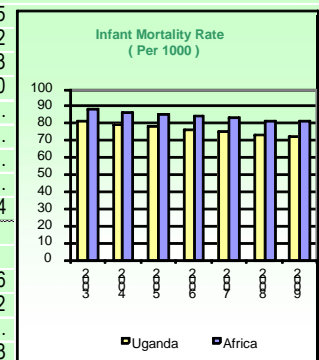
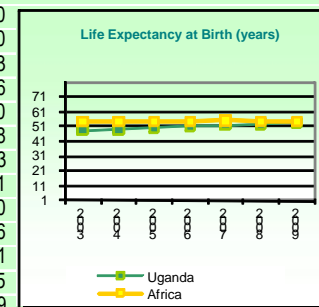
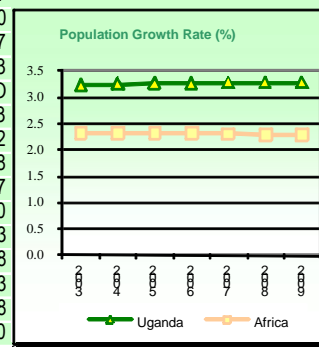
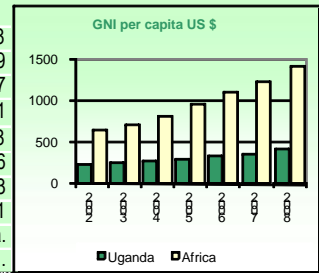
The Bank Group (AfDB) has established the Independent Review Mechanism (IRM) to allow affected people to complain to the Bank if they believe that as a result of non-compliance with the Bank's policies and procedures, their rights or interests have been, or are likely to be adversely affected in a direct and material way. The IRM handles the complaint through problem-solving (mediation) and/or compliance review. Information about the IRM and requirements for submissions of complaints are available at www.afdb.org/irm.

VI – RECOMMENDATION

Management recommends that the Board of Directors approve the proposed loan of UA 40 million to the Government of Uganda for the purposes and subject to the conditions stipulated in this report.

