



1. Project Data

Project ID P133305	Project Name UG-Grid Expansion & Reinforcement Proj		
Country Uganda	Practice Area(Lead) Energy & Extractives		
L/C/TF Number(s) IDA-58080	Closing Date (Original) 31-Oct-2022	Total Project Cost (USD) 79,028,682.50	
Bank Approval Date 31-May-2016	Closing Date (Actual) 31-Dec-2024		
	IBRD/IDA (USD)	Grants (USD)	
Original Commitment	100,000,000.00	0.00	
Revised Commitment	96,991,680.00	0.00	
Actual	79,081,913.25	0.00	
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2. Project Objectives and Components

a. Objectives

According to the International Development Association (IDA) Financing Agreement (p.5) dated March 17, 2017, and the Project Appraisal Document (PAD, p.8) the project development objective (PDO) was “to increase availability and efficiency of bulk electricity supply in the project areas”. The project area was defined in the PAD (p.8) as “Northern and West Nile regions”.

For assessing the project’s performance, the PDO is parsed as follows:



Objective 1: To increase availability of bulk electricity supply in the project areas,

Objective 2: To increase efficiency of bulk electricity supply in the project areas.

b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

Did the Board approve the revised objectives/key associated outcome targets?

No

c. Will a split evaluation be undertaken?

No

d. Components

The Grid Expansion and Reinforcement Project (GERP) consisted of three components:

Component A: Construction of Transmission Infrastructure (Estimated Cost at appraisal: US\$106 million, includes US\$80 million of IDA funds and Borrower contribution of US\$26 million; Actual Cost at closing: US\$88.23 million includes US\$79.33 million of IDA funds and US\$8.9 million of Borrower contribution- Written response of the project team to IEG's questions, December 11, 2025). **Sub-component A-1 Lira-Gulu-Nebbi-Arua Transmission Line and A-2 Substation Works:** This subcomponent was to finance a high voltage (132 kV) transmission capacity that will interconnect the isolated distribution system in the West Nile to the main transmission grid at existing Lira 132/33kV substation. In addition, this subcomponent was to also include short interconnections from the new substations at Gulu, Nebbi, and Arua to the nearest feasible connection points on the existing 33 kV network. **Sub-component A-3 Engineering Construction and Supervision Consultant:** This subcomponent was to finance an engineering construction supervision consultant for transmission to assist Uganda Electricity Transmission Company (UETCL) with reviewing detailed designs, procurement of contracts, and construction supervision for the transmission line and substations works undertaken in Subcomponent A1 and supervision and monitoring of the implementation of the Environmental and Social Management Plan (ESMP) and Resettlement Action Plan (RAP).

Component B: Project Implementation and Operational Support to UETCL (Estimated Cost US\$11.8 million, includes US\$11 million IDA funds and Borrower contribution of US\$0.8 million; Actual Cost at closing: US\$7.14 million, includes IDA funds only- Written response of the project team to IEG's questions, December 11, 2025). **Subcomponent B-1 Capacity Assessment and Project Implementation Support:** A capacity assessment of the UETCL was to be undertaken and its findings was to serve as a basis for financing activities and expertise to enhance the UETCL's effectiveness in project implementation, contract administration, and day-to-day operation of the transmission system. It was to also include a review and support to the UETCL's capacity to negotiate power purchase agreement (PPA) commitments and a financing plan to optimize the company's resources and financing options. **Subcomponent B-2 UETCL's System Modernization:** This sub-component was to support an enhancement of the operational efficiency of UETCL through the acquisition of planning and operational tools including monitoring and evaluation (M&E) tool, Enterprise Resource Planning (ERP) tool, and adoption of analytical tools to better manage its financial resources and risks, such as accounting software and corporate financial projections and modeling. **Subcomponent B-3 Biodiversity Off-set:** This subcomponent was to support UETCL's



efforts in offsetting the deforestation impacts associated with the transmission line by undertaking restoration tree planting in degraded central forest reserves and local forest reserves along and/or adjacent to the transmission line.

Component C: Sectoral Strengthening Support (Estimated Cost US\$4 million, includes US\$3.5 million of IDA funds and Borrower contribution of US\$0.5 million; Actual Cost at closing: US\$3.30 million, includes IDA funds only - Written response of the project team to IEG's questions, December 11, 2025).

