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Report No: PAD4800

INTERNATIONAL DEVELOPMENT ASSOCIATION  
PROGRAM APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT  
IN THE AMOUNT OF SDR374.80 MILLION  
US\$518 MILLION EQUIVALENT

AND A PROPOSED GRANT  
IN THE AMOUNT OF SDR 34.80 MILLION  
US\$48 MILLION EQUIVALENT

TO THE  
REPUBLIC OF UGANDA

FOR A  
GREATER KAMPALA METROPOLITAN AREA URBAN DEVELOPMENT PROGRAM

May 7, 2022

Urban, Resilience and Land Global Practice  
Eastern and Southern Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective March 31, 2022 )

Currency Unit = UGX

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US\$1 = UGX 3,584

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US\$1 = SDR 0.72

FISCAL YEAR

July1 – June 30

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## ABBREVIATIONS AND ACRONYMS

APA	Annual Performance Assessment
AWP	Annual Work Plan
BMAU	Budget Monitoring and Accountability Unit
BoU	Bank of Uganda
BoQ	Bill of Quantities
CBD	Central Business District
CID	Criminal Investigation Department
COSASE	Committee on Commissions, Statutory Authorities, and State Enterprises
CPF	Country Partnership Framework
CSO	Civil Society Organization
DLI/Rs	Disbursement Link Indicators/Results
DPP	Directorate of Public Prosecutions
DSC	District Service Commission
E&S	Environmental and Social
ESHS	Environmental, Social, Health and Safety
ESSA	Environmental and Social System Assessment
GCP	Gender and Community Services and Production
GDP	Gross Domestic Product
GKMA	Greater Kampala Metropolitan Area
GoU	Government of Uganda
ICT	Information Communication Technology
IFMS	Integrated Financial Management System
IFSA	Integrated Fiduciary System Assessment
IG	Inspectorate of Government
IMC	Inter-Ministerial Committee
IPF	Investment Project Financing
ISG	Institutional Support Grant
ISP	Institutional support Plan
IVA	Independent Verification Agency
JVs	Joint Ventures
KCCA	Kampala Capital City Authority
LED	Local Economic Development
LG(s)	Local Government(s)
MCs	Minimum Conditions
MDAs	Ministries Departments and Agencies
MDF	Metropolitan Development Forum
MDG	Metropolitan Development Grant
MICE	Meetings, Incentives, Conferences and Exhibitions
MoFPED	Ministry of Finance, Planning and Economic Development
MoKCCMA	Ministry of Kampala Capital City and Metropolitan Affairs
MoLG	Ministry of Local Government
MoLHUD	Ministry of Lands, Housing and Urban Development
MoWT	Ministry of Works and Transport
MTEF	Medium Term Expenditure Framework
MTR	Mid Term Review



NBFP	National Budget Framework Paper
NDP	National Development Plan
NEMA	National Environmental Management Authority
NITA-U	National Information Technology Authority - Uganda
NMT	Non-Motorized Transport
NPA	National Planning Authority
OBT	Output Budget Tool
OPM	Office of the Prime Minister
OSR	Own Source Revenue
PAC	Public Accounts Committee
PAP	Program Action Plan
PBB	Program Based Budgeting
PDEs	Public Disposal Entities
PDP	Physical Development Plan
PDU	Procurement and Disposal Unit
PFM	Public Financial Management
PforR	Program for Results
PM	Performance Measures
PPDA	Public Procurement and Disposal of Public Assets Authority
PS/ST	Permanent Secretary/Secretary to the Treasury
PST	Program Support Team
PTC	Program Technical Committee
QAR	Quality Assurance Review
RAs	Results Areas
SACCO	Savings and Credit Cooperative Organization
SBD	Standard Bidding Document
SWM	Solid Waste Management
ToC	Theory of Change
TSA	Treasury Single Accounts
UgIFT	Uganda Intergovernmental Fiscal Transfer
USMID	Uganda Support to Municipal Infrastructure Development
VfM	Value for Money
WBG	World Bank Group