Appendix 1 - Comparative Socio-Economic Indicators

	Year	Uganda	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km ²)		241	80 976	80 976	54 658
Total Population (millions)	2009	32.7	1,008	5,629	1,069
Urban Population (% of Total)	2009	13.1	39.6	44.8	77.7
Population Density (per Km ²)	2009	135.7	3.3	66.6	23.1
GNI per Capita (US \$)	2008	420	1 428	2 780	39 688
Labor Force Participation - Total (%)	2009	44.0	41.2	45.6	54.6
Labor Force Participation - Female (%)	2009	47.8	41.2	39.8	43.3
Gender -Related Development Index Value	2005	0.501	0.525	0.694	0.911
Human Develop. Index (Rank among 182 countries)	2007	157	0.514	n.a	n.a.
Popul. Living Below \$ 1 a Day (% of Population)	2005	31.0	50.8	25.0	...
Demographic Indicators					
Population Growth Rate - Total (%)	2009	3.3	2.3	1.3	0.7
Population Growth Rate - Urban (%)	2009	4.5	3.4	2.4	1.0
Population < 15 years (%)	2009	48.9	56.0	29.2	17.7
Population >= 65 years (%)	2009	2.5	4.5	6.0	15.3
Dependency Ratio (%)	2009	105.8	78.0	52.8	49.0
Sex Ratio (per 100 female)	2009	100.3	100.7	934.9	948.3
Female Population 15-49 years (% of total population)	2009	21.6	48.5	53.3	47.2
Life Expectancy at Birth - Total (years)	2009	53.5	55.7	66.9	79.8
Life Expectancy at Birth - Female (years)	2009	54.1	56.8	68.9	82.7
Crude Birth Rate (per 1,000)	2009	45.8	35.4	21.5	12.0
Crude Death Rate (per 1,000)	2009	12.3	12.2	8.2	8.3
Infant Mortality Rate (per 1,000)	2009	71.7	80.0	49.9	5.8
Child Mortality Rate (per 1,000)	2009	118.0	83.9	51.4	6.3
Total Fertility Rate (per woman)	2009	6.3	4.5	2.7	1.8
Maternal Mortality Rate (per 100,000)	2006	435.0	683.0	440.0	10.0
Women Using Contraception (%)	2006	23.7		61.0	75.0
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2004	7.9	42.9	78.0	287.0
Nurses (per 100,000 people)*	2004	57.9	120.4	98.0	782.0
Births attended by Trained Health Personnel (%)	2006	41.9	50.5	63.4	99.3
Access to Safe Water (% of Population)	2006	64.0	64.0	84.0	99.6
Access to Health Services (% of Population)	2006	...	61.7	80.0	100.0
Access to Sanitation (% of Population)	2006	33.0	38.5	54.6	99.8
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2007	5.4	4.5	1.3	0.3
Incidence of Tuberculosis (per 100,000)	2007	330.0	313.7	161.9	14.1
Child Immunization Against Tuberculosis (%)	2007	89.0	83.0	89.0	99.0
Child Immunization Against Measles (%)	2007	86.0	74.0	81.7	92.6
Underweight Children (% of children under 5 years)	2006	20.0	25.6	27.0	0.1
Daily Calorie Supply per Capita	2005	2 371	2 324	2 675	3 285
Public Expenditure on Health (as % of GDP)	2006	1.8	5.5	4.0	6.9
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2007	117.2	100.2	106.8	101.5
Primary School - Female	2007	117.7	91.7	104.6	101.2
Secondary School - Total	2007	88.0	35.1	62.3	100.3
Secondary School - Female	2007	89.18	30.5	60.7	100.0
Primary School Female Teaching Staff (% of Total)	2007	39.2	47.5
Adult Illiteracy Rate - Total (%)	2007	26.4	59.4	19.0	...
Adult Illiteracy Rate - Male (%)	2007	18.2	69.8	13.4	...
Adult Illiteracy Rate - Female (%)	2007	34.5	57.4	24.4	...
Percentage of GDP Spent on Education	2008	3.8	4.5		5.4
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2007	27.9	6.0	9.9	11.6
Annual Rate of Deforestation (%)	2006	...	0.7	0.4	-0.2
Annual Rate of Reforestation (%)	2006	...	10.9
Per Capita CO2 Emissions (metric tons)	2008	0.1	1.1	1.9	12.3



Sources : ADB Statistics Department Databases; World Bank: World Development Indicators; last update : May 2010

UNAIDS; UNSD; WHO, UNICEF, WRI, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available.