Subcomponent C-1 Coordination and Supervision of Safeguards: This subcomponent was to focus on the supervision functions of Ministry of Energy and Mineral Development (MEMD) for monitoring of environment and social impacts including resettlement and compensation of project affected persons (PAPs) to ensure proper implementation, identify bottlenecks and measures that require inter-ministerial cooperation. **Subcomponent C-2 Sector Skill Assessment:** This subcomponent was to support the assessment of the current situation and gaps of government power sector agencies with regard to the adequate technical skills to support operational and financial sustainability of the sector. **Subcomponent C-3 Sector Skill Strengthening Program:** This subcomponent was to finance the recommendations of the sector skills assessment under Subcomponent C-2. This was to include the curriculum development/revision, in-house training, tools and equipment.

Revised components: The ICR (p. 5) reports increased scope under Components A and B. However, these changes were not done through a formal restructuring. The changes introduced under Component A were related to the substations at Kole, Gulu, Arua, Nebbi and Olwiyo and were implemented through the revision of the Engineering, Procurement and Construction (EPC) contracts. The cumulative transformer capacity thus increased from 200 to 320 MVA as a result of these changes. Under component B, there was an addition of the procurement of mobile substations to the project. There was also one change to the target for PDO indicator "Transmission lines constructed under the project", from 314 to 294 kilometers due to a change in the take-off point which would connect the load centers more efficiently.

e. **Comments on Project Cost, Financing, Borrower Contribution, and Dates**

Project Cost: The project cost was originally estimated at US\$127.3 million (this amount included US\$100 million of IDA financing, and Borrower contribution of US\$27.3 million). The actual cost at project closing was US\$98.4 million. This amount included US\$89.5 million of IDA funds and US\$8.9 million of Borrower contribution. Difference between the estimated cost and the actual cost was cancelled and undisbursed (Written response of the project team to IEG's questions, December 11, 2025).

Financing: The IDA financing amount estimated at appraisal was SDR71million (US\$100 million equivalent). By closing, the project disbursed US\$89.5 million from project funds.

Borrower contribution: At appraisal, a total of US\$27.3 million Borrower contribution was foreseen. By project closing the Borrower contribution was US\$8.9 million.

Restructurings: The project had two level 2 restructurings:

- **Restructuring No. 1 (June 30, 2022):** This restructuring extended the project's closing date by 18 months from October 31, 2022 to April 30, 2024. The overall purpose of the extension was to enable completion of the ongoing activities and achieve the project development objective (PDO). The implementation of the main contracts was delayed due to: (i) Right of Way (RoW) acquisition due to



the long procedural steps involving other sector agencies especially the Ministry of Lands; (ii) long lead times associated with the Implementing Agency (UETCL)/Government clearances; (iii) change in the technical design for the River Nile tower crossing; (iv) initial low mobilization by contractors; and (v) global shortage of semiconductor chips and COVID-9 pandemic.

- **Restructuring No. 2 (May 9, 2024):** This restructuring extended the project's closing date by 8 months from April 30, 2024 to December 31, 2024. The extension was for completion of the outstanding construction works along the transmission line and the associated substation works and complete the transmission line tower works for the River Nile Crossing.

Dates: The project was approved on May 31, 2016, and became effective only on July 17, 2017, due to delayed parliamentary approval. The mid-term review (MTR) was conducted in March 2022. The project's original closing date (October 31, 2022) was extended by a total of 26 months (by 18 months at the first restructuring, and by 8 months at the second restructuring). The project closed on December 31, 2024.

Justification for not implementing a split assessment of the project outcome: Although a decrease in target of PDO indicators would imply the need for a split assessment of the project outcome, this was not applied because the decrease in the target of PDO indicator (the reduction of the transmission line length) was as a result of a change in the take-off point which enabled a more efficient way of connecting intended load centers. The increased project scope further supports the decision not to apply a split assessment.