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**DATASHEET**

**BASIC INFORMATION**

Country(ies)	Project Name	
Uganda	Greater Kampala Metropolitan Area Urban Development Program	
Project ID	Financing Instrument	Does this operation have an IPF component?
P175660	Program-for-Results Financing	No

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Contingent Emergency Response Component (CERC)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Small State(s)	<input type="checkbox"/> Conflict
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)	
Expected Project Approval Date	Expected Closing Date
31-May-2022	31-Dec-2027

Bank/IFC Collaboration

No

**Proposed Program Development Objective(s)**

To improve the institutional capacity in the Greater Kampala Metropolitan Area (GKMA) for metropolitan coordination and management, and to increase access to improved infrastructure and services

**Organizations**

Borrower : Republic of Uganda

Implementing Agency : Ministry for Kampala Capital City and Metropolitan Affairs (MoKCCMA)

Contact: Edemachu Monica Ejua



Title: Under Secretary MoKCCMA/ Program Coordinator  
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 Email: monicaejua@gmail.com

**COST & FINANCING**

**SUMMARY**

<b>Government program Cost</b>	2,995.00
<b>Total Operation Cost</b>	1,137.31
Total Program Cost	1,137.31
<b>Total Financing</b>	1,137.31
<b>Financing Gap</b>	0.00

**Financing (USD Millions)**

<b>Counterpart Funding</b>	<b>571.31</b>
Borrower/Recipient	571.31
<b>International Development Association (IDA)</b>	<b>566.00</b>
IDA Credit	518.00
IDA Grant	48.00

**IDA Resources (in US\$, Millions)**

	Credit Amount	Grant Amount	Total Amount
<b>Uganda</b>	518.00	48.00	566.00
National PBA	518.00	48.00	566.00
<b>Total</b>	<b>518.00</b>	<b>48.00</b>	<b>566.00</b>

**Expected Disbursements (USD Millions)**

Fiscal Year	2022	2023	2024	2025	2026	2027	2028



<b>Absolute</b>	0.00	43.92	89.82	116.53	129.33	125.48	60.92
<b>Cumulative</b>	0.00	43.92	133.74	250.27	379.60	505.08	566.00

**INSTITUTIONAL DATA**

**Practice Area (Lead)**

Urban, Resilience and Land

**Contributing Practice Areas**

Finance, Competitiveness and Innovation, Jobs, Transport

**Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

Risk Category	Rating
1. Political and Governance	● Substantial
2. Macroeconomic	● Low
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Moderate
9. Other	
10. Overall	● Substantial

**COMPLIANCE**

**Policy**

Does the program depart from the CPF in content or in other significant respects?

Yes  No





Does the program require any waivers of Bank policies?

Yes    No

**Legal Operational Policies**

	Triggered
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

**Legal Covenants**

Sections and Description

The Recipient shall establish, not later than three (3) months after the Effective Date, and thereafter maintain throughout the implementation of the Program, a Program Technical Committee (PTC) with a composition, mandate and resources satisfactory to the Association, to be responsible for addressing technical issues that may have impacts on the implementation of the Program in accordance with the provisions of Section I.A.2 (a) (i) of Schedule 2 to the Financing Agreement.

Sections and Description

To facilitate the carrying out of Program activities, the Recipient (through MoKCC&MA) shall, not later than three (3) months after the Effective Date, enter into a Program MDAs Participation Agreement with Program MDAs detailing respective responsibilities of the signatories of such agreement for the implementation of Program activities and including such other terms and conditions as shall have been approved by the Association, in accordance with the provisions of Section I.D.1 of Schedule 2 to the Financing Agreement.

Sections and Description

No later than thirty (30) months after the Effective Date, the Recipient shall, in conjunction with the Association, carry out a mid-term review of the Program (the “Mid-term Review”), covering the progress achieved in the implementation of the Program, in accordance with the provisions of Section III.B.1 of Schedule 2 to the Financing Agreement.

