

Document of
The World Bank

Report No: ICR00001211

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA-36970 IDA-3697A IDA-46260 TF-20972 TF-50522)

ON A

CREDIT

IN THE AMOUNT OF SDR 80.1 MILLION
(US\$100 MILLION EQUIVALENT)

TO THE

REPUBLIC OF UGANDA

FOR A

NORTHERN UGANDA SOCIAL ACTION FUND

December 30, 2009

Social Protection Sector Unit
East Africa Country Department 1
Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective August 2009)
Currency Unit = Uganda Shilling (U Sh)
1.00 USh = US\$ [0.000485]
US\$ 1.00 = USh [2,060.00]
FISCAL YEAR

ABBREVIATIONS AND ACRONYMS

CAS	Country Assistance Strategy
CBO	Community-Based Organization
CDD	Community-Driven Development
CDI	Community Development Initiative
CNA	Community Needs Assessment
CPMC	Community Subproject Management Committee
CRCM	Community Reconciliation and Conflict Management
CSO	Community Service Organization
DCA	Development Credit Agreement
GoU	Government of Uganda
HDI	Human Development Index
IDA	International Development Association
IDP	Internally Displaced Person
IEC	Information, Education, and Communication
ILI	Intensive Learning Implementation Completion Report
ISR	Implementation Status Report
KPI	Key Performance Indicator
LA	Local Authority
LLG	Lower-Level Local Government
LRA	Lord's Resistance Army
M&E	Monitoring and Evaluation
MTR	Mid-Term Review
MU	Management Unit
NAADS	National Agricultural Advisory Services Project
NGO	Non-Governmental Organization
NUMU	NUSAF Management Unit
NUSAF	Northern Uganda Social Action Fund
OPM	Office of the Prime Minister
PAD	Project Appraisal Document
PDO	Project Development Objective
PMC	Project Management Committee
PEAP	Poverty Eradication Action Plan
PPF	Project Preparatory Facility
PPS	Probability Proportional to Size
PRA	Participatory Rural Appraisal
PRDP	Northern Uganda Peace Recovery and Development Plan
QER	Quality at Entry
UJAS	Uganda Joint Assistance Strategy
VGS	Vulnerable Groups Support
YOP	Youth Opportunities Program
WFP	World Food Program

Vice President: Obiageli Katryn Ezekwesili
Country Director/Manager: John Murray McIntire/ Kundhavi Kadiresan
Sector Manager: Lynne Sherburne-Benz
Project Team Leader: Suleiman Namara
ICR Team Leader: Hardwick Tchale

CONTENTS

A. Basic Information	iv
B. Key Dates	iv
C. Ratings Summary	iv
D. Sector and Theme Codes	v
E. Bank Staff	v
F. Results Framework Analysis	vi
G. Ratings of Project Performance in ISRs	viii
H. Restructuring (if any)	viii
I. Disbursement Profile	ix
1. Project Context, Development Objectives, and Design	1
2. Key Factors Affecting Implementation and Outcomes	6
3. Assessment of Outcomes	11
4. Assessment of Risk to Development Outcome	19
5. Assessment of Bank and Borrower Performance (<i>relating to design, implementation, and outcome issues</i>)	20
6. Lessons Learned (<i>both project-specific and of wide, general application</i>)	22
7. Comments on Issues Raised by Borrower/Implementing Agencies and Partners	23
Annex 1. Project Costs and Financing	25
Annex 2. Key Performance Indicators	26
Annex 3. Economic and Financial Analysis	29
Annex 4. Bank Lending and Implementation Support/Supervision Processes	32
Annex 5. Beneficiary Survey Results	34
Annex 6. Stakeholder Workshop Report and Results (Impact Evaluation Report)	40
Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR	42
Annex 8. Comments of Co-Financiers and Other Partners or Stakeholders	49
Annex 9. List of Supporting Documents	51
MAP	52

A. Basic Information			
Country:	Uganda	Project Name:	UG-N Uganda Soc Action Fund (FY03)
Project ID:	P002952	L/C/TF Number(s):	IDA-36970,IDA-3697A,IDA-46260,TF-20972,TF-50522
ICR Date:	12/30/2009	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	GOVERNMENT OF UGANDA
Original Total Commitment:	XDR 80.1M	Disbursed Amount:	XDR 80.1M
Revised Amount:	XDR 80.1M		
Environmental Category: F			
Implementing Agencies: Northern Uganda Management Unit			
Cofinanciers and Other External Partners:			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	02/21/2001	Effectiveness:		02/05/2003
Appraisal:	03/18/2002	Restructuring(s):		10/17/2005
Approval:	07/23/2002	Mid-term Review:	05/30/2005	06/06/2005
		Closing:	03/31/2008	03/31/2009

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Satisfactory
Risk to Development Outcome:	Moderate
Bank Performance:	Satisfactory
Borrower Performance:	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Satisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Satisfactory
Overall Bank Performance:	Satisfactory	Overall Borrower Performance:	Moderately Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	Yes	Quality at Entry (QEA):	Satisfactory
Problem Project at any time (Yes/No):	Yes	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Satisfactory		

D. Sector and Theme Codes		
	Original	Actual
Sector Code (as % of total Bank financing)		
General agriculture, fishing and forestry sector	10	32
Health	20	4
Other social services	35	21
Primary education	20	31
Water supply	15	12
Theme Code (as % of total Bank financing)		
Conflict prevention and post-conflict reconstruction	20	22
Decentralization	20	18
Other social protection and risk management	20	20
Participation and civic engagement	20	19
Social safety nets	20	21

E. Bank Staff		
Positions	At ICR	At Approval
Vice President:	Obiageli Katryn Ezekwesili	Callisto E. Madavo
Country Director:	John McIntire	Judy M. O'Connor
Sector Manager:	Lynne D. Sherburne-Benz	Dzingai B. Mutumbuka
Project Team Leader:	Suleiman Namara	Norbert O. Mugwagwa
ICR Team Leader:	Suleiman Namara	
ICR Primary Author:	Hardwick Tchale	

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

To empower communities in 18 districts in Northern Uganda by enhancing their capacity to systematically identify, prioritize, and plan for their needs and implement sustainable development initiatives that improve socio-economic services and opportunities - thereby contributing to improved livelihoods by placing money in the hands of communities.

Revised Project Development Objectives (as approved by original approving authority)

NUSAF went through a limited/informal restructuring.

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Level of community satisfaction with sub-project outcomes			
Value quantitative or Qualitative)	0	Majority of Beneficiary Communities covered.		73%
Date achieved	02/05/2003	03/31/2009		03/31/2009
Comments (incl. % achievement)	Data sourced from community score card report			
Indicator 2 :	Proportion of population with access to improved learning Environment			
Value quantitative or Qualitative)	zero	15 % increase		12.8%
Date achieved	02/05/2003	03/31/2009		03/31/2009
Comments (incl. % achievement)	The target was not achieved as: (a) community demand shifted to teachers' houses; (b) some of the resources were used to pay for cost variations arising from material cost inflation; and (c) to meet functionality needs of sub-projects.			
Indicator 3 :	Proportion of population with access to improved water sources by end of project			
Value quantitative or Qualitative)	70%	20% increase (over the 70%)		23% (over the 70%)
Date achieved	02/05/2003	03/31/2009		03/31/2009
Comments (incl. % achievement)	The majority of Northern Uganda's population lived in IDP camps before 2008. The provision of safe water was easy and concentrated around IDP camps. Now that people have resettled in their original villages, safe water coverage has declined to below 90%.			
Indicator 4 :	Communities benefitting from non-governmental organization (NGO)/community-based organization (CBO) reconciliation efforts.			
Value quantitative or Qualitative)	N/A	800		843

Date achieved	02/05/2005	03/31/2009		03/31/2009
Comments (incl. % achievement)				

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Households utilizing sub-project facilities			
Value (quantitative or Qualitative)	N/A	200,000		1,110,731
Date achieved	02/05/2003	03/31/2009		03/31/2009
Comments (incl. % achievement)	The difference relative to the target can be attributed to: (a) exchange rate gains of about US\$20 million that allowed the project to reach more vulnerable communities.			
Indicator 2 :	Vulnerable persons in receipt of assistance.			
Value (quantitative or Qualitative)	N/A	55,000		2240,000
Date achieved	02/05/2005	03/31/2009		03/31/2009
Comments (incl. % achievement)	The overachievement is due to the shift in focus from Community Development Initiative (CDI) to Vulnerable Group Support (VGS).			
Indicator 3 :	Percentage of functional community project management Committees			
Value (quantitative or Qualitative)	N/A	80%		98%
Date achieved	02/05/2005	03/31/2009		03/31/2009
Comments (incl. % achievement)	Functionality was measured by the frequency of community subproject management committee (CPMC) meetings (i.e., measured by the number of meetings held and the availability of minutes prepared after each meeting).			
Indicator 4 :	Proportion of women involved in Community Reconciliation and Conflict Management (CRCM) activities.			
Value (quantitative or Qualitative)	N/A	30%		45%
Date achieved	05/02/2003	03/31/2009		03/31/2009
Comments (incl. % achievement)				

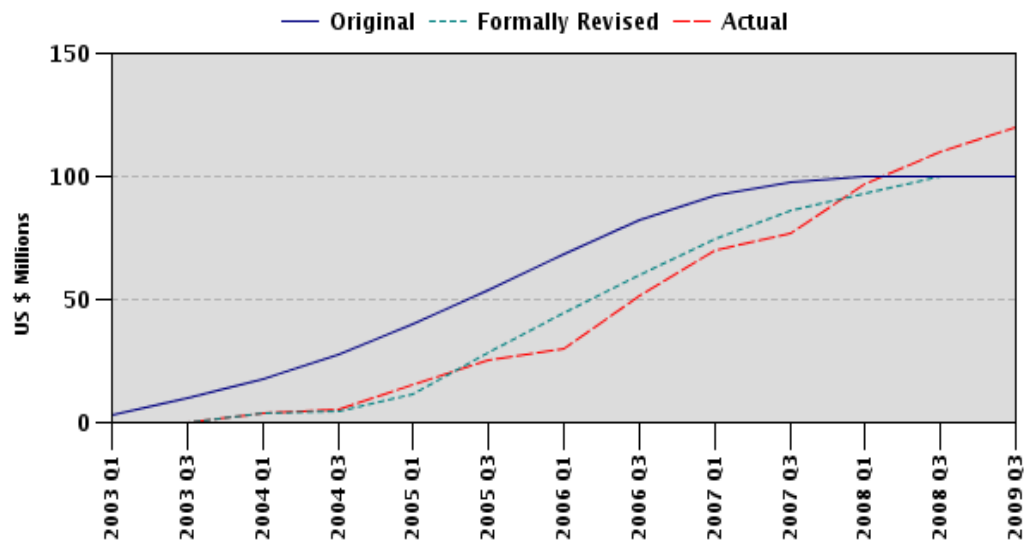
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	11/27/2002	Satisfactory	Satisfactory	0.00
2	05/29/2003	Satisfactory	Satisfactory	0.00
3	12/16/2003	Satisfactory	Unsatisfactory	5.20
4	04/09/2004	Satisfactory	Unsatisfactory	9.40
5	11/10/2004	Satisfactory	Satisfactory	15.75
6	12/30/2004	Satisfactory	Satisfactory	15.75
7	05/10/2005	Moderately Satisfactory	Moderately Satisfactory	25.76
8	08/18/2005	Moderately Satisfactory	Moderately Satisfactory	26.64
9	12/19/2005	Satisfactory	Moderately Satisfactory	39.13
10	06/23/2006	Satisfactory	Moderately Satisfactory	59.81
11	12/28/2006	Satisfactory	Moderately Satisfactory	69.64
12	06/08/2007	Satisfactory	Moderately Satisfactory	78.85
13	12/11/2007	Satisfactory	Moderately Satisfactory	96.62
14	06/20/2008	Satisfactory	Satisfactory	118.38
15	12/31/2008	Satisfactory	Satisfactory	118.38
16	06/30/2009	Satisfactory	Satisfactory	120.22

H. Restructuring (if any)

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
10/17/2005	N	MS	MS	29.72	Key performance indicators for this project were refined to be in line with the IDA-15 core indicators. In addition, 100% retroactive financing was effected in line with the approved financing parameters. This change was documented through an amendment of the Development Credit Agreement (DCA) that was approved by the Regional Vice President on September 18, 2007.

I. Disbursement Profile



1. Project Context, Development Objectives, and Design

1.1 Context at Appraisal

1. Northern Uganda's economic stagnation arises out of more than two decades of brutal conflict. The insurgency in the region has taken a tremendous toll on both population and economy. At the end of 2005, an estimated 1.6 million people had been forced to leave their homes in Northern and Eastern Uganda to live in Internally Displaced Persons (IDP) camps for fear of being attacked and/or abducted by rebels. The cost of the conflict to the national economy¹ has been estimated at over US\$1.3 billion (for 1986–2002), more than 3 percent of GDP. Moreover, parts of the region have been affected by cattle rustling activities that originated in Karamoja.