3. Relevance of Objectives

Rationale

Country context: Uganda has one of the most rapidly growing populations in the world, with large and increasing regional inequalities. As mentioned in its Vision 2040 document, the country aims to move from a largely agrarian, low-income country to an upper-middle-income country by 2040. One of major bottlenecks for Uganda to achieve this goal has been the insufficiency of infrastructure in energy, transport, water, oil and gas, and information and communications technology. Specifically in relation to energy, improving access to electricity and enhancing reliability of electricity service are critical for Uganda's plans for modernization and economic growth within the next 30 years. In the medium- to long term-term, there is an increasing need to extend and improve transmission and distribution infrastructure, to improve supply availability, reliability, and efficiency by bringing bulk electricity supply closer to existing and emerging demand centers. In this context, the PDO was well aligned with the priorities and policies of the Government of Uganda (GoU). The project was to finance a crucial section of the transmission grid and help to improve availability and efficiency of bulk electricity supply to the northern and north-western regions of the country while supporting the national transmission company to improve its overall operational efficiency. The supported investments under the project were part of the GoU's Grid Development Plan 2013-2020. Also, the energy program of the country's National Development Plan (NDP 2024-2030) included objectives to; i) Accelerate the development and diversification of sustainable energy; ii) Develop and modernize energy supply systems; iii) Enhance productive use of energy; and iv) Strengthen governance, coordination, and innovation for energy security and sustainable development.

The World Bank strategy: At closing, the PDO remained aligned with the World Bank Group's Country Partnership Framework (CPF) for the Republic of Uganda for the period FY16-21 which remained applicable at the Project's closing date since a new CPF had not yet been prepared. The PDO contributed



to the CPF's Objective 4 (Enhanced resilience of the poor and vulnerable), Objective 5 (Improved business environment) and Objective 6 (Improved access to urban services). The activities of the project focused on the West Nile and Northern Uganda areas that are characterized by extremely low electricity access rates and relatively high poverty rates. By increasing availability and efficiency of bulk power supply in these areas, the project was to ease electricity supply constraints and lay the foundation for improving household electricity access and development of income-generating and productive use activities. In this context the PDO was also aligned with the World Bank's twin goals of reducing poverty and promoting shared prosperity.

Previous sector experience: In Uganda, the WBG has been engaged in the energy sector through transmission network strengthening as well as by addressing electricity access - by targeting increased connections. The GERP was to be part of a programmatic engagement with the World Bank. One of the first WB engagements in the sector was a three-phase Energy for Rural Transformation (ERT) program. ERT III financed grid and off-grid electricity connections. Energy Sector Development Project (ESDP-P119737) involved activities for transmission strengthening and increase in bulk supply to the southwestern region of Uganda. The ESDP also supported the review of power sector reforms, and provided the financial and technical assistance to UETCL. The technical assistance component of the GERP was to support the implementation of key recommendations of the Power Sector Review conducted under the ESDP. Although the GERP similar to the ESDP targeted increasing bulk electricity supply, it was more challenging as the project area covered West Nile and Northern Uganda which are characterized by extremely low electricity access rates (at the time of appraisal between one and three percent, one of the lowest in all sub-regions of Uganda) and relatively high poverty rates.

Overall, the PDO was aligned with the priorities and the strategies of the GoU and the WB strategy. The PDO was consistent with the with progress over time as compared with earlier projects of the WB.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To increase availability of bulk electricity supply in the project areas

Rationale

Theory of change (ToC): The project inputs were to be used to finance the project activities consisting of the following: Construction of 132kV transmission line, construction of 132/33kV substations and transformers, construction of short interconnections from new substations, provision of consultancy services for engineering construction and supervision. Other activities in relation to institutional and sectoral support include: development of a capacity assessment for UETCL, assessment of technical skills of the sector and provision of tools for UETCL for project monitoring, monitoring and evaluation (M&E) tool and enterprise resource



planning, installation of an integrated management information system. These activities were expected to result in transmission line and substations constructed, enhanced project implementation capacity, contract administration, and operational effectiveness by the UETCL. These outputs were expected to lead to intermediate outcomes of increased available supply capacity in the project regions and reduced technical losses. In addition, enhanced capacities were expected to contribute to the UETCL's sustainability and the company would be better equipped to deal with its growing portfolio of transmission projects. As regards outcomes, strengthened transmission network and reduced technical losses in the project region would result in increased available supply capacity in the project regions and provide the necessary infrastructure for distribution network expansion, thereby contributing to the county's aim of increasing electricity access. Also, the above-mentioned improvements in the transmission network could pave the way for new interconnection points, connection of new loads and generation capacity. The critical assumptions were that Rights of Way (RoWs) and RAPs would be implemented on timely basis, Project Affected Person (PAPs) would be adequately compensated and procurement processes implemented successfully with support to implementing agencies.