Appendix 2 - Summary of Bank Portfolio in Uganda

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

Country: UGANDA

Date of Update: 31st December 2010

Serial No.	Project Description	Approval Date	Approved Amount UA million			Amount Disbursed (UA million)	Disbursed (%)	Deadline for Last Disbursement
			ADB	ADF Loan	ADF Grant			
A. AGRICULTURE								
1	Fisheries Development Project	12/06/02	nil	22.00	nil	18.10	82.3%	31/12/10
2	National Livestock Productivity Improvement Project	04/12/02	nil	23.74	2.80	24.93	93.9%	31/12/10
3	Farm Income Enhancement & Forestry Conservation project	29/09/04	nil	31.57	9.85	22.89	55.3%	30/12/12
4	Community Agricultural Infrastructure Improvement Programme- Project 1 (CAIIP-1)	31/01/07	nil	30.00	nil	15.99	53.3%	31/12/13
5	Community Agricultural Infrastructure Improvement Programme- Project 2 (CAIIP-2)	17/09/08	nil	45.00	nil	0.94	2.1%	31/12/14
6	Markets and Agricultural Trade Improvement Project 1 (MATIIP-1)	25/03/2009	nil	38.00	nil	0.70	1.9%	30/09/15
Agriculture - Sub Total						83.55	41.2%	
B. TRANSPORT								
7	Road Sector Support Project 1 (Kabale Kisoro Bunagana Rd)	27/04/05	nil	27.01	1.49	26.94	94.5%	29/12/12
8	Road Sector Support Project 1 supplementary Loan	20/12/2006	nil	32.99	nil	21.17	64.2%	29/12/12
9	Road Sector Support Project 2 (Fort portal Bundibugyo Rd)	17/12/07	nil	56.65	1.35	17.46	30.1%	31/12/13
10	Road Sector Support Project 3 (Nyakahaita Ibanda Rd)	25/09/09	nil	80.00	nil	-	0.0%	31/12/14
Transport - Sub Total						65.57	32.9%	
11	Kampala Water Sanitation Project	16/12/2008		35.00	nil	0.17	0.5%	31/12/14
Water and Sanitation - Sub total						0.17	0.5%	
D. SOCIAL								
12	PPF-Support to Mulago Hospital Rehabilitation	30/04/09	nil	0.50	nil	0.26	51.2%	28/07/10
13	Support to Post Primary Education and Training Project (Education III)	19/12/05	nil	nil	20.00	14.10	70.5%	31/12/11
14	Support to the Health Sector Strategic Plan II	08/11/2006	nil	20.00	nil	12.91	64.6%	31/12/12
15	Support to Post Primary Education and Training Project (Education IV)	25/11/08	nil	52.00	nil	1.28	2.5%	31/12/14
16	Rural Income and Employment Enhancement Project	17/11/09	nil	10.20	0.00	4.87	47.7%	n/a
Social - Sub Total						33.42	32.5%	
F. INDUSTRY								
17	Mineral Resources Management & Capacity Building Project	29/09/04	nil	nil	5.35	3.92	73.3%	31/12/10
Industry - Sub total						3.92	73.3%	
G. ENERGY								
18	Bujagali Transmission Interconnection Project	28/06/07	nil	19.21	nil	9.69	50.4%	31/12/11
19	Mbarara-Nkenda/Tororo-Lira Transmission Lines Project	16/12/08	nil	52.50	nil	nil	nil	31/12/13
Energy - Sub total						9.69	50.4%	
GRAND TOTAL FOR PUBLIC SECTOR OPERATIONS						196.32	31.8%	
F. MULTI NATIONAL PROJECT								
20	NELSAP 1	17/12/08	nil	7.59	0.00	0.00	0.0%	31/12/14
21	Creation of Sustainable Tsetse and Trypanosomiasis Free Areas	08/12/04	nil	3.45	0.24	1.77	47.8%	31/12/11
Multi National Projects- Subtotal						1.77	0.16	
H. PRIVATE SECTOR OPERATION								
22	Bujagali Hydro Power Project	02/05/07	72.17	nil	nil	55.95	77.5%	31/12/12
23	Buseruka Hydropower Project	29/07/08	5.84	nil	nil	2.92	50.0%	31/12/10
Private Sector Operation - subtotal						58.87	75.46	
GRAND TOTAL INCLUDING MULTI NATIONAL AND PRIVATE SECTOR PROJECTS						256.95	36.37	