2. As a result, the North remains the poorest region in Uganda with some of the lowest human development indicators in the country. The 2005/06 National Household Survey shows that the North has the largest proportion of people living in poverty, estimated at 61 percent, almost twice the national poverty level of 31 percent. The gap between the North and national poverty levels has widened from 17 percent in 1992 to 30 percent in 2005/06, with poverty in the North falling less than in any other region since the early 1990s.

3. The community safety-net systems and the traditional social and economic fabric of the Northern Uganda people have been greatly disrupted and weakened by the armed conflict. The Northern Uganda citizens showed a general feeling of dissatisfaction and hopelessness and the majority had lost motivation and confidence. The human capital development potential, especially for youth, was greatly inhibited and the energy needed for the development process had been undermined. In addition, the local government's administrative and technical capacity was dismally weak. In response to all of these factors, the Government of Uganda (GoU), under the coordination of the Office of the Prime Minister (OPM), initiated the implementation of the NUSAF project with a credit of US\$100 million from the International Development Association (IDA). Northern Uganda Social Action Fund (NUSAF) was designed and carried out in an extremely conflict-affected and politically sensitive environment.

1.2 Original Project Development Objectives and Key Indicators (*as approved*)

4. The PDO was to empower communities in 18 districts in Northern Uganda by enhancing their capacity to systematically identify, prioritize, and plan for their needs, and implement sustainable development initiatives that improve socioeconomic services and opportunities—thereby contributing to improved livelihoods by placing money in the hands of communities.

¹ Since 2002, Civil Society Organizations for Peace in Northern Uganda (2006) estimate the total cost to have risen to US\$1.7 billion, which is likely an underestimate because of data constraints and limited geographic coverage. The costs include estimates of military expenditure, reduced economic activity, loss of skilled labor, loss of tax revenue, loss from environment and land degradation, and investments in IDP camps that will no longer be of use when the camps are disbanded.

5. However, in the Development Credit Agreement (DCA), the PDO is described as follows:

“To support the Borrower’s efforts to empower communities living in Northern Uganda and influence their livelihood through (a) enhancing the capacity of the communities to systematically identify, prioritize and plan for their needs; (b) strengthening the on-going reconciliation process in Northern Uganda; and (c) implementing sustainable development initiatives that improve socio-economic services and opportunities and support vulnerable groups, including youth and women affected by conflict.”

6. There are differences in wording between the statement of objectives in the project appraisal document (PAD) and DCA. While the PAD PDO talks about contributing to improved livelihoods by placing money in the hands of communities, this is not indicated in the DCA PDO. However, given that the project operational model was through direct community financing, which allowed communities to be responsible for procurement and financial management, the difference between the PAD PDO and the DCA PDO is not material. On the other hand, while the DCA PDO talks about supporting the ongoing reconciliation processes in Northern Uganda, this is not explicit in the PAD PDO. The PAD PDO however, talks about sustainable development initiatives that improve socioeconomic services and opportunities, which require reconciled and stable communities in a post-conflict environment. Similarly these differences are not material. That said, the differences in wording should have been reconciled. The ICR team adopts the DCA PDO as a basis of analysis of project outcomes and uses the PAD to analyze the overall project thrust.

7. The impact and outcome indicators were defined at appraisal using the log frame format as below.

8. **Impact (higher-level) indicators:**

- a. Percent improvement in Human Development Index (HDI) in the region.
- b. Percent increase in government spending for social sectors aligned with NUSAF activities.
- c. Percent changes in health status and school enrollments in participating communities.

9. **Outcome indicators:**

- a. Percent of population reached by NUSAF through improved socioeconomic infrastructure.
- b. Percent of beneficiaries satisfied with community-level projects as reported in Beneficiary Assessments.
- c. Number of women benefitting from project activities.

10. After Midterm Review (MTR), three outcome indicators were refined and included in Schedule 5 of the DCA. These are:

- a. Proportion of population in 18 districts with access to improved water sources with a target of 20 percent.
- b. Proportion of population in 18 districts with access to improved learning environment with a target of 15 percent.
- c. Percentage of functional community management committees by the end of the project with a target of 80 percent.

1.3 Revised PDO (*as approved by original approving authority*) and Key Indicators, with Reasons and Justification

11. While the PDO was not revised, some PDO indicators were refined to be in line with the IDA-15 core indicators. The amendment was approved by the regional vice president on September 18, 2007. The refinement of indicators did not include a formulation of new ones, but it ensured that the existing ones were specific, measurable, achievable, realistic, and time bound. The proposed changes did not affect the development objective and outcome targets. In addition, the inconsistencies in indicator terminology in the PAD and DCA were noted. For example "output" indicators in the PAD's Annex 1, should have read as "intermediate outcome" indicators and the term "output" in the DCA's Schedule 5 should have read as "outcomes." To accommodate these changes, Schedule 5 of the DCA was amended.

1.4 Main Beneficiaries

12. NUSAF support was meant to benefit the following:

- a. Children and youth who had been abducted during the civil war;
- b. People who surrendered and returned guns in exchange for a changed livelihood (including abductees and gun dropouts);
- c. People whose careers were disrupted as a result of the prolonged conflict and breakdown of traditional systems;
- d. Female-headed households; the aged; those affected by HIV/AIDS, including orphans, foster parents, widows and widowers; the very poor; the disabled; and others affected by the conflict; and
- e. Local governments and community-level institutions.

13. The beneficiaries were carefully selected in accordance with the conflict/post conflict situation and in response to the human capital challenges of the region. These challenges include building incentives and opportunities for youth who would otherwise be attracted into rebellion.

1.5 Original Components *(as approved)*

The project components were as follows:

A. Community Development Initiatives IDA Allocation: US\$53.04 million

14. The Community Development Initiative aimed to finance demand-driven community-based initiatives to construct and rehabilitate socioeconomic infrastructure on a small scale. The design of this component entailed the participation of communities so that their needs could be identified and prioritized. Communities also planned and managed the implementation of the subprojects with the facilitation of local authorities, (LAs), community service organizations (CSOs), Non-Governmental Organizations (NGOs), and private individuals. The funding threshold for subprojects was US\$20,000, except for those subprojects approved by the LAs and endorsed by the National Steering Committee at the recommendation of the NUSAF Management Unit (NUMU). Beneficiary communities were to contribute 20 percent of the subproject cost. This component was meant to reach about 2.5 million people, approximately 30 percent of the population of Northern Uganda.

B. Vulnerable Groups Support IDA Allocation: US\$41.06 million

15. This component was meant to provide support to vulnerable groups as defined under section 1.4. Subprojects were also identified, planned, and implemented through community participation. Communities with insufficient capacity to manage the subprojects would be supported by a Civil Society Organization. Beneficiary communities were supposed to contribute five percent of the subproject cost. This component was meant to reach about 55,000 vulnerable people.

C. Community Reconciliation and Conflict Management IDA Allocation: US\$2.87 million

16. This component, which targeted 800 communities, was meant to support the implementation of traditional and non-traditional approaches to peace building, reconciliation and conflict management. Community Reconciliation and Conflict Management initiated reconciliation meetings and negotiations between clans or tribes and provided counseling and psychosocial support for ex-abductees, returnees, gun dropouts, and the receiving communities. Through these interventions, the project worked to build strong ties and integration within and between war-torn societies to enhance the communities' capacity to cope with transitional shocks brought about by the conflict. This component was implemented in three subregions: Karamoja, Acholi, and West Nile. Beneficiary communities were supposed to contribute five percent of the subproject cost.

D. Institutional Development—IDA Allocation: US\$ 7.80 Million

17. This component aimed to support the: (a) staffing of the NUMU; (b) capacity building and training for communities and local government staff; (c) information, education, and communication; (d) monitoring and evaluation/management information systems; and (e) poverty monitoring and analysis, including identifying and addressing data gaps.

1.6 Revised Components

18. The project components were not revised.

1.7 Other Significant Changes *(in design, scope, and scale, implementation arrangements and schedule, and funding allocations)*

19. No significant changes were made to the project. However, a number of minor changes were made during the implementation:

- a. The project was originally designed to cover 18 districts that had been subdivided to 29 by MTR in 2005. As per government policy, new districts continued to be supported by the old ones. However, as expected, new districts demanded their own project administrative structures. The resulting tensions between the newly created districts and their “mother” local governments were handled through the Project National Policy Committee, which was chaired by the Hon. Minister of State Responsible for Northern Uganda.
- b. Government counterpart funding was expected to be 10 percent of the total project cost. About 35 percent of counterpart funds was paid by the MTR. The project was retrofitted to raise Bank financing to 100 percent, effective July 1, 2006, in line with the Country Financing Parameters analysis, and made possible through a formal DCA amendment. The retrofitting was justified by: (1) government allocation from its FY 2006/07 budget of about US\$10 million for emergency resettlement of IDPs in Northern Uganda—part of these resources would have otherwise been available for NUSAF counterpart funding; (2) slow disbursement of counterpart funds, which was seen to be responsible for slow project implementation; and (3) the need for the project to flexibly and quickly respond to both the dire development needs of the returning IDPs and the high poverty (70 percent) and vulnerability in the project area.
- c. The project closing date was extended from March 31, 2008 to March 31, 2009, to allow for completion of subprojects and evaluation studies. Project resources were fungible between project components. That said, project costs for the Vulnerable Groups Support (VGS) component increased by 129 percent in response to community demands and the high level of poverty and vulnerabilities in Northern Uganda.
- d. About US\$ 42,021 of the credit proceeds were uncommitted by the project closing date. These resources were refunded by the Government of Uganda to IDA.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design, and Quality at Entry *(including whether lessons of earlier operations were taken into account, risks and their mitigations identified, and whether participatory processes were adequate, as applicable)*

20. Project preparation benefitted from lessons learned from other operations in both Uganda and the region. The lessons implemented included the need to: (a) start with a pilot phase to test and finalize operational procedures; (b) respond to demand and systematically involve clients and stakeholders; (c) mobilize local resources and continue to build local capacity; (d) use a technically sound implementation unit to coordinate across sectors and promote autonomy; and (e) input mechanisms to ensure transparency and accountability at district and community levels. The project started with pilot activities in 32 selected community sites in five sub-regions, where the community needs assessment was carried out as part of the preparatory exercise. A semi-autonomous unit was set up. Systems to improve transparency and accountability were put in place, which included publishing all the funds released for subprojects. A clear and transparent communication strategy was also instituted.

21. The overall risk rating at project appraisal was moderate. The risks identified were adequately addressed through appropriate mitigation measures built into the subproject cycle. The identified risks related to: (a) a return to civil strife in the Acholi and Karamoja subregions; (b) whether institutional arrangements under decentralization might fail to support community demands; (c) a lack of transparency and accountability; (d) political interference and rent-seeking; (e) the weak capacity of District Planning Units to coordinate all activities and actors; and (f) an unwillingness on the part of community leaders and LAs to work on peace building.

22. Project preparation was participatory and preceded by a comprehensive Community Needs Assessment (CNA) that formed the basis for further consultations. A number of workshops and consultative meetings were held with local government leaders, civil society organizations, and central government sector staff. Throughout project implementation, consultations continued to capture lessons and adjust implementation accordingly. For example, at MTR, it was found necessary to have more focus on vulnerable youth to mitigate future conflicts. The project also benefitted from a QER review that was rated satisfactory.

2.2 Implementation *(including any project changes and restructuring, MTR, Project at Risk status, and actions taken, as applicable)*

23. **Implementation.** Project implementation strengthened community empowerment and decentralized governance in an extremely fragile environment. The community-driven development (CDD) approach provided a strong basis for building multi-sectoral teams through an emphasis on empowering the beneficiaries, while at the same time ensuring that the roles and functions of local governments and the center were aligned to support the articulated community priorities and development objectives. An emphasis on accountability and transparency at all levels ensured minimum leakage and strong ownership, which are necessary

conditions for sustainability. Direct financing, a key principle of CDD operations, expedited the flow of funds and strengthened empowerment by putting money into the hands of the communities. It freed the technicians at local government levels from managing rules so that they could concentrate on the technical issues. This approach provided a platform for all sectors to play their respective roles as they contributed to a common goal defined by both “clients” (and beneficiaries) and providers.

24. **Project at risk status.** The project became problematic one year into implementation. Beyond the challenges of insecurity, core challenges arose from the difficulty of attracting staff to reside in the project area and the slow pace of capacity building initiatives with extremely weak local governments. Challenges included the need for enhanced guidance on project processes and procedures; initial poor teamwork within the project management unit, and inadequate follow-through on decisions reached between the Bank and the government. In response to these challenges, the client and the Bank intensified supervision of the project, initiated rapid results initiatives that involved local governments, advised and supported the recruitment of short-term consultants to complement the work of the project management unit, and agreed with the Project Technical and the Project Policy Committees on intensifying the guidance of the management unit. These measures put the project back on track.

25. **Mid-term review.** The MTR was undertaken in June 2005; two-and-a-half years into project implementation. At the time, disbursements were only 22 percent. The Bank and the client took full advantage of the MTR to: (a) address project management challenges, including hiring a new executive director with a streamlined reporting to the NSC, NPC, and the Rt. Hon. Prime Minister; (b) reconstitute the composition of the NSC to bring on board CSO and private sector representatives; (c) computerize the financial management system; (d) strengthen collaboration between NUSAF and other programs; and (e) improve targeting of IEC messages to vulnerable groups.