The PDO was clear. The ToC was direct, and the results achieved were attributable to the activities implemented. The activities supported by the ToC were adequate to achieve a meaningful increase in availability of electricity. However, as mentioned in the ICR, the M&E framework could have benefitted from inclusion of additional indicators for increased availability of electricity supply in the Project areas, which would have compared the amount of load shedding or supply curtailment before and after the Project (ICR, p. 6) and could have helped better capture the impact of the project. The activities and outputs mentioned above, also contributed to the achievement of the project's second objective.

Outputs:

- Within the scope of the project, under Component A, 3 new substations at Gulu, Nebbi, and Arua and an extension of the Lira substation were constructed. The target for construction or rehabilitation of 4 substations was achieved. The procurement of the mobile substations was not implemented on account of unsuccessful procurement processes within the implementation period (Meeting with the project team, December 11, 2025).
- The project supported construction of 289 km of Transmission lines, thereby achieving the target. The target for length of transmission line constructed was revised downwards from 314 km to 298 km, on account of a change in design but it nevertheless achieved the intended objective. (The ICR explains that the shorter route length was more efficient in connecting all load centres). The constructed 132kV transmission line connected the isolated distribution system in the West Nile region to the main transmission grid at existing Lira 132/33kV substation.
- Capacity improvement of UETCL: With the support of the project, a capacity assessment of UETCL was conducted and the recommendations endorsed by UETCL's Board (target achieved). The ICR (p.11) reports that in line with the study's recommendations, UETCL is implementing a new organization structure with the Electricity Regulatory Authority's (ERA's) approval. The project also supported the establishment of a Project Implementation Team (PIT), within the UETCL (target achieved). An Enterprise Risk Management (ERM) tool was installed under UETCL. However, the integrated management information system was not installed. The activity was dropped since changes in the specifications delayed the procurement process and the activity would not have been achieved during the life of the project.
- Financial sustainability of UECTL: UETCL maintained a debt-service coverage ratio of at least 1.0 by project closing. This target was achieved. UETCL was to maintain an Earnings Before Interest, Taxes,



Depreciation and Amortization (EBITDA) target margin of 3 by project closing. This target was however not achieved. The UETCL had a margin of 1.5 by closing. The ICR reports (p.21) that accumulated liabilities (principal and interest) were capitalized as Government Equity and thus no debt payment obligations. This was as a result of Government decision aimed at keeping the end-user tariff affordable and increasing its equity in UETCL.

- The project supported the sector-wide assessment of sector skills. A set of recommendations were developed and approved. As such, the target was achieved. Financing is being sought to implement the recommendations, including the establishment of a sector-wide educational institution at the Karuma Power Plant premises.
- By project closing 99.7% of PAPs were compensated (Target: 100%). As of June 30, 2025, compensation process for the outstanding 9 PAPs was underway (ICR, p. 7). The ICR explains that court cases over disputed RAP valuations and family disputes contributed to the delay in completing the RAP implementation.

Other outputs reported in the ICR without any targets:

- In line with the expanded scope of Component A, the shunt reactors at Kole and Arua substations were installed.
- The project supported the development of the National Electrification Strategy (NES). The document is one of the key guiding documents in the electricity sector in Uganda. The strategy involves comprehensive electrification framework for the entire country taking into account a wide range of electrification technologies.

Outcomes:

- All four substations were energized and commissioned by end July 2024. As a result, the bulk supply capacity in the project areas increased by 320 MW while exceeding the target of 200 MW. The over achievement was attributable to the increased scope of the Kole substation and standardization of transformer size (See Section 2.d Revised Components). The Project had two bulk-supplied consumers – the private sector entities, Umeme Ltd. and West Nile Rural Electrification Company Limited (WENRECO). The two provided the supply to their respective customers.
- Based on the National Population and Housing Census, the number of primary beneficiaries was estimated to be 2,468,000 (target:1,600,000) by closing. The project did not target connecting new consumers; therefore, the primary beneficiaries were estimated to be the existing and future consumers connected by the Project's closing date through other interventions. The beneficiaries included public institutions such as schools, hospitals and water utilities, all of which benefited the entire population in the Project area. The female beneficiaries accounted for 50% Target was 50%.

Other outcomes reported in the ICR:

- It was estimated that a total of 440,000 people (50% female) were provided with the new or improved electricity service (Target:440,000). This indicator was not introduced as part of a restructuring therefore, was not part of the results framework. This indicator was introduced at a later stage during the Bank-wide process of retrofitting project results to corporate indicators (Written response of the project team to IEG's questions, December 11, 2025).