Appendix 3 - Table of Related Projects in Uganda

PROJECT NAME	COVERAGE	SOURCE% FUNDS	AMOUNT (millions)	STARTING	ENDING	PLANNED OUTPUTS
A. DISTRICT ROADS						
1. DANIDA ASPS-2 District Roads Component.	15 Districts Of North and North Eastern Uganda	DANIDA	DKK 120	June 2004	Dec 2009	700km Rehabilitated; 3000km Maintenance
2. Area Based Agricultural Modernization Programme (AAMP)	13 Districts of Western and Southern Western Uganda	ADB	US\$ 13.6	June 2004	March 2009	1100km Rehabilitated
3. North West Region Small Holder Agricultural Development Project (NSADP)	Adjumani, Moyo, Yumbe, Nebbi, Arua, Koboko and Maracha and Terego Districts	ADB	UA 17.6	2000	June 2009	205km Constructed
4. District Roads Maintenance (PAF)	All Districts	GOU	UGX 18,000	1999	Continuous	Routine Maintenance of 1800km
5. Roads	All Uganda	EU	EUR15	2008	2011	
6. Community Agricultural Infrastructure Improvement Programme Project 1 (CAIP-1)	26 District In Central and Eastern Uganda	ADB	UA30	July 2007	2012	Rehabilitation of 390km and Maintenance of 587km of District roads
7. Community Agricultural Infrastructure Improvement Programme Project 2 (CAIP-2)	15 Districts in Northern and Eastern Uganda	ADB	UA45	Sept 2009	Dec 2014	225km of feeder roads to be rehabilitated
B. COMMUNITY ACCESS ROADS						
1. DANIDA ASPS2 Community Access Roads Component	Mbale, Sironko, Kapchorwa, and Lira, Kumi, Soroti	DANIDA	US\$4.0	2003	Dec 2009	400km Rehabilitated
2. Area Based Modernization Programme (AAMP)	13 Districts of western and South Western Uganda	IFAD	US\$2.3	June 2004	December 2010	1438km Routine Manual Maintenance / Rehabilitation
3. North West Region Small Holder Agricultural Development Project (NSADP)	Adjumani, Moyo, Yumbe, Nebbi, Arua, Koboko and Maracha and Terego Districts	ADB	UA 17.6	2000	June 2009	1600km Routine Manual Maintenance / Rehabilitation
4. Northern Uganda Social Action Fund (NUSAF)	Northern and North Eastern Uganda	IDA	US\$2.3	2004	2008	410km
5. Local Government Development Programme (LGDP)	In Most Districts of the Country	IDA	US\$1.4	2000	Continuing	250km Rehabilitated so far.
6. Community Agricultural Infrastructure Improvement Programme Project 1 (CAIP-1)	26 District In Central and Eastern Uganda	ADB/IFAD	UA30	July 2007	2012	Rehabilitation of 3510Km and Maintenance of 5267km
7. Community Agricultural Infrastructure Improvement Programme Project 2 (CAIP-2)	15 Districts in Northern and Eastern Uganda	ADB	UA45	Sept 2009	Dec 2014	4,365km of access roads to be rehabilitated
8. District Livelihood Support Programme (DLSP)	13 Districts West, North and Eastern Uganda	IFAD	US\$27.4	2007	2014	2,400km to be rehabilitated
9. Northern Uganda Social Action Fund 2 (NUSAF-2)	Northern Uganda	IDA	USD100	2009	2014	240km of community access roads as a sub-component
C. MARKETS						
1. North West Agricultural Sector Development Programme (Nwasdp)	North West Uganda	ADB	Part of B.3 above	May 2001	June 2009	22 Markets; 200km access road Rehabilitation; 340km of Maintenance
2. Agricultural Marketing & Agro-processing Support Programme	All Uganda (8 or 9 districts covered)	IFAD	US\$30	Under preparation		Seeks to connect farmers to markets and enhance enabling environment
3. District Development Support Programme	5 Districts in Western Uganda	IFAD	US\$20.6	Dec. 2001	Dec. 2006	Agricultural extension services and

						physical infrastructure
4. Community Agricultural Infrastructure Improvement Project1 (CAIP-1)	26 District In Central and Eastern Uganda	ADB/IFAD	UA30	July 2007	2012	Construction of 78 functional markets in 78 sub-counties within 26 districts.
5. Community Agricultural Infrastructure Improvement Programme Project 2 (CAIP-2)	15 Districts in Northern and Eastern Uganda	ADB	UA45	Sept 2009	Dec 2014	97 market places to be constructed
6. Markets and Agricultural Trade Improvement Project (MATIP-1)	Countrywide in Municipalities and Town councils	ADB	UA38	Sept 2009	Sept 2014	21 urban markets
D. ENERGY						
1. Energy for Rural Transformation Project (ERT)	All Uganda	WB	US\$123	2007	2008	Facilitates investments in commercially oriented rural electrification projects
2. Energy	All Uganda	EU	EUR10	2008	2011	

Appendix 4 - Achievements of Predecessor Projects

The following tables illustrate key physical achievements, i.e. outputs, under predecessor projects to CAIP-3, notably, AAMP, which was completed in 2008, and CAIP-1, which is on-going.