26. As further discussed under 3.2, the above measures resulted in: (a) empowerment of conflict-affected communities; (b) improved service delivery in water and education sectors; (c) better and structured support to vulnerable groups; (d) improved community reconciliation and conflict management through traditional approaches; and (e) strengthened capacity for conflict-affected local institutions.

27. The following key challenges were encountered during implementation of the project:

28. **In- and out-of-conflict environments in parts of the North.** Insecurity, especially in the Acholi and Karamoja subregions, was problematic and affected the speed of project implementation. Parts of the Acholi subregion (Kitgum and Pader districts) were in conflict for much of project implementation. (Karamoja was in a state of resource conflict through almost all of project implementation.) The West Nile subregion was a post-conflict environment (although it was home to about 75 percent of the refugees from southern Sudan). The Lango subregion experienced both in- and out-of-conflict situations and the Teso subregion was peaceful

at design, but was later infiltrated by the Lord's Resistance Army (LRA) for a short time. The GoU adopted a three-prong strategy of military, political, and international legal action against the rebels. The initiatives resulted in overall peace one year before project closure.

29. **Slow start of the project.** A combination of factors contributed to slow project start including: (a) project effectiveness delay of three months that arose from the untimely conclusion of the Memorandum of Understanding (MoU) between the central government and local governments; (b) OPM delay in completing the recruitment and settlement of MU core staff in their regional office; (c) intermittent insecurity; (d) delayed execution of the project preparatory facility (PPF); and (e) the nature of community-demand driven subprojects, which require some effort to build up the capacity of communities and local institutions. Implementation picked up and progressed very well after the MTR because of increased Bank and government supervision.

30. **Capacity gaps in local governments towards the beginning of the project.** At design, weak local government capacity gaps were anticipated. In response, the project complemented district staff with a technical officer, an accounts assistant, an administrative assistant and a driver to facilitate project activities and work with existing district staff on project implementation. These arrangements were insufficient in some local governments because of very low staffing levels. The project strengthened the Project Management Unit after the MTR so that it could provide much-needed district guidance and support. Stronger involvement of the available sector staff at the lower local government levels was encouraged.

31. **Cost variations.** A number of CDI subprojects faced budget overruns related to cost variations. The variations resulted from underestimations in the Bill of Quantities and the use of blanket-cost ceilings for subprojects in some districts and sub-regions. Furthermore, the project faced price escalations for materials as a result of inflation. The project provided these subprojects with variation budgets in order to ensure smooth completion as well as to guarantee the functionality of the assets established.

32. **Accountability challenges for Community Subproject Management Committees.** A few accountability challenges were encountered, especially in the implementation of community subprojects. These can mostly be attributed to capture by elites, especially in the remote areas of Kitgum and Karamoja. In other cases, committee members had to travel long distances for banking and the purchase of materials, which led to lengthy delays in accounting for project funds.

33. A number of measures were put in place to address these accountability challenges, including: (a) a transparent IEC system; (b) publishing all releases for subprojects; (c) a collaborative arrangement between NUSAF and anti-corruption agencies; (d) continuous strengthening of financial management systems and installing independent annual audits over and above the normal regular audits; and (e) Rapid Results Initiatives to improve transparency and accountability. This led to the apprehension and prosecution of 15 people who had

defrauded communities and the reimbursement of ineligible funds (approximately US\$240,000) to the project special account. These measures set strong examples, promoted transparency in the project area and ensured that project outcomes were achieved.

2.3 Monitoring and Evaluation (M&E) Design, Implementation, and Utilization

34. **M&E Design.** The M&E system was highly decentralized, with multisectoral M&E teams established in each of the 18 districts to enhance local data collection and analysis. While such decentralization is desirable in principle, in some instances it led to inefficient parallel collection points and data duplication. The indicators identified to monitor progress toward the development objectives were adequate, given the available knowledge at appraisal, and the baseline data was of good quality.

35. **M&E Implementation.** The challenges of establishing a reliable and responsive M&E system were not fully recognized in project design. Following MTR, improvements were made, with local governments trained in data management and analysis and more standardized data collection tools put in place. A good balance of qualitative and quantitative evaluations was also initiated. These improvements allowed NUMU to prepare and widely disseminate quarterly M&E reports. The preparation and undertaking of the impact evaluation was comprehensive and informed the ICR.

36. **M&E Utilization.** Data from the M&E system have been used extensively for strategy definition, policy orientation, and resource mobilization, shaping the Northern Uganda Peace Recovery and Development Plan (2007) and preparing applications for additional external support.

2.4 Safeguard and Fiduciary Compliance *(focusing on issues and their resolution, as applicable)*

37. Procurement performance was satisfactory almost throughout project implementation. Although community procurement is legal according to the Public Procurement and Disposal of Assets Act, it had never been implemented in local governments in Northern Uganda. A simplified procurement and stores manual for use by communities in subproject implementation was developed and made available for use. This manual has since been adopted by other projects in the country, including the National Agricultural Advisory Services Project (NAADS) and Local Government Management and Service Delivery Project. In addition, communities were trained in procurement practices, procurement supervision, and procurement record keeping. However, these achievements were not without challenges, the most significant being the high turnover of procurement staff in the Project Management Unit due to location. These were initially overcome by using consultants until full-time staff could be obtained.

38. Financial management performance was mixed across the project area based on the capacities of local governments. Poor performance occurred in local governments that were

extremely hard to reach, including Kitgum and Karamoja. The local governments in the Teso and West Nile subregions performed well while the Lango subregion was moderate. Challenges were related to poor financial support systems to communities, inadequate financial management staff in some districts, and an intermittent supply of electricity that resulted in the breakdown of the computerized financial management system and long distances to commercial banks. The project responded to these challenges as already discussed under section 2.2 on transparency and accountability.

39. Compliance with both environmental and social safeguards was mixed across the project. Capacities for implementing the identified subproject specific environmental and social (including land acquisition) mitigation measures varied from district to district, especially with the creation of 11 new districts in addition to the original 18. The screening process for both environmental and social impacts and the ensuing Environmental Management Plan were mainstreamed into the subproject cycle, right from desk appraisal to monitoring and evaluation. The project benefitted from the involvement of district environmental officers (in districts where there were no environmental officers, district forestry officers were used), and the Uganda National Environmental Management Authority. Support from various IDA safeguard specialists during the projects, and especially during supervision missions, provided essential on-the-spot guidance and remedial actions. On the basis of mixed environmental and social safeguards and moderate financial-management compliance, overall fiduciary compliance is **moderately satisfactory**.

2.5 Post-Completion Operation/Next Phase *(including transition arrangement to post-completion operation of investments financed by present operation, operation and maintenance arrangements, sustaining reforms and institutional capacity, and next phase/follow-up operation, if applicable)*

40. Post-Completion is rated satisfactory. Seeing the gains made through the community-driven development approach, and realizing the work remaining to be done at the local level, the government requested the follow-on operation, NUSAF 2, which became effective on November 25, 2009. It builds on the localized development processes initiated under NUSAF, and increased emphasis on improved local governance, participatory processes, improved technical quality and sustainability of assets created as well as targeted interventions for vulnerable groups. These interventions derive from the Poverty Eradication Action Plan (PEAP) and the Peace Recovery and Development Plan (PRDP) for Northern Uganda, which focuses on promoting the resolution of conflict in the North and fostering social and economic development in the region.

41. By the end of the project, 98 percent of the funded subprojects had been completed and commissioned. The government is following up on the uncompleted subprojects and will monitor them through NUSAF 2.

42. NUSAF was implemented through a decentralized framework involving communities, LAs, NGOs, and the private sector. Attempts were made to build the capacities of the various stakeholders during the project. The project allowed communities to articulate their priorities.

Some of the priorities that emerged outside the menu were linked to the district development frameworks. Eligible subprojects were derived from a menu that delivered a community good and were within the sector norms and standards approved by the central government and supervised by the local government.

43. NUSAF subprojects initially suffered from lapses in technical quality due to shortcomings in desk and field appraisal, project costing, and supervision during and after completion of subprojects. However, NUMU took a number of measures, including hiring technical supervisors to improve technical quality and implementation of subprojects. For example, in water subprojects communities were advised to budget for feasibility studies as part of the subproject costs. Formal systems for community-led maintenance through community management committees were developed and clear responsibilities articulated. In addition, these committees were trained in operation and maintenance.

44. Building on the achievements of the project and other development efforts in Northern Uganda, the government has allocated in the FY09/10 budget US\$50 million annually for the next three years for development efforts and maintenance of existing infrastructure. These resources are over and above the regular annual government budget that is allocated to local governments in Uganda.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design, and Implementation *(to current country and global priorities and Bank assistance strategy)*

45. The project objectives, design, and implementation were well aligned with the current Bank Country Assistance Strategy (CAS), the Uganda Joint Assistance Strategy (UJAS 2005–2009), the Government’s Poverty Eradication Action Plan (PEAP 2004–2009) and the Northern Uganda Peace Recovery and Development Plan (PRDP 2007). The UJAS supports the PEAP’s overarching strategic results, including promoting resolution of the conflict in the North and fostering social and economic development in the region. The PRDP for Northern Uganda was designed to provide an overarching framework for post-conflict reconstruction in the wake of significant security improvements in the region since mid-2006, which derive in part from peace efforts between the government and the LRA.

3.2 Achievement of Project Development Objectives *(including a brief discussion of causal linkages between outputs and outcomes, with details on outputs and outcomes)*

46. Project key performance indicators are listed in Annex 2. Project results need to be interpreted against the background of the project operating environment where basic institutional frameworks to facilitate project implementation were weakened, nonfunctional, or nonexistent. The outcomes presented below are based on the key performance indicators (KPIs), as contained in the DCA.

47. **Empowerment of conflict-affected communities.** Community empowerment was ensured through a systematic application of participatory mechanisms, monthly public accountability meetings of each community group benefitting from a subproject, and regular and well-structured information, education, and communication messages. Communities submitted 44,131 subproject proposals to local governments, 24,479 (55 percent) of which were field appraised. Of those appraised, 14,212 (58 percent) were approved. Of those approved, 9,307 (65 percent) were funded. Over all, about 47 percent of the population in Northern Uganda (against the target of 30 percent) have improved access to social services through NUSAF.

48. These outputs resulted in a 73² percent level of satisfaction of beneficiary communities with community-level outcomes. The CDI recorded the highest satisfaction of 75 percent, followed by the VGS component at 72 percent, and CRCM at 71 percent. The involvement of sub-county staff in monitoring and supervision was cited as one of the reasons for the higher satisfaction, because communities benefitted from improved technical support.

49. NUSAF explicitly targeted women among the project's beneficiaries and defined minimum quotas for women's representation on strategic project committees. For example, the World Bank Gender Audit Report³ (2007) documented that in Soroti, women constituted 70 percent of the 7,201 beneficiaries of the VGS component. Their share of the VGS grant was estimated to be more than 70 percent of total funds disbursed. In the Lira district, a random analysis of the composition of 70 CPMCs showed that women constituted, on average, 41 percent of the committees' membership, exceeding the 30 percent minimum. By clearly defining women as one of the target groups in the project and defining quotas on committees, women's participation was promoted.

50. The number of households utilizing subprojects was 1,076,000 by the end of the project period, against the target of 200,000. The difference is attributed to: (a) exchange rate gains of about US\$20 million that allowed the project to reach more vulnerable communities (the original component budget was US\$17.89 million, while actual expenditures were US\$41.06 million); and (b) improved targeting of IEC messages to vulnerable groups.

51. Community empowerment is also linked to the outcome on functional CPMCs. The proportion of functional CPMCs stood at 98 percent by the end of the project period against the target of 80 percent. This was achieved by training CPMC members on community dynamics, record keeping, operation and maintenance, and the subproject cycle processes.

² Office of the Prime Minister (2007), Community Scorecard Report.

³ World Bank (2007), Gender Portfolio Audit Report.

52. **Service delivery improved.** The project supported 1,277 education subprojects⁴. To increase functionality of these educational facilities, a package was implemented that included pit latrines (separated for boys and girls), a water tank for each school, desks, chairs, and laboratories. According to project M&E data, and the Impact Evaluation Report⁵ (2009), the project contributed to better access to an improved learning environment by reducing classroom congestion, which previously stood at 150 students per class, by 12.8 percent against the target of 15 percent. This target was not achieved because community demand shifted to teachers' houses. In addition, some of the project resources for this component were used to pay for cost variations arising from material cost inflation.

53. The improvement in the learning environment contributed to an increased enrollment of pupils in NUSAF communities over non-NUSAF communities (i.e., 111 percent versus 6 percent). This difference was found to be statistically significant and could be explained by the functionality package that was implemented and the availability of teachers. The number of teachers in primary schools that benefitted from NUSAF was also found to have increased more than those in non-NUSAF schools, with a difference of 1.5 teachers per school because of the provision of teachers' houses.