Overall, the project achieved all its outcome targets for increased bulk electricity supply. The expanded transmission line and the substations provided the initial phase for increased electricity access for the isolated and poor regions of the country and also for evacuation of possible new generation capacity. The capacity building support for the UETCL and the sector contribute to the sustainability and efficiency of the transmission system operator and improve management of the sector.

Rating
High

OBJECTIVE 2

Objective

To increase efficiency of bulk electricity supply in the project areas

Rationale

Theory of Change: The theory of change essentially the same as for Objective 1. The M&E framework could have benefitted from additional indicators such as the inclusion of System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) for assessment of increased reliability of electricity supply in the project areas. As mentioned in the meeting with the project team (December 11, 2025), the M&E system was able to capture the impact of the project on the distribution network operated by Umeme Ltd. in the project area (Gulu area) but the impact on the West Nile region distribution network operated by WENRECO (Nebbi and Arua regions) could not be fully captured due to limited indicators in this respect. Despite this shortcoming the ICR team through beneficiary consultations did collect additional evidence for this objective.

Outputs:

- Consultation process with all energy stakeholders was conducted. Target achieved.

Other outputs reported in the ICR without any targets:

- The following is some anecdotal evidence from the beneficiary consultations conducted by the ICR team (ICR, Annex 7) regarding increased efficiency in electricity supply: A community chairman in Arua noted that stable power provided by the Project enabled the expansion of small business activities such as milling (maize, rice, cassava), welding and others in trading centers. Representatives of service providers (water and health) in Gulu reported improvements in reliability and availability and reductions in fuel costs for standby electric generators. Arua Referral Hospital further reported that there was now sufficient power for its expansion program, which includes a regional blood bank, CT scanner, ICU, incinerator and oxygen plant. The hospital serves eight districts and one city, with a total population of about 2.5 million. In Gulu, before the Project, sometimes there would be no supply for 2-3 days. With the Project, the supply is now stable, and interruptions are minimal.



Outcomes:

- Technical losses in the project Area (Lira – Gulu 33kV distribution line) were reduced from 25.6 percent to 21.2 percent (at appraisal baseline data were provided by Umeme). Umeme reported that since commissioning of the 132kV transmission line, its monthly level of unsupplied energy on Lira – Gulu 33kV distribution line had been reduced by 33 percent, and its billing had increased by 15 percent. The improvement in availability has incentivized potential investors. Residential connections have increased, supported by the World Bank-financed Electricity Access Scale-up Project (EASP).

Other outcomes reported in the ICR without any targets:

- Achievements reported as a result of beneficiary consultations conducted by the ICR team (ICR, Annex 7):
 - Improvements in the distribution network operated by WENRECO (Nebbi and Arua): WENRECO was connecting about 1000 additional customers per year and as of August 4, 2024, the demand had grown by about 900 kW. Distribution losses, which were between 23 and 27 percent reduced to 16.6 percent. There is now sufficient capacity to connect new customers.

Overall, the efficiency of electricity supply has increased in the project area. The M&E framework did not fully capture the impact of the project in Nebbi and Arua regions. Although the beneficiary consultations conducted by the ICR team (consisted of representatives from MEMD, UETCL, Umeme, and the World Bank) provided evidence outside the M&E framework, assessment through SAIDI and SAIFI indicators could have provided more conclusive evidence that the efficiency of electric supply had been increased in the project area.

Rating

Substantial

OVERALL EFFICACY

Rationale

Objective 1 (To increase availability of bulk electricity supply in the project areas) is rated High and Objective 2 (To increase efficiency of bulk electricity supply in the project areas) is rated Substantial. The project was successful in delivering additional supply capacity and increasing efficiency of electricity supply in the project areas.

Overall Efficacy Rating



Substantial

5. Efficiency

Economic analysis: The economic analysis was conducted for Component A. The main economic benefits of the project were to be the: improved electricity service through rehabilitation and expansion of the transmission network. These benefits were measured as customers' willingness-to-pay per kilowatt hour tariff payment. The economic costs of the project were considered to be the investment cost, the cost of project implementation support, and incremental operational and maintenance (O&M) costs. The analysis conducted at closing assessed the viability of the GERP using the same cost-benefits methodology used at appraisal but used actual cost and willingness to pay tariff (WTP) values. At appraisal, the economic analysis of the project yielded an economic Net Present Value (NPV) of US\$274 million and Economic Internal Rate of Return (EIRR) of 30.7 percent under the assumptions of 10 percent discount rate, 40 years of project life and 20 years until increased bulk capacity fully impacts MWh electricity distribution and consumption. The analysis at ICR yielded an economic NPV of US\$698 million and EIRR of 77.3 percent using the above said assumptions. The ICR explains these improved results at completion by observed actual data being significantly more positive than estimations prior to implementation including: (i) a higher increased bulk capacity, (ii) lower than expected construction costs, (iii) a higher reduction in system losses, and (iv) improved WTP. (ICR, p. 27).