Sections and Description

The recipient shall engage not later than four months after Effective Date and thereafter maintain throughout the period of implementation of the Program a verification agent with experience, independence, and capacity and under the terms of reference acceptable to the Association (“Independent Verification Agent”) to assess, audit,



analyze and/ or verify the data and other evidence supporting the achievement/ fulfilment of one or more Disbursement Linked Results (DLRs), in accordance with the provisions of Section III.C.1 (a) of Schedule 2 to the Financing Agreement.

**Conditions**

Type Effectiveness	Financing source IBRD/IDA	Description The Recipient has prepared and adopted the Program Operational Manual in form and substance satisfactory to the Association.
Type Effectiveness	Financing source IBRD/IDA	Description The Recipient has recruited or designated the following key staff for the Program Support Team: (i) a Program coordinator; (ii) two registered engineers (at least one of whom shall be a civil engineer); (iii) a procurement specialist, (iv) a financial management specialist; (v) a physical planner; (vi) a monitoring and evaluation specialist; (vii) an environmental specialist; (viii) a social development specialist; (ix) a communication specialist; and (x) a local economic development specialist, all with qualifications, experience and terms of reference satisfactory to the Association.
Type Disbursement	Financing source IBRD/IDA	Description No withdrawal shall be made:  (a) for any DLR until and unless the Recipient has furnished evidence satisfactory to the Association that said DLR has been achieved; or (b) for any DLR unless and until the Recipient has furnished evidence satisfactory to the Association that an aggregate amount equivalent to the amount of the Financing to be withdrawn in respect of said DLR, was transferred by the Recipient to GKMA Sub-nationals in the previous Fiscal Year.



## I. STRATEGIC CONTEXT

### A. Country Context

1. **Uganda's economy rebounded strongly as domestic economic conditions improved following the easing of mobility restrictions during the period October 2021–February 2022 but continues to face several constraints that slow down its progress toward middle income status; key among those are its governance challenges, infrastructure deficit, high population growth, low levels of human capital, weak public service delivery, limited access to and high cost of credit, and an undeveloped land market<sup>1</sup>.** Given the second wave of COVID-19 infections, the economic recovery in FY21 tapered off in early FY22. Following the sharp contraction in late FY20, after the initial COVID-19 shock, real GDP growth rebounded strongly to over 13 percent in the fourth quarter of FY21, driven by an improvement in consumption and recovery in public investment. Services recovered rapidly, but agriculture remains volatile, due to limited adoption of improved farming practices to manage weather variability. However, the rebound tapered off in early FY22 due to a more severe second wave of COVID-19 and the related lockdown measures. At 3.4 percent, growth in FY21 was well below pre-COVID-19 projections of over 6 percent<sup>2</sup>.

2. **Urbanization has played a key role in Uganda's economic and social development.** While only 27 percent of its population resides in urban areas, Uganda is one of the most rapidly urbanizing countries in Africa (5.2 percent per annum). Urban population is expected to almost double from 11 million at present to more than 20 million by 2040. As an engine for economic growth, urban areas generate 70 percent of Uganda's non-agricultural GDP, and the prospect of higher productivity jobs is better than rural areas. The poverty rate is seven percentage points lower in urban areas than in rural areas<sup>3</sup>. Most of the recent job creation is found in cities, and social indicators, especially education and health are stronger in urban areas. Prior to the COVID-19 outbreak, structural transformation associated with urbanization and growth of cities was driving productivity-led growth to attain higher and more inclusive growth. The transformation was characterized by a reduction in the labor force in the agriculture sector and an increase of employment shares in the industrial sector (in agro-processing) and the services sector.