54. Service delivery also improved in the water sector through implementation of 1,031 water subprojects⁶. The M&E data and the Project Impact Evaluation Report indicate that the proportion of communities with improved access to safe water sources increased by 23 percent (this is above the baseline of 71 percent) against the target of 20 percent. The impact of the project on improved water sources was also found to be statistically significant. In some districts like Yumbe, NUSAF increased access to safe water coverage from 27 to 44 percent from July 2004 to June 2005. This achievement was attributed to the clearly articulated needs from the communities to reduce the time women take to fetch water. Other benefits indicated in the qualitative aspect of the impact evaluation include reduced congestion at water points, time saved for other productive work, reduced conflicts resulting from quarrels at water sources, and reduced theft of equipment used to draw water.

55. **Better and structured support to vulnerable groups.** The VGS component reached 223,104 individuals against the target of 55,000. Vulnerable groups supported included: (a) 17,956 women, (b) 13,542 orphans, (c) 77,139 youth, (d) 87,023 IDPs and (e) 5,812 HIV-

⁴ 2,693 classrooms, 40 dormitories, 7,650 desks, 63 science laboratories, 9 libraries, 20 nurseries, 19 vocational skills training centers, and 1,221 teachers' houses

⁵ Uganda Bureau of Statistics, Economic Policy Research Centre, and Cornell University, "Northern Uganda Social Action Fund Impact Evaluation Report," (2009).

⁶ 1074 boreholes, 9 protected springs, 11 piped water schemes and 2 valley tanks.

infected and affected persons who received a number of productive assets⁷ to improve their livelihoods. The impact evaluation credits the project for contributing to revamping agricultural activities in the region through the provision of productive assets. These achievements are partly explained by government IEC messages that targeted VGS groups. The achievements can also be attributed to the collaborative arrangements among NUSAF, the World Food Program (WFP), National Agricultural Advisory Services Project (NAADS), the Uganda HIV/AIDS Support Project, and the Amnesty Commission's support to returnees. The collaborative arrangement not only leveraged project resources, but also allowed the exchange of technical staff in support of communities.

56. The collaboration between NUSAF and WFP fish farming is an illustrative example. While the WFP provided technical expertise on breeding fingerlings and fishpond management, NUSAF provided the needed community mobilization and resources to procure the fingerlings. The impact evaluation undertaken by the WFP showed that fish farming was a profitable⁸ activity. Collaboration with NAADS focused on supporting communities to improve the profitability of vulnerable group productive assets, while collaboration with Uganda HIV/AIDS Support and the Amnesty Commission focused on assisting NUSAF to improve targeting of people infected and affected by HIV/AIDS and returnees, respectively.

57. Youth were targeted as a special vulnerable group, trained in livelihood skills, and provided with toolkits to start up their own businesses. A separate randomized evaluation is yet to be concluded. Interim results, however, indicate that project beneficiaries fared significantly better than non-beneficiaries in a number of socioeconomic and psychosocial variables. For example, in terms of income, NUSAF beneficiaries on average reported⁹ 18 percent more income per month than the control group, and this was found to be statistically significant at a 5 percent level.

58. **Community reconciliation and conflict management improved.** The project trained 1,309 peace promoters, provided 458 returnees with reintegration support, implemented 652 structured events (including games, sports, and drama and peace meetings) and supported 3 institutions that promoted traditional reconciliation mechanisms. Communities benefitting from reconciliation efforts numbered 845, against the target of 800. According to the qualitative findings of the Impact Evaluation Report, community reconciliation and conflict management support was credited with contributing to the resettlement of abductees and displaced persons,

⁷ 36,631 heifers, 8,657 breeding bulls, 22,076 goats, 8,386 pigs, 114,615 chicks, 9,962 bee hives, 177 fish ponds, 22,748 oxen, 8,936 ox ploughs, and training 6,300 youth in livelihood skills.

⁸ Twenty-two percent of the respondents interviewed used the increased income to pay school fees; 19.4 percent for health and medical, and clothing and shoes, respectively; 16.7 percent for transport (to buy fish feed from a sub-county); 6 percent for maize meal and flour; and 2.7 percent for buying fish feed, rice, roots, and tubers.

⁹ World Bank (2009); Preliminary Results from the Youth Opportunities Program Tracking Survey.

the resolution of latent conflicts among communities, and the capacity building of cultural institutions, NGOs, and CBOs.

59. The capacity of conflict-affected local institutions was strengthened as follows:

- a. **Local governments.** Capacity building of local governments was implemented through training, workshops and seminars, learning by doing, and hiring additional staff to complement the technical capacity of local governments. Local government technical staff were trained on project principals; inclusive planning; basic bookkeeping; community procurement; management and administration of participatory approaches; and given basic skills to assess local environmental effects of subprojects and the subproject cycle processes. The training was tailored towards the implementation requirements of the sub-projects and the skills required to support communities. This training was undertaken by NUMU staff who had technical skills in Financial Management, Procurement, Information Education and Communication, Monitoring and Evaluation, and Rural Participatory Appraisal.
- b. **CSOs.** The project supported three traditional institutions with financial resources and the preparation of peace materials. These institutions in turn trained communities in conflict resolution and held reconciliation meetings and ceremonies. About 1,309 peace promoters were trained against the target of 500 to support community reconciliation mechanisms. The project also supported 267 CSOs against the target of 140.

3.3 Efficiency

(Net Present Value/Economic Rate of Return; cost effectiveness—e.g., unit rate norms, least cost, and comparisons, and Financial Rate of Return)

60. NUSAF's efficiency in delivering the subprojects can be assessed by an analysis of cost-effectiveness. With subproject costs for NUSAF (including community contributions) being compared to those of similar projects implemented by other donors and NGOs in Northern Uganda. The key measure of cost-effectiveness is the cost per beneficiary or unit of each subproject constructed. The analysis assumes the same quality and durability of assets constructed because subprojects were constructed following the same sector norms and standards. This assumption was validated through field visits undertaken during the ICR mission to selected subprojects in the Soroti district. Given this assumption, projects with lower costs per beneficiary or unit area are considered to be more cost effective.

61. The analysis of cost-effectiveness also included benchmarking the unit costs of infrastructure subprojects using standard unit costs to assess whether NUSAF subprojects were cost-effective when compared to sector norms and standards.

62. Results from the analysis indicate that on average NUSAF subprojects were cost-effective compared to other projects. NUSAF constructed community infrastructure costs were on average US\$38 per beneficiary per year. This is significantly lower compared to the per

capita costs estimated at over US\$66 per beneficiary for subprojects implemented by other development partners and NGOs. Detailed results are presented in Annex 3.

3.4 Justification of Overall Outcome Rating (*combining relevance, achievement of PDOs, and efficiency*)

Rating: Satisfactory

63. **Relevance.** The five broad outcomes indicated in 3.2 remain relevant. Principles of community contribution and procedures for involving communities in planning, design, and implementation were emphasized. For example, PMCs were established to supervise communities in building schools and hand them over to school management committees at completion. Community water management committees were provided skills for borehole maintenance. Skills were also transferred to district staff, especially in appraisal implementation and monitoring of subprojects for purposes of maintenance and sustainability. Traditional leaders were facilitated to champion community reconciliation efforts through customary approaches.

64. **Efficiency.** Project activities and outcomes remain efficient. The project transferred the responsibility of managing contracts and control of resources to the local level. This local responsibility had sufficient supervision and technical assistance provided by the district and subcounty technical staff. The project also emphasized community participation and the maintenance and sustainability of community investments. For example, all CPMCs were trained in subproject maintenance and sustainability.

3.5 Overarching Themes, Other Outcomes, and Impacts (*if any, where not previously covered or to amplify discussion*)

Poverty Impacts

65. At a higher level of the project hierarchy, poverty in Northern Uganda fell from 67.5 percent in 2004 (Northern Uganda Survey 2004) to 57.4 percent in 2008 (Northern Uganda Survey 2008). Although this reduction may not be attributed to NUSAF, statistical analysis found that for those moving in and out of poverty, households living in communities with NUSAF-implemented projects were less likely to be chronically poor (36 percent) than those living in areas with no NUSAF support (46 percent). NUSAF is also credited with a strengthened community focus on agriculture as a source of livelihood. This shift can be partly attributed to the return of peace in the project area, but for a larger part to the provision of farm inputs and restocking through the VGS component.

Gender Impacts

66. According to the World Bank Gender Portfolio Audit Report (2007), NUSAF was found to be gender responsive. NUSAF recognized differences between women and men and identified strategies to address these disparities. For example, NUSAF established a minimum

of 30 percent membership for women on the community project management committees. This was found to have enhanced women's participation in subproject identification and management.

67. While there were positive gender impacts, there were also challenges. Women's participation in projects may have increased demands on their time. In order to strengthen its gender outcomes, implementation of NUSAF should have taken into consideration the fact that women experience difficulties combining responsibilities in the projects with their other household responsibilities and chores. This was not sufficiently addressed in the project design.

Social Development Impacts

68. Through the CRCM component, the following social development issues can be attributed to NUSAF interventions:

- a. Some communities remade themselves into civil society organizations and ran socioeconomic activities through VGS and CDI funding.
- b. Youth received training in livelihood skills and support from toolkits to start their businesses.
- c. Formerly abducted children in the Acholi sub-region reintegrated into society; inter-tribal and inter-clan dialogue and peace in the Karamoja sub-region and Yumbe district was promoted; and the capacity of traditional and cultural institutions, such as the Iteso Cultural Union, the Acholi Traditional Institution, and the Lango Cultural Foundation, to manage conflict and community development was enhanced.
- d. Tensions that emanated from differences among local leaders eased: These differences had threatened to erode values of good governance and commitment towards development initiatives.

Institutional Change/Strengthening (particularly with reference to impacts on longer-term capacity and institutional development)

69. The project made the following institutional achievements:

- a. **Local-government level.** Local government technical planning and district executive committees were trained in project processes and systems. These committees made decisions about project resources to ensure that communities had the necessary technical inputs; appraised subproject requests based on packages and norms provided from the center; and certified the assets created to ensure adherence to standards at that level. Transparency and accountability was promoted through structured IEC messages and collaborative working arrangements among anti-corruption institutions, the local governments, and CSOs. This "learning by doing" approach built the capacity of local governments. Based on the lessons from NUSAF, all local governments are now

allowed to finance community demand-driven initiatives through their district block grants.

- b. **Communities.** Communities made a commitment to participate fully in the decision-making process. They mobilized themselves, selected a committee to lead and manage the activity they prioritized, adhered to the rules of accessing funds, ensured that contracted agencies delivered on contracts, and were accountable for fund use through the subproject management committee. The committees kept the community as a whole informed at public meetings and engendered transparency in decision making.
- c. **Depository of information on Northern Uganda.** While national statistical surveys have been regular in Uganda since the early 1990s, Northern Uganda was never surveyed, which made planning for the region difficult. NUSAF supported the first comprehensive survey in 2004. Another survey was undertaken in 2008 to provide evidence of the impact of the project. The project is also doing a randomized experimentation study, which is the first of its kind in the region, to discern the impact of the project activities on youth employment. The National Statistical Bureau conducted these surveys, which helped build the capacity of the national statistical system. In addition, a number of other studies were done, including (1) a comparative analysis of NUSAF and the Second Local Government Development Project; (2) a Community Needs Assessment; (3) a Beneficiary Survey; and (4) studies using community scorecard approaches.

Other Unintended Outcomes and Impacts (positive or negative)

70. One of the positive unintended impacts of NUSAF was the creation of collaborative arrangements with other projects and stakeholders working in Northern Uganda. This helped to improve project results. NUSAF initiated signing implementation protocols with other agencies, such as the WFP, NAADS, the Uganda Aids Control Project, and the Amnesty Commission to improve the efficiency of technical support offered to the communities. For example, under these protocols, NUSAF beneficiaries on livestock subprojects were linked to other NAADS farmers' groups to enhance sharing experiences on livestock management. Furthermore, the WFP partnered with NUSAF in fish-farming subprojects where the WFP provided food for labor used in constructing fishponds while NUSAF provided funding for the purchase of the fingerlings and fry.

71. The project received a US\$2.6 million Japanese Social Development Grant for supporting youth activities. Under this grant, youth employment opportunities that included livelihood skill trainings, coaching, and mentoring were piloted. Youth groups were also supported with tool kits. Implementation was aided by World Vision Uganda in collaboration with World Vision International. Collaborative arrangements were forged with youth or vocational skills institutions, which helped provide technical skills for training the youth subprojects. About 3,000 youth graduated under this initiative and it was scaled up under NUSAF.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops (optional for core ICR, required for *ILI*)

Refer to Annex 5.

4. Assessment of Risk to Development Outcome

Rating: Moderate

72. The risk to sustainability of the development outcomes is rated moderate. The project enjoyed the commitment of the Government of Uganda. The prevailing peaceful environment in Northern Uganda accompanied by the return of IDPs to their original homes and the associated community reconciliation efforts are likely to contribute to sustainable project outcomes.

73. The project improved the quality of school infrastructure, including more and better classrooms and sanitary facilities. The majority of the built or rehabilitated education facilities are reported to be in good working condition by the supervision missions. The Impact Evaluation found that a rise in staffing accompanied the improvements in infrastructure. These infrastructure investments also led to higher primary enrollment rates. With improved peace now prevailing in the North, these achievements are likely to be sustained.

74. Rehabilitated or built water and sanitation facilities were also reported to be in good working condition. Water user committees were trained in operation and maintenance. Coverage rates were higher especially in internally displaced people's camps. Access to latrines was also reported to have improved in beneficiaries' communities, although there was no evidence of a reduced incidence of diarrhea. Overall, water and sanitation facilities are likely to be sustained.