Administrative and operational efficiency:

The Project experienced several delays caused by a fourteen-month gap between approval and effectiveness, slow progress in preparing the RAPs and compensating the PAPs, and disruptions associated with the COVID-19 pandemic. These factors collectively led to twenty-six months extension of the closing date, lengthening the implementation period from six to eight years. COVID-19 alone is estimated to have contributed roughly seven months of delay. Nevertheless, despite these setbacks, the actual construction works on the transmission network were completed in just over a year—beginning in mid-2023 and finishing around August 2024—substantially faster than the four years originally projected at appraisal. In addition, on the beneficiary side, delayed approvals by UETCL and government on changes of scope, procurement and contract amendments; on the WB side delayed progress reporting and MTR had some negative impacts on project implementation such as non-completion of procurement processes (i.e. procurement of integrated management information system and mobile substations).

Despite some operational and administrative inefficiencies, the project demonstrated strong economic viability—exceeding the expectations set at appraisal—while substantially achieving its development objectives.

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:



	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	30.70	0 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	77.30	0 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The relevance of objectives is rated as High. The project’s efficacy and efficiency are also rated as Substantial. Based on these sub-ratings the outcome is rated as Satisfactory.

a. Outcome Rating

Satisfactory

7. Risk to Development Outcome

Financial risk: To enable the intended beneficiaries to fully benefit from the Project, including access to electricity for households and small businesses as well as improved public services, distribution networks in the Project areas need to be reinforced and expanded. In this regard, the World Bank’s Electricity Access Scale-up Project (EASP) supports the GoU and finances the grid and network expansion as well as connectivity. However, there is still need for significant external financing and the implementation of cost-reflective tariffs to ensure the sustainable operation and maintenance of the expanded networks.

Environmental and social risks: This risk is medium. For the GERP, the World Bank ensured that all the necessary E&S preparation was conducted in accordance with the World Bank’s guidelines. Five operational policies were triggered and implemented. Despite these efforts, the Project suffered from several E&S challenges. In this respect, to ensure that projects are fully compliant with E&S policies on completion and during operation, there is a need, to learn from previous shortfalls and put in place measures to improve relevant processes as well as capacities of the relevant institutions.

Government ownership/commitment risk: This risk is low. The GoU is committed to increase available supply capacity and increase electricity access in the country. The government’s commitment is reflected in the most recent policy and strategy document including, NES, Vision 2040 and the NDP.

8. Assessment of Bank Performance

a. Quality-at-Entry



The project was strategically relevant with the priorities and policies of the GoU. The PDO supported both Mision 2040 and the most recent NDP of the country. The PDO was also in line with the Bank's strategies. In accordance with the implementation arrangements, the Bank conducted due diligence and introduced relevant design features to address identified problems which included limited capacity of the Project Implementation Unit (PIU) in UETCL, inadequate Environment and Social (E&S) monitoring capacity and need for independent monitoring. Accordingly, the implementation arrangements included a combination of UETCL staff, individual consultants and a consulting firm which were to strengthen procurement and financial management aspects. In addition to capacity building and institutional development, MEMD was to be assisted by a consulting firm to implement E&S monitoring. However, the implementation of these preparatory works could start only after the effectiveness of the project which was delayed by 14 months. At appraisal, the GERP was assessed to have an overall implementation risk of Substantial. Three risk categories were identified to be Substantial: Institutional capacity for implementation and sustainability, fiduciary and E&S. To mitigate these risks, the hiring of specialist consultants to bolster supervision and implementation functions was foreseen. In addition, the design included Legal Covenants to mitigate some of the RAP implementation risks. However, lessons learned from previous projects in resettlement delays, albeit the legal covenants, were not adequately factored in the design (ICR, p.15). The M&E design had short comings. To assess improvements in the availability and efficiency of supply in the project areas, the inclusion additional indicators (such as SAIFI and SAIDI) in the results framework could have helped better capturing the project's impact. In addition, the baseline and the final achievement values for the PDO indicator "reduction in technical losses" did not cover the whole project area.