Physical Achievements/Outputs under AAMP

Project Cost (UA million) / Bank Contribution (UA million)	22.47 / 9.67
Interventions	Achievements
Rehabilitation of Feeder Roads (km)	1,121 km
Rehabilitation of Community Access Roads (km)	1,011 km
Construction/Rehabilitation of Markets	42 markets
Construction of Produce Stores	17 produce stores
Installation of Milk Coolers	7 milk coolers

Physical Achievements/Outputs under CAIP-1

Project Cost (UA million) / Bank Contribution (UA million)	34.2 / 30.0
Interventions	Achievements
Rehabilitation of Feeder Roads (km)	576.3 km ongoing
Rehabilitation of Community Access Roads (km)	2,100 km completed 1,200 km ongoing 1,431 km under procurement
Construction/Rehabilitation of Markets	20 completed 57 ongoing
Installation of Agro-processing Facilities	124 facilities ongoing or under procurement

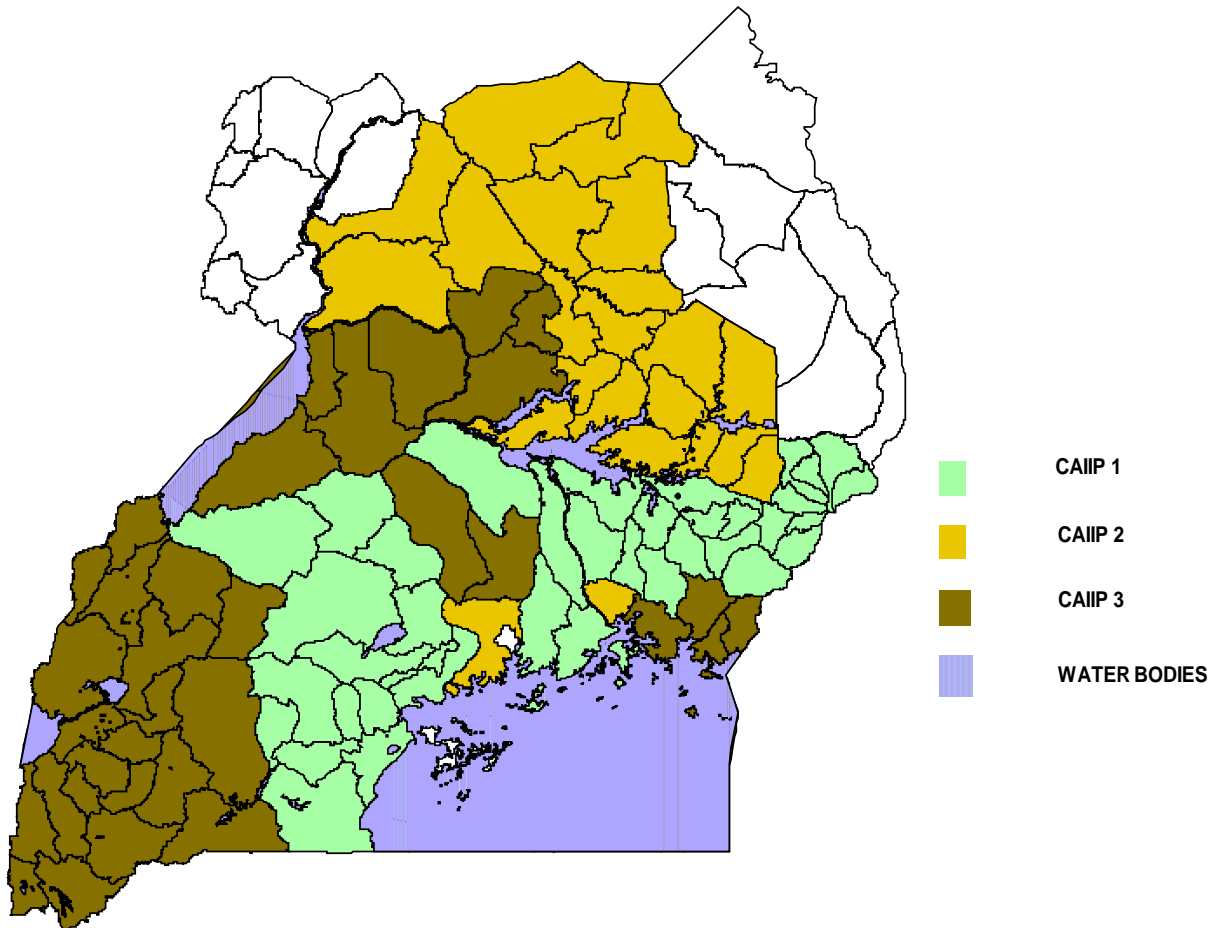
The following table summarizes the findings on project outcomes of the AAMP Project Completion Report (PCR, December 2009).