75. On the vulnerable group component, the impact evaluation credited the project for laying a firm foundation for revamping agricultural activities in Northern Uganda by providing productive assets to communities. Notable assets include oxen and ox ploughs—the traditional means of opening agricultural land in the project districts. Managing these assets is a long tradition of the people of Northern Uganda. Accordingly, these assets are likely to be sustained.

76. However, in spite of all these efforts to ensure the sustainability of development outcomes, any disruption of the existing stable and peaceful environment in Northern Uganda poses a significant risk to subproject outcomes. The follow-up project, NUSAF 2, has also rated the risk as moderate because of similar concerns.

5. Assessment of Bank and Borrower Performance *(relating to design, implementation, and outcome issues)*

5.1 Bank Performance

Bank Performance in Ensuring Quality at Entry (i.e., performance through lending phase)

Rating: Satisfactory

77. Bank performance during design is rated satisfactory. The project was designed in response to the government's request, in line with the CAS and government priorities and for a targeted program to benefit the poor in Northern Uganda. Project preparation was premised on a Community Needs Assessment Study that was initiated and supported by the Bank. The study prioritized community involvement in the project design. Wide consultations with local and central government officials, traditional leaders, and civil society organizations were carried out to ensure client ownership. A statistical baseline survey to allow for statistical impact evaluation was also undertaken. These activities were supported by a PPF that provided government resources for project design.

78. The Bank staff had diverse technical skills, including sector and technical expertise, which assisted the government with major design issues and ensured consistency with Bank policies. The team studied the operating environment and articulated the possible risks and proposed mitigation measures. A quality-at-entry review was organized and project preparation rated satisfactory. At the request of the government, the team also implemented a Japanese Social Development Grant that piloted youth employment opportunities in Northern Uganda. Lessons from this pilot led to scaling up youth employment activities under the VGS component.

Quality of Supervision (including fiduciary and safeguard policies)

Rating: Satisfactory

79. Bank performance is rated satisfactory. The Bank technical component included skills in procurement, financial management, safeguard specialists, and sector staff that provided regular on-the-ground support and supervision. The team's presence in the country office was a strong factor in turning the project around and facilitating implementation. The Country Management Unit and the Sector Management Unit worked together and supported the team appropriately. For example, at MTR the Bank management facilitated the difficult dialogue on the need to change the leadership of the project.

80. The Bank did a good job building the capacity of the client staff to implement a project of this nature in a rather fluid environment. Bank staff was instrumental in providing technical advice for project management, procurement, monitoring and evaluation, financial management, and helping to improve transparency and accountability. For example, Bank staff (a) initiated and followed up on rapid results initiatives to improve disbursements, accountability, and subproject completions; (b) initiated annual independent financial management reviews over

and above the prescribed independent auditing processes; (c) initiated collaborating arrangements with the anti-corruption agencies to improve transparency and accountability; (d) initiated and supported collaboration arrangements with other projects and stakeholders (NAADS, the Amnesty Commission, the WFP, and the Uganda Aids Control Project) to improve project results; (e) refined the PDO indicators to improve results measurement; (f) conducted team-building exercises for the Management Unit and local governments to improve project management; and (g) initiated and supported the baseline and end-line surveys and impact evaluation studies to measure project impact. The Bank also prepared the mid-term review paper that formed the basis for the Bank's MTR recommendations.

81. On financing, the Bank responded to the GoU's request for 100 percent after MTR to allow for quick results and to respond to the needs of IDPs. Overall, the Bank provided NUSAF with the necessary technical support and an environment that allowed management to apply project procedures flexibly.

82. The Bank team also maintained its focus on the broader picture of preparing the PRDP, supplying technical assistance to support the process, providing the power and ability to mobilize other development partners, and lobbying for additional budgetary resources for Northern Uganda's reconstruction.

83. **Justification of Rating for Overall Bank Performance.** The overall Bank performance is satisfactory. This is based on a satisfactory QER and supervision rating.

5.2 Borrower Performance

Government Performance

Rating: Moderately Satisfactory

84. The GoU showed a high level of commitment and support for the project, both at the technical and political level. The policy direction and guidance provided by the government at all levels were instrumental to the successful implementation of the project. As the overall executing agency, the OPM enabled the project to weather the storm of a difficult political terrain. The commitment and leadership provided at district and local government levels was also very critical. The government took a risk by allowing communities to directly access project funds given the conflict situation that existed in the North at the beginning of the project. However, such commitment paid off, given the project's successful outcomes.

85. That said, there were initial challenges related to: (a) delayed project effectiveness; (b) slow recruitment of staff; (c) initial inadequate guidance by the project steering committee to the project Management Unit; and (d) intermittent lapses in transparency and accountability in some local governments. However, these challenges were largely corrected as project implementation proceeded, and after MTR the project remained on track. In view of the initial project implementation challenges, government performance is rated moderately satisfactory.

Implementing Agency Performance

Rating: Satisfactory

86. The performance of the implementing agency is rated satisfactory. NUMU was located in the Acholi subregion, which was characterized as a “hard to reach, hard to stay” area at the time. This notwithstanding, NUMU was responsible for preparing all project documents and facilitating all Government and IDA reviews. The agency staff had diverse technical skills including procurement, financial management, and safeguard specialists; sector employees provided regular support to all implementing partners. The staff made every effort to ensure that the project adhered to IDA and GoU guidelines. The agency trained local government staff, communities, and CSOs in project processes, spearheaded information dissemination, and championed the implementation of robust M&E systems. An extensive outreach program, using print and electronic media and traditional forms of cultural expression, was employed to send messages to leaders and the local population about project opportunities and procedures for participation.

87. NUMU’s semi-autonomous position and location within the project operational area signaled the project’s cognizance of local institutional realities, allowed flexibility in decision making, and permitted technical support to various stakeholders during project implementation. In addition, the agency played a key role in linking community-level institutions to large-scale agencies for longitudinal technical and financial support of community initiatives. The protocols signed with agencies such as NAADS, the WFP, and the Amnesty Commission attest to the linkages.

Justification of Rating for Overall Borrower Performance

Rating: Moderately Satisfactory

88. Overall the project achieved its targets. The implementing agency followed project procedures and guidelines within a very difficult environment. However, factors that included (a) effectiveness delays; (b) full composition of the Project National Steering Committee, (c) and lapses in transparency and accountability, were in the government’s purview and should have been controlled. This is based on the marginally satisfactory performance of the government and the satisfactory performance of the implementing agency.

6. Lessons Learned *(both project-specific and of wide, general application)*

89. **Communities in a post-conflict environment can identify, plan, manage, and monitor social investments that are well suited to their needs.** Experience from project implementation demonstrated that when there is adequate support and guidance, communities (including those affected by conflict) can participate effectively in local development. At the beginning of the project, the GoU took a risk in entrusting communities in Northern Uganda with the management of community development, financial accounting, and other public assets. Yet this proved successful because communities were able to effectively engage in procuring community assets. Direct financing of communities reduced transaction costs, strengthened

local institutions, and contributed to strengthening management and increasing the capacity of local communities. Based on these lessons, the Ministry of Local Government has mainstreamed CDD operations into decentralized service delivery mechanisms. Districts and sub-counties can now disburse funds to communities based on demands that meet sector norms and standards.

90. **Bottom-up accountability can be strengthened in a fragile environment.** Transparency and Accountability can be a challenge in hard-to-reach areas. However, participatory involvement of communities in sub-project management, public sharing of expenditures at the local level and follow-up on misuse of funds resulted in improved accountability and transparency. NUSAF 2 aims to further strengthen bottom-up accountability through the TAAC subcomponent.

91. **To a large extent, the project's targeting mechanism was effective, mostly due to active community participation at all stages of the subproject cycle.** One of the key lessons from this project is the challenge of targeting transient/nomadic communities. For this reason, and with the exception of subprojects that were implemented through the missionary NGOs, the Karamoja sub-region remained a challenge throughout the life of the project.

92. **In an in- and out-of-conflict environment, placement of the executing agency matters.** Placement of the executing agency under the OPM made difficult decision-making processes possible, allowed for mediation between local governments, and facilitated the flexible approach to project implementation.

93. **For activities with no wide lessons from the region, experimental design is critical.** For instance, the YOP randomized experimental design is likely to deliver robust lessons that can be used in other regions with similar youth unemployment challenges.

7. Comments on Issues Raised by Borrower/Implementing Agencies and Partners

7.1 Borrower/Implementing Agencies

94. The borrower found the draft ICR acceptable and provided minor comments as contained in Annex 8. Where appropriate, these comments have been incorporated in this final version.

7.2 Co-financiers

N/A

7.3 Other Partners and Stakeholders (e.g., NGOs/private sector/civil society)

N/A

Annex 1. Project Costs and Financing

Table 1A.1: Project Cost by Component (in US\$ Million Equivalent)

Components	Appraisal Estimate (US\$ Millions)	Actual/Latest Estimate (US\$ Millions)	Percentage of Appraisal
Community Development Initiatives	77.77	53.04	68.20%
Vulnerable Group Support	17.89	41.06	229.39%
Community Reconciliation And Conflict Management	2.22	2.87	129.28%
Institutional Development	8.96	7.80	87.05%
Total Baseline Cost	106.83	124.76	116.75%
Physical Contingencies	6.68	1.64	24.51%
Price Contingencies	20.03	4.93	24.51%
Total Project Costs	133.54	131.33	
Front-end fee PPF	0.00	0.00	0%
Front-end fee IBRD	0.00	0.00	0%
Total Financing Required	133.54	131.33	98.32%

Table 1A.2: Financing

Source of Funds	Type of Co- financing	Appraisal Estimate (US\$ Millions)	Actual/Latest Estimate (US\$ Millions)	Percentage of Appraisal
Borrower		13.30	4.57	34.38%
Local Communities		20.20	6.57	32.51%
International Development Association		100.00	120.19	120.19%

Annex 2. Key Performance Indicators

Table 2A.1: Key Performance Indicators

Objective	Key Performance Indicators	Baseline	Target	2009
Project Development Objective	PDO Indicator			
To empower communities in 18 districts in northern Uganda by enhancing their capacity to systematically identify, prioritize, and plan for their needs within their own value systems and implement sustainable development initiatives that improve socioeconomics	1. Level of community satisfaction with subproject outcomes	N/A ¹⁰		73% ¹¹
	2. Percentage of functional PMCs	N/A		80% ¹²
	3. Proportion of population with access to improved water sources	70	20%	23%*
	4. Proportion of population with increased access to an improved learning environment	150 students per class	15%	12.8%*
Intermediate Outcomes	Outcome Indicators			
	1. Number of households utilizing subproject facilities	N/A	200,000	1,110,731 ¹³
	2. Number of vulnerable persons in receipt of assistance	N/A	55,000	223,104*
	3. Number of communities benefitting from NGO/CBO reconciliation efforts	N/A	800	845
Project Outputs	Output Indicators			
Output 1: Socioeconomic infrastructure provided and in use	1. Proportion of subprojects completed on time (12 months)	N/A	70%	65% (estimate) ¹⁴
	2. Proportion of facilities maintained by communities	N/A	80%	85%*

¹⁰ There were no subprojects before the project started.

¹¹ Source: Community score card report, December 2007

¹² Inferred from percentage of completed subprojects

¹³ Calculated from sum total of all potential beneficiaries (derived from national standards and norms multiplied by number of investments) divided by 5—the average household size

¹⁴ Although the aggregate subproject completion rate is 98%, it is estimated that 65% were completed within a timeframe of 12 months.

Objective	Key Performance Indicators	Baseline	Target	2009
Project Development Objective	PDO Indicator			
Other non-PDO output indicators	3. Population with access to improved health services	N/A	No target set	1,440,430* (20.3%)
	4. Population with improved access to production and community infrastructure	N/A	No target set	1,083,500* 15.3%
	5. Proportion of the population reached by the project	N/A	30%	78%
Output 2: Vulnerable groups receiving support from activities they implement and manage in the 18 districts of the North	1. Number of CSOs facilitated and strengthened	N/A	140	267*
	2. Number of subprojects developed and managed by vulnerable groups	N/A	2,500	5,312*
Output 3: Efficient, effective, and more responsive institutions	1. Rejection rate of subprojects at field appraisal stage	N/A	Max 25%	65% ¹⁵
	2. Proportion of communities trained to maintain facilities by EOP	N/A	80%	95%*
	3. Proportion of timely district tranching of funds to subproject implementers	N/A	80%	65% (estimate)
	4. Proportion of women involved in CRCM activities and training	N/A	30%	About 45% ¹⁶
	5. Proportion of communities aware of the project by year 3	N/A	90%	94% ¹⁷
Output 4: Communities reached with reconciliation and conflict management support	1. Number of Community Reconciliation and Conflict Management tools (e.g., IEC packages, handbooks) identified, developed, and in use	N/A	10	5*
	2. Number of specific activities (e.g., training, supplies) targeted at traditional institutions for reconciliation EOP	N/A	2,000	2,089*
	3. Number of Community Reconciliation Promoters trained and deployed in subregions by end of project	N/A	500	1,309*

¹⁵ Deduced from subproject attrition trends (source: NUMU database)

¹⁶ This is a proportion of the estimated number of CRCM beneficiaries.