Quality-at-Entry Rating Moderately Satisfactory

b. Quality of supervision

The Bank conducted 15 supervision missions over the duration of the project and these were documented in the aide memoires, project letters and implementation status and results reports (ISRs). The ISRs have helped identifying challenges and obstacles that could negatively impact the progress. However, the period between the mission and the issue of ISR was long which meant that guidance from management was also delayed. The MTR was conducted seven months before the original closing date. An earlier MTR could have informed decision making for taking measures to improve project implementation. The project experienced several challenges which caused implementation delays and required changes in the project scope. The essential changes were introduced by the Project Team. However, these changes were not part of a formal restructuring. The restructurings only covered extensions to the project implementation period. The project could have benefited if restructurings had included improvements in quality of the results framework. On the other hand, the beneficiary consultations conducted at the ICR preparation stage, compensated for some of the weakness in the M&E and provided evidence on the impact of the project outside of the project's results framework.

Quality of Supervision Rating Moderately Satisfactory



Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The objectives were clearly specified. The theory of change was reflected in the results framework. The PDO was assessed on the basis of four PDO indicators. These indicators were overall relevant and connected to the PDO; but there were shortcomings. Although the definition of the PDO indicator “reduction in technical losses” covered “the project area” the baseline value was available for Gulu region and did not cover Arua and Nebbi. Also, the results framework could have benefited from more standardized and specific indicators (such as SAIFI and SAIDI) to assess improvements in the availability and efficiency of supply in the project areas and to better capture the project’s impact. The intermediate results indicators were overall adequate to capture the contribution of project’s activities and outputs in achieving the outcomes. The M&E function was to be coordinated by UETCL through its corporate M&E unit, which was linked to the PIU and reported to the chief executive officer. The PIU was to include a dedicated project manager who was to prepare monthly progress reports, incorporating quarterly updates on progress toward project targets. These reports were to be reviewed by UETCL senior management prior to submission to the World Bank.

b. M&E Implementation

Due to delay in establishment of the PIU in UETCL, M&E activities started with delay as well. Delayed progress reporting and MTR provided input to the project team and the implementing agencies with some latency. Although the weaknesses mentioned in the M&E design section remained unchanged, the team introduced a new indicator to ensure that the performance indicators and targets are directly attributable to the project activities. In this regard, the team added the PDO indicator of “People provided with new or improved electricity service” to the results framework. In addition, as mentioned in the Quality of Supervision section, the beneficiary consultations conducted at the ICR preparation stage constituted an M&E mechanism located outside the project provided additional evidence and assessment on project results and complemented the project’s own M&E mechanism.

c. M&E Utilization

The M&E findings were regularly reviewed by the project team and the findings of the M&E were used to inform decision making and modify project implementation. In line with the progress of the project activities, the implementation period was extended twice to enable completion of activities and achievement of the project results through two restructurings. On the other hand, revisions in the scope of Component A were done through amendment of the relevant contracts and were not recorded through restructurings.



M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

At appraisal, the project was identified as category “B” given the low impact of the project on the natural environment and low-density settlement patterns within project route. The project was also expected to pose moderate health and safety risks which were identified and mitigation actions were proposed in the Environmental and Social Impact Assessment (ESIA). In this context, the project triggered the following Policies: Environmental Assessment OP 4.01, Natural Habitats OP/BP 4.04, Forests OP/BP 4.36, Involuntary Resettlement OP/BP 4.12, Physical Cultural Resources OP/BP 4.11. An Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) were developed for Component A. In addition, RAPs and ESAs were prepared for the transmission line and the substations after Board Approval. The issues encountered with respect to safeguard policies during the implementation were: (i) non-compliance with agreed community health and safety requirements, (ii) delayed compensation of PAPs, including delayed construction of houses for physically displaced persons (PDPs), (iii) delayed implementation of the Livelihood Restoration Plan (LRP), and delayed implementation of the Forest Restoration Implementation Plan (FRIP) and the Community Development Action Plan (CDAP). The ICR (p.14) reports that, although not at closing, the majority of the above-mentioned issues were resolved at the time of the ICR including resolution of compensation disputes concerning the remaining nine PAPs. On the other hand, with respect to biodiversity offset, only three out of eleven planted forest sites achieved acceptable survival rates of at least 70% of seedlings reaching maturity. Regarding the implementation of CDAP and LRP, the GoU allocated the required amounts in its FY2025/26 budget (after the closing date) to ensure the two activities are duly completed. Completion of this work is ensured through the post-closure action plan agreed upon by the Government and the World Bank.