3. **The Greater Kampala Metropolitan Area (GKMA)<sup>4</sup> dominates Uganda's national spatial system and has a comparative advantage in industrial and social development.** GKMA comprises Kampala city and 8 metropolitan local government entities, 14 percent of the national population, 40 percent of the urban population, 46 percent of formal sector workers and 70 percent of manufacturing firms with five or more employees, accounting for nearly half of Uganda's total GDP as well<sup>5</sup>. The GKMA is by far the largest of Uganda's urban areas and had a projected population, based on the 2014 census<sup>6</sup>, of about 3.5 million in 2017, with no other urban area standing at more than 200,000 at the time. Realizing that Uganda's vision of upper middle-income status by 2040 will largely depend on the GKMA's transformation as a productive, resilient, and livable city. Currently, the GKMA has a small but robust industrial export base and diverse array of globally competitive

<sup>1</sup> World Bank Group's Country Partnership Framework (CPF) for Uganda for the period 2016 – 2021 (Report No. 101173-UG)

<sup>2</sup> Uganda Economic Update, 18<sup>th</sup> Edition, Putting Women at the center of Uganda's Economic Revival, December 2021.

<sup>3</sup> Uganda Economic Update, 5<sup>th</sup> Edition, The Growth Challenge: Can Uganda Cities get to work? February 2015

<sup>4</sup> Comprising Kampala Capital City; Entebbe, Kira, Makindye-Ssebagabo, Mukono, Nansana Municipal LGs, and Mukono, Mpigi and Wakiso Districts LGs.

<sup>5</sup> Kampala (22.5 percent), Wakiso (20.8 percent), and Mukono (5.3 percent) account for nearly half of Uganda's total GDP (US\$20.8 billion in 2014).

<sup>6</sup> Census is done every 10 years. The last census was done in 2014 and the 2017 figure is a projection based on the 2014 census.



clusters. Each of GKMA's districts has unique advantages (Wakiso – Entebbe airport; Mukono – Heavy industries, Mpigi – Agrobusiness; Kampala City – Education & leisure facilities). The area has unique biodiversity, cultural heritage and tourism potential and a key priority for most development partners with a possibility to leverage funding.

**4. Uganda is highly prone and vulnerable to various natural and environmental hazards.** The GKMA shoulders a fair share of that burden which hinders economic growth and opportunity, including floods, epidemics, building collapses, fires, environmental degradation, air pollution, and, to a lesser extent, erosion and landslides, earthquakes, and drought. Climate change is expected to increase the risk and intensity of flooding as well as increase likelihood of water scarcity for certain areas of the country. Since 1991, Kampala city alone has experienced a total of 153 disaster events, resulting in thousands of deaths and injuries, destroyed and damaged infrastructure, and billions in economic losses<sup>7</sup>. Floods present a critical hazard to the GKMA and have the biggest potential for impact on human life and disruption of economic activity. In the Kampala Capital City Authority (KCCA) alone, the annual average damage to buildings is US\$ 49.6 million and more than 170,000 people are frequently affected by floods<sup>8</sup>. More than 10 percent of all jobs and main roads in Kampala lie in flood-prone areas<sup>9</sup>. Climate change can alter the frequency and intensity of hydrometeorological events, putting further strain on the coping capacity of the city and its residents. It is projected that the GKMA will experience longer wet seasons which would result in an increase in the flood hazard events experienced during traditionally dry months, requiring the GKMA to be prepared for rainstorms and flooding almost throughout the year. Furthermore, inadequate solid waste management often exacerbates urban flooding by clogging the drainage systems.

## B. Sectoral and Institutional Context

**5. The composition of the Greater Kampala Metropolitan Area (GKMA)** – The GKMA, which is the geographical boundary of the PforR Program, comprises one capital city (governed by the Kampala Capital City Authority), three districts (Mukono, Mpigi and Wakiso) and five municipal (Entebbe, Kira, Makindye-Ssebagabo, Mukono, and Nansana) local governments with a total current projected population of 5.8 million<sup>10</sup>. Under the Uganda decentralization policy framework, the deliveries of urban services are devolved to local governments that are independent corporate legal entities. Until recently, the KCCA and the district and municipal governments in the GKMA carried out their urban planning and urban management responsibilities with little or no coordination. The result has been uncoordinated investments, lack of synergies and limited economies of scale in service provision. Figure 1 shows the location of the GKMA comprising of KCCA and the eight GKMA LGs in Uganda.