¹⁷ Listenership Survey (2008)

Objective	Key Performance Indicators	Baseline	Target	2009
Project Development Objective	PDO Indicator			
	4. Number of communities supported by reconciliation-related NGOs, CBOs, and other agencies by end of project	N/A	800	845*
	5. Proportion of subprojects completed and in use by end of project	N/A	80%	832 (98%)*

* Denotes that source of information is NUMU administrative records. Computations derived from national standards and norms multiplied by number of investments.

Annex 3. Economic and Financial Analysis (including assumptions in the analysis)

3A.1 Cost-Effectiveness Analysis

A limited cost-effectiveness and efficiency analysis was undertaken by comparing the actual costs of constructing community social infrastructure such as school blocks, community health clinics, and wards under NUSAF I. These costs were compared with those of other similar projects implemented by donors and NGOs in Northern Uganda. The key measure of cost-effectiveness is the cost per beneficiary of each infrastructure constructed. Assuming the same quality and durability of assets constructed,¹⁸ projects with lower costs per beneficiary are said to be more cost-effective.

Results from the analysis, as shown in table 4A.1, indicate that on average NUSAF costs are cost-effective compared to other projects. On average, NUSAF constructed community infrastructure was about US\$38.96 per beneficiary per year, benefitting over two million households in total. This is certainly much lower than the per capita costs estimated in table 4A.1, with an average cost per beneficiary of US\$66.07. NUSAF's cost-effectiveness could largely be due to the community capacity building and experiences gained during the past five years of NUSAF's implementation of the first SFI project in Uganda.

Table 3A.1: Direct Costs of Infrastructure Constructed by Various Donor/NGO-Funded Projects in Northern Uganda

	Name	Funded SPs/Units	Primary Beneficiaries	Total Indicative Costs (US\$)	Cost/Person (US\$)
Water Sector	Number of boreholes	1,074	322,200	8,766,555.72	27.21
Sanitation	Pit latrines	763	3,815	1,440,503.84	377.59
Education Sector	Number of classrooms	2,693	188,510	61,616,496.95	326.86
	Number of toilet stances	32	960	302,072.42	314.66
	Number of teachers' houses	1,221	6,105	17,574,983.97	2,878.79
	Number of laboratories	63	3,780	1,798,475.32	475.79
	Number of maternity facilities	15	300,000	351,857.37	1.17
Community Infrastructure	Number of community roads	57	285,000	860,035.74	3.02
	Number of community centers	59	295,000	1,631,252.77	5.53
Storage	Number of produce	5	25,000	164,370.99	6.57

¹⁸ It is assumed that community infrastructure is constructed using the same sector norms and standards—as such, there should not be wide differences in quality and durability.

	Name	Funded SPs/Units	Primary Beneficiaries	Total Indicative Costs (US\$)	Cost/Person (US\$)
Warehouses	stores				
Total			1,430,370	94,506,605	66.07

Source: Mugisha, 2008

Table 3A.2: Project Output/Cost Ratio

Sector	Subproject	# Completed	# of Beneficiaries	Total Cost (US\$)	Cost/Beneficiary
Water and Sanitation	boreholes	987	296,400		
	protected springs	11	2,600		
	pipel water	9	1,800		
	valley tank	2	10,000		
	Subtotal		310,800		
Education	classrooms	2,693	188,510		
	desks	7,650	22,950		
	toilets	32	960		
	teachers' houses	1,221	1,221		
	laboratories	63	3,780		
	libraries	9	720		
	girls' dormitories	33	3,200		
	VTC	19	1,330		
	nurseries	20	600		
	Subtotal		223,271		
Health	HC II facilities	41	220,000		
	HC IV facilities	1	20,000		
	Maternity facilities	12	300,000		
	fencing	3	15,000		
	Subtotal		555,000		
	CDI total		1,089,071	49,456,022	45.41
Community Infrastructure	community roads	80	430,000		
	bridges	14	80,000		
	culverts	6	30,000		
	community centers	52	305,000		
	Subtotal		845,000		
Production	cattle dip tanks	8	60,000		
	community	11	65,000		

Sector	Subproject	# Completed	# of Beneficiaries	Total Cost (US\$)	Cost/Beneficiary
	markets				
	produce stores	5	30,000		
	abattoirs	1	5,000		
	animal traction	41	12,900		
		VGS Total	1,017,900	30,690,372	30.15
		Grand Total¹⁹	2,106,971	82,097,088	38.96

¹⁹ The difference between the grand total and the sum of CDI and VGS is the cost for CRCM subprojects. Data obtained from NUMU FM records. The ratios are computed at the component level due to lack of disaggregation of the sector and subproject type level.

Annex 4. Bank Lending and Implementation Support/Supervision Processes

Table 4A.1: Task Team Members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Supervision/ICR			
Gladys Akurut Alupo	Team Assistant	AFMUG	
Mary C.K. Bitekerezozo	Senior Social Development Specialist	AFTCS	
Serigne Omar Fye	Consultant	AFTH2	
Madhur Gautam	Lead Economist	AFTAR	
Barbara Kasura Magezi Ndamira	Public Sector Specialist	AFTPR	
Ida Manjolo	Social Protection Specialist	AFTH1	
Prasad C. Mohan	Chair, Staff Association	WBGSA	
Rosemary Mugasha	Team Assistant	AFMUG	
Norbert O. Mugwagwa	Operations Adviser	HDNED	
Innocent Mulindwa	E T Consultant	AFTH1	
Grace Nakuya Musoke Munanura	Procurement Specialist	AFTPC	
Samuel Dawuna Mutono	Senior Water & Sanitation Specialist	ETWAF	
Maimuna Nalubega	Consultant	ETWAF	
Suleiman Namara	Senior Social Protection Specialist	AFTH1	
Wilson Onyang Odwongo	Rural Development Specialist	AFTAR	
Peter Okwero	Senior Health Specialist	AFTH1	
Richard Olowo	Senior Procurement Specialist	AFTPC	
John Jaramogi Oloya	Senior Rural Development Specialist	AFTAR	
Martin Onyach-Olaa	Senior Urban Specialist	AFTU1	
Mirey Ovadiya	Senior Operations Officer	AFTH2	
Krishna Pidatala	Senior Operations Officer	CITPO	
Peace K. Tukamuhabwa	Program Assistant	AFMUG	
Patrick Piker Umah Tete	Senior Financial Management Specialist	AFTFM	

Table 4A.2: Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	# of Staff Weeks	US\$ Thousands (Incl. Travel and Consultant Costs)
Lending		
FY94		2.05
FY95		9.73
FY96		13.95
FY97		2.54
FY98		52.84
FY99		45.83
FY00	25	125.28
FY01	42	88.17
FY02	86	295.25
FY03	23	76.95
FY04		0.00
FY05		0.00
FY06		0.00
FY07		0.00
FY08		0.00
Total:	176	712.59
Supervision/ICR		
FY94		0.00
FY95		0.00
FY96		0.00
FY97		0.00
FY98		0.00
FY99		2.83
FY00		0.17
FY01		0.00
FY02		0.15
FY03	40	144.29
FY04	47	170.83
FY05	87	251.35
FY06	56	142.05
FY07	43	112.95
FY08	35	107.29
FY09	18	0.00
Total:		931.91

Annex 5. Beneficiary Survey Results

(if any)

1. A number of community studies were commissioned during the implementation of NUSAF. These studies included the beneficiary survey, the project impact evaluation study, the NUSAF Listenership survey, and the YOP evaluation. This section highlights the main findings from each of these studies.

5A.1 Summary of the Community Beneficiary Assessment

2. The Community Beneficiary Assessment was carried out in September 2005 in 6 of the original 18 districts where NUSAF was operational. The main objective of the study was twofold: to establish how the beneficiaries had benefitted from the program and to determine the level of satisfaction within the communities.

3. The methodology of the study was based on a participatory approach with the involvement of several stakeholders, including community members, LAs, political leaders, project management committee members, procurement committees, NUSAF district staff, the World Bank Uganda staff, and staff from the Office of the Prime Minister. In total, 1,352 (42 percent women) respondents were interviewed.

4. The status of subproject implementation at the time of the study indicated that under the CDI component, 49 percent were complete. Under the VGS component that had expired, 80 percent of the appraised subprojects had received 85 percent of the project funding, while the remaining 20 percent had received 50 percent of the approved funding.

5. Regarding the level of community benefit from the program, the study established that it took place in the following ways:

- a. Construction projects helped create employment opportunities as masons and porters for people in communities. Additional family income was earned from the sale of sand, bricks, and timber to the construction projects. This boosted family welfare as several families reported better capacity to buy household requirements and pay medical bills and school fees.
- b. The program increased accessibility to education in those communities where classrooms were constructed. It was reported that in one school, Olupe primary school, enrollment increased by 184 percent. In addition, communities reported improved access to clean drinking water.
- c. Program implementation hinged on a bottom-up planning approach. As a result, NUSAF empowered the community with the knowledge and authority to determine its destiny

through increased participation in the planning process. For instance, up to 80 percent of the respondents were aware of NUSAF operational procedures, and 79 percent of the community members actively participated in meetings to deliberate on community priorities and contributions to the program. In addition, given the fact that the program does not fund projects on an individual basis, and individuals must come together to benefit from funding, NUSAF was credited with increasing social cohesion and networking in the communities.

- d. NUSAF was credited with building local capacity in conflict resolution, leadership, and management. Community members became key players in the reconciliation process, assisting in the process to integrate former abductees in the communities.

6. With regard to gender, the program is considered to have been highly gender sensitive, with 42 percent of the respondents stating they benefitted from the program.

7. In reference to the level of community satisfaction with program, the study established that 83 percent of the respondents were satisfied with NUSAF operations, 11 percent thought the services were only average, and the remaining 6 percent thought the program's products and services were poor.

Sustainability Plans

8. The study established that there were community-based plans to sustain program interventions. These included maintenance of school structures through the school management committees; maintenance of community roads by the local authorities; establishment of water committees to manage and maintain water sources established by the program; and local fundraising efforts. Several other assessments were undertaken at the community level, the main one being the Project Impact Evaluation study.

5A.2 Summary of Project Impact Evaluation

9. An impact evaluation study was undertaken from August 2008 to January 2009 with the main objective being to identify NUSAF program outputs, outcomes, and impacts—thereby exploring the extent to which the program achieved the overall development objective of improving the livelihood of the people of Northern Uganda. Specifically, the evaluation was meant to assess:

- a. the impact of NUSAF interventions on access to and utilization of socioeconomic services provided by the program, with a specific focus on peace in a community;
- b. the impact on socioeconomic welfare of the vulnerable groups that were supported through NUSAF;
- c. the level of social cohesion and coexistence in the community that was supported through reconciliation efforts;

- d. the extent to which program activities enhanced community and the capacity of local authorities to identify, prioritize, and plan subprojects; and
- e. the technical, financial, and physical sustainability of outputs over the short- and long-term after NUSAF support ceases.

10. The evaluation used both quantitative and qualitative approaches. The former was based on a panel survey of the same 3,583 households that were interviewed at baseline from July to December 2008 (this was 75 percent of the households that were interviewed at baseline). Households interviewed at baseline were traced using identification details obtained from the baseline survey and re-interviewed.

11. In total, 9,339 subprojects were funded. Of these, 28.8 percent are classified as Community Development Initiatives, 57.1 percent as Vulnerable Groups Support, 9.1 percent as Community Reconciliation and Conflict Management, and 5 percent as Youth Opportunities Programs. Education, water, sanitation, and agricultural subprojects were the basis of the evaluation since they made up significant proportions of the recipient communities in the sample.

5A.3 Key Findings

Key Socioeconomic Impacts

12. The total population in the region increased by 13 percent from 7.3 million in 2004. In addition, the proportion of the population staying in the IDP camps was reduced by 7 percent over the life of the project, with regional variations (the highest being in the Acholi subregion with a 28.8 percent reduction). Over the life of the project, the household size increased from 5.4 to 5.8 with a corresponding increase in the number of children from 2.9 to 3.1. These significant demographic changes are attributed to the relative peace that prevailed in the NUSAF region for the life of the project.

13. During the project period there was significant growth in consumption expenditure, with the overall mean increase reported to be 17.5 percent. Again, there were regional variations ranging from the highest 4.5 percent annualized consumption growth rate in the eastern region to 3.7 percent in the Northern region. The growth in consumption expenditure was accompanied by a reduced dependence on food handouts and increased consumption of home-produced food. The program is credited with reducing dependence on remittances and transfers to increased dependence of agriculture as a source of livelihood. This shift can be partly attributed to the return of peace in the project area, but mostly to the provision of farm inputs and restocking through the VGS component.

14. In terms of poverty levels, while the poverty in the region remained higher than the national averages, there was a significant reduction in the incidence of food poverty and absolute poverty among the study respondents. The absolute number of poor people decreased

by 13 percent from 5.3 million in 2004, with the biggest reductions occurring in the urban areas. In addition, the proportion of the population living in extreme/food poverty fell by 12 percent to 34.2 percent at the time of the evaluation. Generally, twice as many panel households moved out of poverty than slipped into it.