Outcomes under AAMP

Expected Outcomes	Actual Outcomes
10% reduction in Poverty by end of Programme	12.5%
Improvement in agricultural production - 80% of Programme smallholders' production has increased by 20% by PY6	Production increased by 30%
Increase in household income. About 80% of Programme area household income has increased in real terms by at least 15% by PY6.	Household income increased in real terms by 19%

Appendix 5 - Project Area

MAP OF UGANDA SHOWING CAIIP 1, CAIIP 2 AND CAIIP 3 DISTRICTS



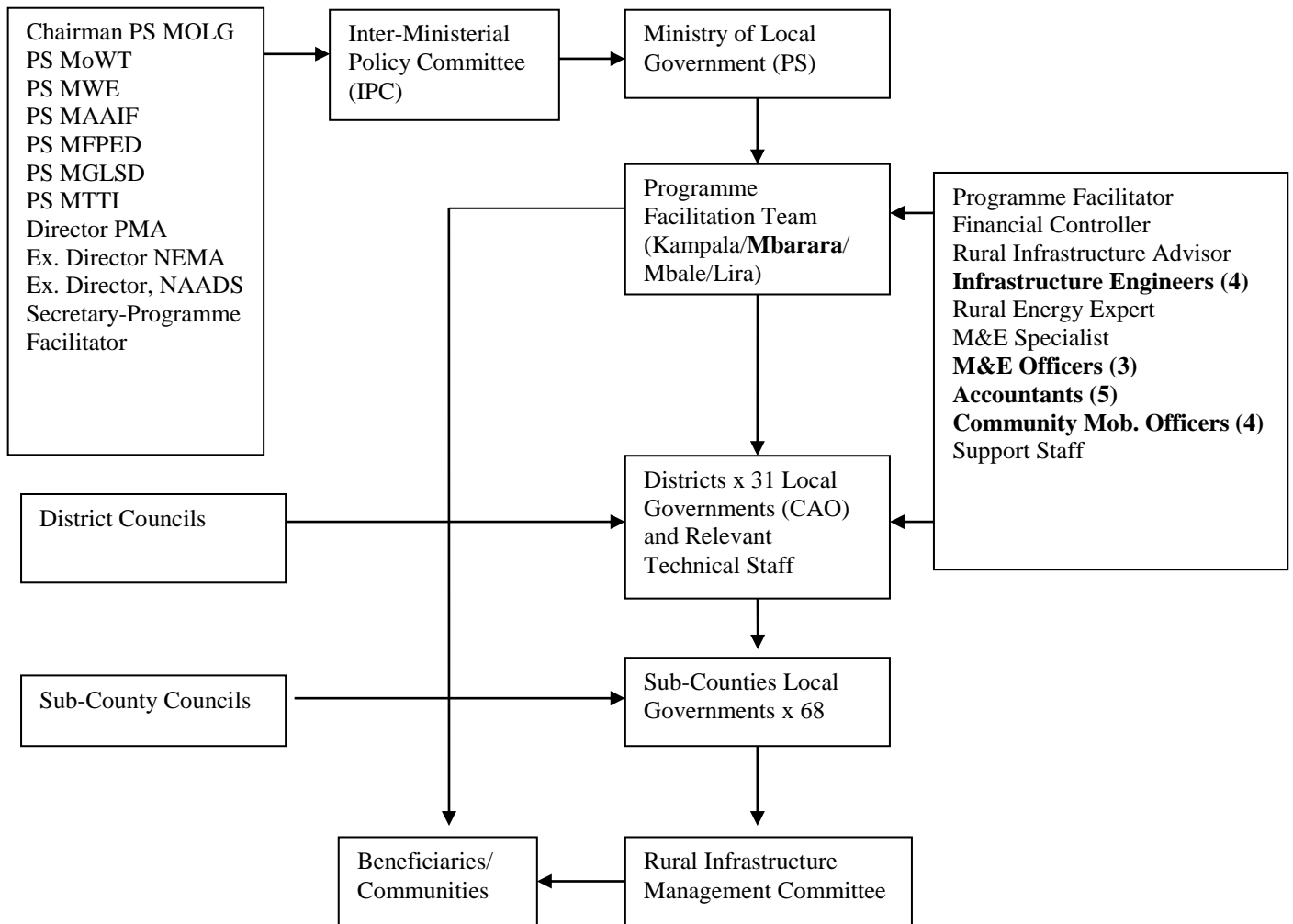
This map has been drawn by the African Development Bank Group exclusively for the use of the readers of the report to which it is attached. The names used and the borders shown do not imply on the part of the Bank and its members any judgement concerning the legal status of a territory nor any approval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