Under the project, a grievance redress mechanism (GRM) was in place. The UETCL established a total of 31 functional grievance redress committees (GRCs) across all the sub-counties in the project area. In addition, workers’ GRCs were in place (Written response of the project team to IEG’s questions, December 11, 2025).

b. Fiduciary Compliance

Procurement: Procurement was to be conducted by UETCL and MEMD. The main procurements were for the construction of transmission lines, substations and the associated supervision of construction and procurement of consultancy work. Since, at appraisal, the lack of adequate staff was identified as the most significant issue for procurement, reinforcement of PIU staff was foreseen through additional staffing. However, this could be achieved only with delays. The procurement processes were slow in the first half of the project period, but improved in the second half with the help of an agreed and well implemented action plan. Two activities had to be dropped since the implementation could not be finalized within the project timeframe due to delayed procurement. These activities were: procurement of mobile substations and procurement of Integrated Management Information System.



Financial Management (FM): The ICR reports that although FM performance improved toward the end of the implementation some issues persisted. These were late submission of audit reports, insufficient budget and inadequate control on staff advance for supervision. On the other hand, internal controls were adequate, Interim Financial Reports were submitted timely and were acceptable. The final external audit report is yet to be prepared (Written response of the project team to the IEG’s questions, December 11, 2025). According to the ICR (p.15), the one outstanding issue was the lack of finance for the for implementation of the LRP and the CDAP.

c. Unintended impacts (Positive or Negative)

None.

d. Other

None.

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

12. Lessons

The following lessons are from the ICR with some adaptation of language and from meeting with the project team:

- **Taking measures to avoid start-up delays can help in the progress of project activities and achievement of project results.** In the case of GERP it took fourteen months for the Project to become effective. After effectiveness, it took another three years for procurement of the works components to commence. Although the World Bank’s due diligence identified the inadequate expertise and capacity for the proposed PIU within UETCL, and inadequate E&S monitoring capacity, little preparatory work was conducted to address these challenges and prepare the project for implementation. Some preparatory work could have been carried out such as advance procurement and E&S preparatory activities. As mentioned in the ICR (p.17), since Uganda does not allow project preparation advance (PPA), this could have been achieved in a way to include such activities in a preceding operation. In the case of the



Project, this could have been the Electricity Sector Development Project, which was ongoing at the time. If this were to have been implemented, significant preparatory work could have been done during the 14 months period between signature and effectiveness and implementation delays could have been avoided.

- **Continuous monitoring of the program, testing indicators and introducing revisions as well as involving a high-level monitoring committee can help improving the M&E functions and yield a better assessment of project results.** In the case of the project, both baseline and final achievement values for the PDO indicator “reduction in technical losses” represented results from Gulu region (Umeme) and did not cover Arua and Nebbi (WenreCo). – as a result, being unable to capture the full impact of the project. In addition, a high-level monitoring committee involving all relevant implementing agencies such as Ministry of Lands in the case of GERP, could have helped assessment of progress of activities during the implementation phase and introduction of remedial measures.
- **In transmission development projects, involving performance indicators and targets that are directly attributable to the project can demonstrate the critical role of transmission development in electricity access expansion.** The Project’s objectives were to provide bulk grid-based supply to existing distributors, which the distributors would substitute for the less reliable and more costly isolated supplies. Therefore, the new indicator introduced by the team “People provided with new or improved electricity service” was directly attributable to the Project. On the other hand, “Direct project beneficiaries” would be difficult to identify individually since the PDO was focused on bulk supply of electricity. The Project demonstrated the critical role transmission development plays in access expansion, but also raises the importance of properly linking transmission operations to relevant operations directly connecting consumers if the two cannot be handled under the same operation.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR was well written, provided adequate coverage of project activities and candidly reported on the issues encountered at different phases of implementation. The report is internally consistent. There are coherent and logical links among the different sections of the ICR (i.e., efficacy, efficiency and bank performance sections). The ICR used the available data and also results of the beneficiary consultations to justify the assigned ratings for each section of the ICR while avoiding the shortcomings of the M&E design. The discussion in the Lessons and Recommendations section is clear, useful, and mostly based on the evidence outlined in the ICR.

a. Quality of ICR Rating Substantial