15. In the final analysis, while there are large increases in household expenditure and a reduction in the absolute number of poor, there is no strong statistical evidence that NUSAF increased consumption or lowered poverty beyond what was occurring due to other factors.

Key Findings by NUSAF Subprojects

16. There are variations in degree of impacts by subproject.

17. In the education subprojects, the evaluation established that while enrollment in both primary and secondary schools increased in NUSAF communities, the increase was not statistically significant from the non-NUSAF communities. However, there was a statistically significant increase in the number of teachers in NUSAF primary schools when compared to the non-NUSAF communities. In NUSAF communities, teacher efficiency in terms of improved time management, motivation, and extra time given to pupils was improved by the construction of the teachers' houses under the CDI component. Unfortunately, this did not translate into improved performance in the primary leavers' examinations.

18. In the water and sanitation subprojects, the program increased access to safe drinking water. All sub-regions reported that almost 80 percent of their populations had access to safe drinking water, with 57 percent of the households reporting that the new water sources were provided by NUSAF. By increasing access to safe drinking water, the program helped save time for other productive work, as well as reduce conflicts (which arose from fights at the few water points) and cases of domestic violence.

19. While latrine coverage is still far below the national target, there was an 11 percent increase in the number of households that had a toilet (up from 66 percent in 2004). Coupled with the increase in toilet facilities was a corresponding improvement in hygiene and sanitation in schools. There were significant differences between NUSAF beneficiaries and non-beneficiaries for access to safe water and toilet facilities. These improvements, however, did not result in a significant reduction in the incidence of diarrhea.

20. The evaluation noted that while there is anecdotal evidence of positive outcomes, the impacts of long-term initiatives, such as those of agricultural subprojects, are yet to be realized.

21. NUSAF, through its CRCM component, is credited with the amicable resettlement of abductees and displaced persons, and building the capacity of cultural leaders and local community-based organizations in CRCM. All in all, there is evidence that NUSAF improved

access to water and sanitation, improved school structures, and increased enrollment and the number of teachers; variables that the program was meant to influence directly. Comparison with other NGO-funded projects in the same area suggests that the lack of significant results may be due to difficulties in identifying project impacts for a typical social action fund like NUSAF rather than an actual lack of impact.

5A.4 Summary of the NUSAF Listenership Survey

22. The overall purpose of the survey was to measure the level of listenership to the radio programs that are used by district task forces and NUMU to inform, educate, and communicate with the people of Northern Uganda who live in the 18 NUSAF districts. The other objectives of the study were to find out whether people comprehend the radio messages that are disseminated by NUSAF; gauge exposure to the messages through electronic media; and gather information that can be used by NUSAF as a reservoir to aid future IEC materials and boost development communication.

23. The study focused on household members who fall into the 14–70 age bracket because they are likely to be more informed about issues relating to their areas and can easily influence the recommended behavior in the community. The total sample was 1,400 interviews with a 67:33 rural-to-urban ratio and a 55:45 male-to-female ratio; a significant proportion of these people were between 18 and 44 years of age. The largest proportion (64 percent) had attained primary or secondary education, while 17 percent of the sample indicated that they had never had any formal education. An additional number of stakeholders was sampled in each district and these included both NUSAF stakeholders and other wider community actors, like the chief administrative officers, district information officers, District Technical Planning Committees, journalists based in the local communities, church leaders, district executive committee members, other community leaders, and elders.

24. A three-stage probability proportional to size (PPS) random selection was applied. Stage 1: the selection of parishes in each area by PPS Sampling; Stage 2: the selection of sampling points and households using enumeration area maps; and stage 3: the selection of the respondents within a household.

25. The study established that awareness of NUSAF was very high (94 percent of all sampled respondents). Further, it was established that the majority liked NUSAF because it delivered on several of its objectives.

26. Overall, 84 percent of the respondents mentioned having heard messages on conflict resolution, while an almost equal proportion had heard messages on community infrastructure (67 percent), income-generating activities (66 percent), communication and harmony in the home (65 percent), and youth support and skills acquisition (62 percent). Messages on small business development and development communication had the lowest proportion of respondents who listened to them on radio.

27. Radio listenership was found to be quite high in all the sampled districts in comparison to other media activities, such as reading print media and watching television. The Karamoja sub-region exhibited different listenership trends and characteristics from the other sub-regions—for example, while in most communities respondents mainly listen to radio from the comfort of their homes, in Karamoja it is more of an outdoor activity.

28. Many respondents had heard about NUSAF or even knew what it was doing in their communities. However, a significant proportion also felt that they were not able to put what they heard on radio into practice and so missed out on the benefits. Misuse or diversion of funds was roundly blamed for preventing communities from benefitting from NUSAF activities. Corruption and misuse of funds was echoed by five percent of the stakeholders, who felt these were among the major reasons why NUSAF had not met some of its objectives.

29. Of the sample, 85 percent recommended that the NUSAF radio programs should continue to be broadcast. This interest was quite high across all districts visited, with the lowest proportion of respondents (67 percent) in the Apac district.

Lessons Learned

30. Given that radio listenership was found to be quite high in all the sampled districts in comparison to other media activities (e.g., reading print media, watching television), the best way to reach out to the different communities is through locally popular radio stations.

31. The Karamoja sub-region exhibited different listenership trends and characteristics from the other sub-regions. Hence, when designing strategic interventions or programs, each sub-region needs to be treated as a unique entity and specific programs created that appeal to and fit their lifestyles and culture.

32. While awareness for NUSAF was found to be quite high in all the districts sampled, these high levels of awareness did not necessarily translate into widespread benefits. Many respondents had heard about NUSAF or even knew what it was doing in their communities, but they revealed that they had not benefitted much from these activities.

5A.5 Summary of the Youth Opportunities Program Impact Evaluation Baseline Survey

33. The Impact Evaluation Baseline Survey was undertaken in February and March 2008 to lay the groundwork for a thorough and rigorous future impact evaluation of the YOP within NUSAF. A midterm took place in October/November 2009 and a final evaluation is scheduled for mid-2010. The survey was based on a sample of 2,587 youth in 522 groups across 10 study districts in Northern Uganda.

34. The survey gathered detailed household socioeconomic information for the sample of youth, as well as information on the youth group characteristics and group leaders. It provided a description of the average characteristics of NUSAF Youth Opportunities Program applicants and also provided a test of balance between treatment and control groups in the context of a randomized evaluation.

35. The selection process for the beneficiaries and the control groups was open, transparent, and fair. Youth groups were chosen to receive the program or become part of the comparison group using a lottery. The transparency of the method was popular among the applicants, and it ensured that the comparison group was (on average) identical to the beneficiaries in every way. Hence any difference between the two groups in future can be attributed solely to the YOP itself.

Key Lessons

Baseline data and observations can only yield limited insights; however, several preliminary observations were drawn:

36. Communities with poor leadership or vulnerable groups and low levels of cohesion undoubtedly received fewer projects because they did not organize.

37. Given the large oversubscription to the program, where demand for the program far exceeded the available supply of resources, the selection of beneficiaries through a lottery system was not only feasible but also provided a fair and transparent mechanism through which to allocate funding among equally qualified youth group applicants.

38. Exactly 33 percent of YOP beneficiaries were female. This figure, being YOP's requirement for women participation, suggested that youth groups aimed only to register the very minimum number of women. Moreover, relatively few groups had female leadership. These patterns suggest that women may be marginal players in many groups. It is yet uncertain how to increase female participation and ownership of the projects, but these observations suggest that a more proactive targeting of young women may be necessary to overcome the barriers that limit women's participation in the context of demand-driven, community-based programs such as YOP.

39. The targeted population consists of people around the ages of 15–35 who live in conditions of poverty and are currently unemployed or underemployed. Given the self-reported interest in entrepreneurship, the mental health and risk-taking behavior of the potential beneficiaries suggested that the subproject targeted an applicant pool that was well motivated to engage in the skills training and entrepreneurship activities financed by YOP in order to improve their livelihoods.

Annex 6. Stakeholder Workshop Report and Results (Impact Evaluation Report)

(if any)
N/A

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

7A.1 Overview of the GoU's ICR

1. This report provides the status of project implementation as of March 31, 2009. This is the last reporting stage for the period and it also marks the end of the project. The status depicts cumulative achievements of the components and support units of the project in light of the project development objectives and key performance indicators stipulated in the DCS. It enumerates some of the lessons learned and challenges encountered during implementation, and outlines some of the strategies proposed for addressing these challenges. The report also details ideas to sustain the benefits accruing to the communities from the project-funded investments. Annexes to the table provide an overview of the overall trends in different but interrelated stages of the subproject cycle, the achievements in light of the targets, and assets acquired by communities as a result of project funding.

7A.2 Background

2. Beginning in 1986, Northern Uganda was plagued with a civil war that raged on for nearly two decades. As a result of the insurgency caused by war, infrastructure was destroyed and service delivery severely hampered. The region lags behind other regions in the country in most of the human development indicators, despite its economic potential. Results of the 2005/06 National Household Survey show that despite a small reduction in poverty, the North has the largest proportion of people living in poverty (estimated at 61 percent, almost twice the national poverty level of 31 percent). Furthermore, the region has some of the lowest non-income measures of well-being and human development indicators, including demographic indicators; underemployment; literacy; and access to education, health services, and water.²⁰ Evidence from the Northern Uganda Survey (Uganda Bureau of Statistics 2005) and preliminary findings by Ssewanyana, Younger, and Kasirye (2006) indicate that both access to and utilization of social services in the region are lower than in the rest of the country and, as a consequence, the level of human capital development remains lower. The Northern Uganda Social Action Fund has been one of the government's efforts to address these issues.

7A.3 Overview of the Project

3. NUSAF was a community demand-driven project with a credit of US\$100 million from the International Development Agency. The project aimed to improve the livelihood of the people in northern Uganda. It sought to empower their communities by enhancing the capacity to systematically identify, prioritize, and plan for their needs and implement and manage sustainable development initiatives that improve socioeconomic services and opportunities. The project was implemented in 29 (initially 18) districts of Northern Uganda and ran from February

²⁰ Source: Uganda Human Development Report, 2007

2003 to March 31, 2009, following a one-year, no-cost extension granted for the smooth completion of the project.

7A.4 Overall Project Objectives

4. The project aimed to ensure that:
 - a. there is increased access to, and quality of, socioeconomic infrastructure;
 - b. vulnerable groups receive support;
 - c. capacities of community institutions and local governments are built to effectively manage community investments;
 - d. there is strengthened community participation and leadership development;
 - e. employment opportunities are provided to able-bodied individuals in food-insecure households; and
 - f. there is CRCM support.
5. The activities of the project were organized into four components:
 - a. Community Development Initiatives, which focus on rehabilitating or constructing small-scale infrastructure;
 - b. Vulnerable Groups Support, which aims to increase the incomes of vulnerable people (in addition, this component promotes skills development and re-tooling of youth through the YOP);
 - c. Community Reconciliation and Conflict Management, which fosters peaceful ways of resolving conflicts and ensuring sustainable harmonious living and working relations in communities that lead to sustainable development; and
 - d. Institutional development.
6. Specifically, the project targeted to the needs of vulnerable groups and communities emerging from conflict. These included people living in IDP camps; former abductees; youth who have surrendered guns under the disarmament program in Karamoja; people who are HIV/AIDS-infected and -affected; female-headed households; orphans; child mothers; and people with disabilities. The project also targeted the able-bodied and unemployed poor; unskilled and unemployed youth; and communities that do not have adequate or functional social services such as schools, water points, and health units.

7A.5 Relationship with Existing Government Efforts

7. The PRDP is a national program with an overarching goal of stabilizing the North. The targets and objectives in the PRDP contribute to the overall objectives of Uganda's Poverty Eradication Action Plan and include: economic management; increased productivity; income and competitiveness; security; conflict resolution and disaster management; good governance; and human development. NUSAF contributed to the realization of three objectives of the PRDP

including: empowering and rebuilding communities, revitalizing of the economy, and building peace and reconciliation.

7A.6:Progress Towards Achievement of the Development Objective

Strengthening community participation and social accountability

8. The project has made unwavering efforts to build the capacity of community project management committees and community procurement committees in their core duties. This was done in an effort to strengthen community participation and leadership development and encourage mobilization and sustainable use of natural resources. Core duties include conducting executive committee and general community meetings; selecting and undertaking viable procurement options; monitoring progress of subproject implementation; and managing contractors. These efforts are all geared at ensuring high subproject completion and accountability rates and promoting the use and sustainability of community investments or their spin-off benefits.

9. The design of the project dictated that participatory rural appraisal (PRA) exercises be undertaken in communities that expressed interest in project activities by picking subproject interest forms. There have been variations in the rigor and quality of community-level PRA exercises, which can be largely attributed to the quality of technical assistance by community facilitators, yet there is clear evidence of increased active community participation in subproject identification, prioritization, and planning. The establishment and training of community project management committees and community procurement committees notwithstanding, the varied capacities of these structures have been key to strengthening community participation in the management of community investments. Regular community meetings conducted by CPMCs have promoted social and financial accountability to community members. There has also been a growing demand among communities for feedback on the use of subproject resources, which in turn has increased the demand on service providers (including implementing agencies and local government staff) to account for the quality and amount of technical support they provide when implementing community investments.