Appendix 6 - Population Table

Region	N	District	Land Area (Sq. Km)	2002 Population	Est. 2011 Population	Women as % of Population
Western	1	Buhweju	802.63	82,881	198,200	51.0
	2	Bundibugyo	849.75	158,909	248,800	52.1
	3	Bushenyi	943.88	183,249	246,200	51.8
	4	Hoima	5,640.26	315,684	535,600	49.6
	5	Ibanda	965.87	198,635	271,200	51.2
	6	Isingiro	2,657.21	316,025	408,500	51.5
	7	Kabale	1,731.52	458,318	494,500	53.2
	8	Kabarole	1,815.67	356,914	409,400	50.0
	9	Kamwenge	2,411.07	263,730	324,400	51.9
	10	Kanungu	1,329.22	221,519	246,921	51.8
	11	Kasese	3,386.14	494,536	721,500	51.5
	12	Kiruhura	4,607.75	212,219	290,600	49.4
	13	Kisoro	729.52	220,312	250,600	54.9
	14	Kyegegwa	1,747.71	110,925	153,900	50.3
	15	Masindi	3,926.90	208,420	317,700	49.2
	16	Mbarara	1,780.21	362,872	436,200	51.5
	17	Mitooma	543.88	154,914	192,656	52.5
	18	Ntoroko	1,403.04	51,069	79,800	50.6
	19	Ntungamo	2,051.02	375,669	469,000	51.9
	20	Rubirizi	1,327.37	101,804	122,100	51.8
	21	Rukungiri	1,527.00	275,162	316,600	52.4
	22	Sheema	700.10	180,234	216,000	52.0
Central	23	Luwero	2,215.95	341,317	429,100	50.8
	24	Nakaseke	3,475.27	137,278	184,700	49.9
Northern	25	Apac	3,250.14	249,656	337,400	50.9
	26	Kole	1,072.95	165,922	224,400	51.5
	27	Oyam	2,189.28	268,415	366,300	50.9
Eastern	28	Bugiri	1,054.74	273,269	628,500	51.6
	29	Busia	761.01	225,008	289,400	52.1
	30	Mayuge	3,425.18	308,337	445,000	51.8
	31	Namayingo	4,668.61	145,451	195,700	51.2
Totals			64,990.85	7,418,653	10,050,877	51.4

Source: Uganda Bureau of Statistics

Appendix 7 - CAIP Management Organigramme



Legend

MOLG – Ministry of Local Government
 MoFPED – Ministry of Finance Planning
 and Economic Development
 MAAIF – Ministry of Agriculture Animal
 industry and Fisheries
 MoWT – Ministry of Works and Transport
 MGLSD – Ministry of Gender, Labour and
 Social Development
 MWE – Ministry of Water and Environment
 MTTI – Ministry of Trade, Tourism and
 Industries
 Items in **Bold** indicate categories where
 staff will be added under CAIP-3