10. In a bid to enhance the involvement of communities in monitoring their subprojects, the project held trainings with sub-county technical staff who in turn mentored local communities in basic monitoring. The direct involvement of communities in monitoring enhanced subproject completion rates and promoted the utilization and sustainability of these investments. The strengthened capacities of communities to perform oversight functions helped to minimize some forms of malpractice at the community level, such as corruption, elite capture, and waste of community resources.

11. Despite variations in capacities across and within districts, local governments at district and sub-county levels have been responsive in appraising subprojects, providing technical support during implementation, and supporting the certification and commissioning of funded

community investments. The large numbers of subprojects that have been desk- and field-appraised, District Technical Committee-recommended, and District Executive Committee-approved (14,212), attests to the responsiveness of local governments to the project. This can especially be seen when compared to the funded community proposals (9,317) and the number of completed subprojects.

12. Local governments and those who worked on the project made very deliberate efforts to improve the financial accountability of community investments. These efforts, such as employing the use of FM radios to broadcast the names of people and communities that had not submitted their accountabilities to the district, helped to significantly improve community accountability status, with the overall accountability status of all funded subprojects reaching 96 percent.

13. The close involvement of sub-county technical staff increased and improved the technical support that went to communities. In turn, communities improved their quality of implementation, improved the pace of subproject completion, and boosted transparency and accountability. In addition, the ability of communities to oversee and manage financial and administrative matters was largely built through the increased mentorship of sub-county and district technical staff.

Improving the quality of and access to social services and community-initiated infrastructure

14. The activities categorized under the CDI are meant to improve the accessibility to and delivery of socioeconomic services. In addition, CDI activities also aim to enhance the planning and management capacities of communities. The subproject completion rate among community initiatives under this component was 94 percent and the community satisfaction rate was 73 percent. While the DCA set a target of 2,500 CDI community investments and a total allocation of 78.7 percent of total subproject funding, the project cumulatively disbursed US\$97,991,432,607 to 2,694 community investments by the end of the project.

Support to Vulnerable Groups

15. The project benefitted over 220,000 vulnerable persons directly from project support channeled through the VGS component. The cumulative disbursement and the total number of vulnerable persons in receipt of project support is far above the allocation of US\$20 million and the target outreach of 55,000 vulnerable persons. The higher-than-planned achievements can be mainly explained by shifts in policy thrust that favored increased investments in livelihood initiatives. Completion rates were at 99 percent. The disbursed subproject funds are distributed among the key intervention areas as follows: income-generating activities (71 percent); time and labor-saving technologies (18 percent); vocational skills training (3 percent); family support (7 percent); and counseling and psychosocial support (1 percent).

Community Reconciliation and Conflict Management

16. Developed in part to provide relevant information, education, and communication for communities and stakeholders in peace building and conflict management, the CRCM component had a target of funding 800 communities. By the end of the project, the component had funded 845 communities that undertook various activities geared towards promoting peaceful coexistence among local groups.

Institutional Support

17. The project continued to receive technical support from the local government when implementing activities through various working groups (such as the IEC and Accountability Task Forces), coordinated by District Implementation Task Forces. NUMU field teams and district task forces worked to ensure high subproject completion and accountability rates and promote awareness among communities of their responsibilities in managing and sustaining their investments and the benefits they accrued.

18. Significant steps were taken to build local institutional capacity at district, lower-level local government (LLG), and community levels. For example, financial support to district and sub-county technical personnel for their supervision of funded investments was provided; government staff were trained in monitoring; community project management committees and community procurement committees received training in financial and administrative management of subprojects; and user committees had customized trainings in the operation and maintenance of subproject initiatives. In addition, monthly meetings of CPMC executives, and at least quarterly community meetings, were held by CPMCs to provide social and financial accountability. This in turn promoted community ownership and transparency in subproject processes.

19. The involvement of sub-counties in the project cycle was achieved partly through earmarking regular financial allocations for sub-county technical staff to perform specific functions. It not only improved the quality and frequency of technical support received by communities during subproject implementation, but also increased the likelihood of sustaining the community investments.

20. The U Sh 169 billion disbursed directly to communities is considerable because it exceeds the development budgets of local governments in the region. District leaders and sector specialists in districts and LLGs viewed the project as a valuable augmentation of their existing development budgets and provided additional investments that contributed to realizing equitable distribution of services.

7A.8 Challenges

21. For the entire period of implementation, the project made efforts to establish and strengthen mechanisms for quality assurance, operations, maintenance, and the sustainability of community subprojects. Additionally, LGs were urged to increase their financial votes for operations and maintenance in local government corporate budgets. The project also implemented collaboration protocols with other service providers, such as the WFP and NAADS, while seeking other strategic partnerships for continued financial and technical staffing of project-funded community institutions. This was done to provide continued support for community-funded investments and their resultant benefits.

22. In some districts, especially newly created ones, capacity constraints posed a threat to the operation and maintenance of community investments. Additionally, the limited (and in isolated cases, the absence of) banking facilities in some districts necessitated extensive travel and posed risks to CPMC members (especially in conflict- and banditry-ridden areas, which could lead to loss of cash in transit). The banking challenges were exacerbated by limited or lacking literacy and numeracy skills in CPMC members. The inadequacy of skills needed for financial oversight meant that some communities engaged local CSOs and community facilitators to assist them in financial management and procurement processes, while others relied on community facilitators and literate family members. This exposed such communities to risks of manipulation, regrettably leaving a few communities defrauded.

23. To a large extent, the project's targeting mechanisms have been effective, achieved largely through active community participation at all stages of the subproject cycle. However, targeting transient communities remained a challenge, and in exceptional cases, political interferences and elite capture thrived on the inability of weak communities to guard against errors of target group exclusion.

24. A second phenomenon was mainly witnessed among extremely vulnerable groups, such as people with HIV/AIDS, who live under conditions of exclusion or suffer from social stigma. Such groups required more support to enable them secure program funds and technical assistance. To this end, provisions for CSO and NGO involvement in subproject identification and implementation, closely supervised by district and subcounty technical staff, improved the targeting. Furthermore, the project signed implementation protocols with other development agencies (such as the Uganda AIDS Control Programme, which already has outreach) for extremely vulnerable groups.

25. While there was a provision for including women as CPMC executives (at least one of the three executive members for mixed groups had to be a woman), the participation of women, especially in decision-making, has been limited. The post-conflict environment in which women have suffered disproportionately from violence presented very limited opportunities for women to engage in community deliberations. The project, however, addressed this concern by encouraging regular and frequent CPMC and community meetings, promoting regular feedback opportunities to service providers, and supporting community monitoring efforts.

26. A few subprojects, especially in hard-to-reach areas, did not receive adequate supervision, which can be partly explained by the **inadequate staffing in local governments**, especially in the production and engineering sectors.

27. The **Karamoja** sub-region needs special or **tailored implementation modalities** (different from the other sub-regions) because of the very low capacities of CPMCs and Community Procurement Committees, the limited capacities of CSOs and district technical staff, and restricted enterprise options.

7A.9 Lessons Learned and Suggested Strategies for Improvement

28. **Committed district and LLG leadership** is one of the key factors in realizing successful implementation and maximizing benefits to communities. The sustainability of CDD initiatives is greater when local government technical staff and political leaders are involved in the planning, appraisal, execution, and monitoring of subprojects.

29. **Direct financing** of communities reduces cost overruns, deepens decentralization, and contributes to fast-tracking the strengthening of management capacity in local communities.

30. **Communities** in a post-conflict environment **can identify, plan, manage, and monitor social investments** suited to their needs once they receive appropriate guidance and support. In the same vein, communities can engage effectively in procuring community assets and account for finances and other public resources in their possession.

31. **Incorporating project plans and budgets in local government planning frameworks**, together with integrated implementation modalities—especially at the community level—avoids the pitfalls of creating parallel institutions and promotes the sustainability of project investments and their resultant benefits.

32. **CSOs/CBOs** perform better in community planning, capacity enhancement, and monitoring and evaluation than in the direct implementation of community subprojects.

7A.10 Conclusions

33. As the project comes to the end of its implementation, a significant proportion of its objectives have been realized and some targets surpassed. The achievements, notwithstanding the challenges, have provided a firm basis for communities in Northern Uganda to take charge of and shape their destiny. Moreover, the project's method of working with and through community groups has enhanced community cohesion, promoted reintegration, and contributed to peaceful co-existence in the region. On the whole, the project has provided communities, local governments, and project staff with a learning experience. It represents the first time in Uganda that an initiative of this thematic and geographical scope, and with this magnitude of funding, has been largely driven by community members. They had the sole responsibility to identify, plan, implement, manage, and ensure the smooth operation and maintenance of their initiatives—where money has been “put into the hands of local community members” to implement investments of their choices. It is revealing to note that with appropriate support, communities can plan and manage initiatives that address their needs.

Annex 8. Borrowers Comments on the Draft ICR

Note: These comments were provided by the client on the draft ICR and are reproduced here as received. Where appropriate, these comments have been incorporated in this final version.

We find the final draft of the ICR by the Bank acceptable to GOU. We would, however, wish to make the following comments for possible consideration by the Bank in your final ICR:

1. Under Abbreviations and Acronyms, **on page (ii)** of the final draft ICR, please include ISR, PMC and ILI which appear in various parts of the Bank ICR but are not included in the Abbreviations and Acronyms.
2. Under Section A. Basic Information **on page (iv)**, it is stated that the Original Total Commitment was XDR 80.1M and actual disbursement was XDR 80.1M but the implications of the cancelled credit of XDR 26,408.68 (US\$ 42,021) from UGANDA IDA Credit 36970 – NUSAF Project are not stated anywhere in the final draft ICR. The GOU view is that the loan capital should be taken as XDR 80.1M less XDR 26,408.68 that was refunded by GOU for reasons stipulated in Paragraph 5 under part B of schedule I to the Development Credit Agreement (DCA) of Northern Uganda Social Action Fund (NUSAF) Project.
3. Under Section (a) Project Development Objective (PDO) Indicator 2 and under the row on comments (incl. % achievement) **on page (vi)**, please include the following other reasons why the target was not achieved: some of the Project resources were used to meet functionality needs in order to make the NUSAF investments operational. These needs (which were not in the original Bills of Quantities) included desks for classrooms, stools and tables for science laboratories, kitchens, latrines and water tanks for teachers' houses.

4. Under Section (b) Intermediate Outcome Indicator 1 and under the row on comments (incl. % achievement) **on page (vii)**, there is need to state that the difference relative to the target can be attributed to: (a) the exchange rate gains and proceeds from the Millennium Debt Relief Initiative (MDRI) of about US\$ 20 million. The point which needs to be clarified is that the total funds disbursed increased from US\$ 100 million to US\$ 120.22 million because of these two reasons. The proceeds from MDRI were about US\$ 5 million and foreign exchange gains were about US\$ 15.22 million.
5. Under Paragraph 19 Section (a) **on page 5**, the Project National Steering Committee was chaired by the Permanent Secretary Office of the Prime Minister but not the Minister of State responsible for Northern Uganda. The Minister of State for Northern Uganda Rehabilitation chaired the Northern Uganda Rehabilitation Policy Committee (NPC).
6. Under Paragraph 31 (Cost variations) **on Page 8**, there is need to take into account functionality costs as well as mentioned in No.3 above.
7. Paragraph 38 **on Page 9** could be split into two paragraphs namely: Paragraph 38 to handle Financial Management issues and Paragraph 39 to address Compliance with Environmental and Social Safeguard issues rather than amalgamating the same under one paragraph.
8. Under Paragraph 49 **on Page 12**, please include proceeds from MDRI as part of the extra US\$ 20 million realized under NUSAF Project.
9. It seems Sections 7, 7.1, 7.2, and 7.3 **on Page 23** and Annex 6 **on Page 39** are redundant. If this is the case then it might be necessary to delete the same from the ICR.

The Bank ICR as presented by the Bank is neither sensitive, confidential nor will it have adverse effects if disclosed publically but will enhance cordial relations between the Government of Uganda, the Bank and Development Partners.

Finally, on behalf of the Government of Uganda, I would like to thank you for the invaluable support offered in the implementation of the NUSAF Project.

Annex 9. List of Supporting Documents

The following documents were printed and bound:

- a. Beneficiary Assessment (BA)—Business Synergies (Dec. 2005)
- b. Community Needs Assessment (CNA)
- c. Community Score Cards—M&E Unit of NUSAF and District TOTs
- d. Comparative Study of the LGDP and NUSAF
- e. Evaluation Report—World Food Program and NUSAF Collaboration—WFP (May 2007)
- f. Financial Management Review Report (FMR 2005)—BVL (Dec. 2005)
- g. Financial Management Review Report (FMR 2008)—(Prime Solutions Nov. 2008)
- h. Gender Audit of the Uganda Country Portfolio (2007)
- i. Impact Evaluation Report (2009)—Uganda Bureau of Statistics
- j. The Listenership Survey—The Steadman Group
- k. Northern Uganda Survey (NUS)—Uganda Bureau of Statistics (2004)
- l. Project MTR Issues Paper
- m. YOP Impact Evaluation (Report forthcoming)