<sup>7</sup> CRED (Centre for Research on the Epidemiology of Disasters). 2019. EM-DAT: The international disasters database. [https://www.emdat.be/emdat\\_db/](https://www.emdat.be/emdat_db/), UNDRR Desinventar, Reliefweb, and national and local media articles.

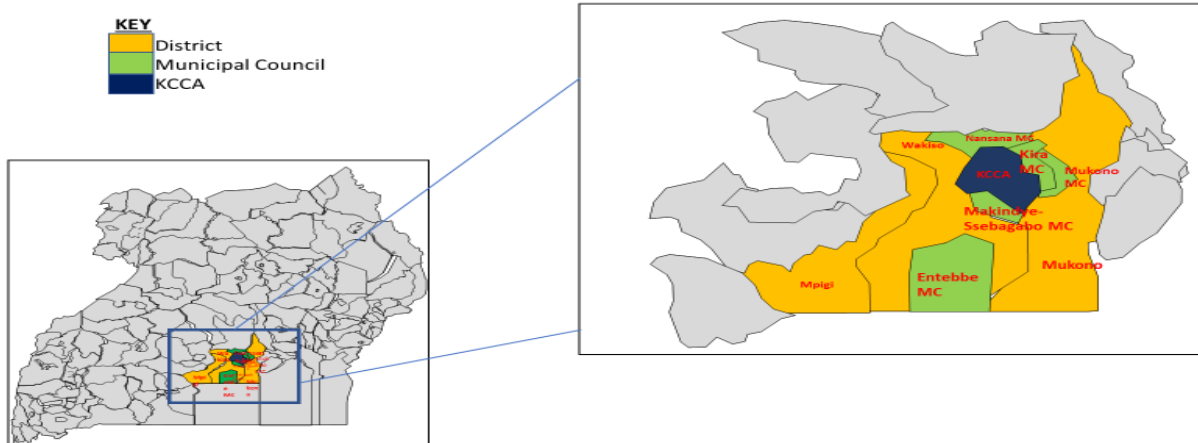
<sup>8</sup> World Bank. 2018. Kampala Flood Mapping Technical Report.

<sup>9</sup> *ibid*

<sup>10</sup> Greater Kampala Metropolitan Area Economic Development Strategy (2020 – 2030)



Figure 1. Location of GKMA sub-nationals (KCCA, 3 Districts, and 5 Municipal LGs) within Uganda.



6. **The GKMA is faced with many challenges associated with metropolitan coordination, management and service delivery.** – The GKMA is growing rapidly, and its growth has been accompanied by development challenges transcending municipal administrative boundaries. One of the key infrastructure gaps is roads. In Kampala city, out of a total roads network of 2,100 km, only about 300km (about 14.3 percent) are paved and in good condition. The situation is not different in the three districts and five municipal LGs of the GKMA. The majority of the existing GKMA roads networks therefore need rehabilitation/upgrading from earth/dirt roads to paved roads, within the existing rights of way, to improve connectivity and mobility. Current urban roads do not meet the cannons of complete streets that cater to all types of users. Rapid urbanization poses challenges as the GKMA struggles to provide infrastructure and services and runs the risk of becoming a less livable place for people.

7. **Costly and uncompetitive business environment, as well as lack of coordinated land use management hinders firm growth and job creation in the GKMA.** Due to high land prices, complex land tenure regime, and lack of integrated land use planning, firms and employment have dispersed further from the urban center reducing economic density and agglomeration effects. Inadequate infrastructure and services make production activities expensive. Firm concentration in Kampala’s Central Business District (CBD) has declined from 65 percent in 2002 to 55 percent in 2011, while leapfrog development has significantly increased disconnecting people from job opportunities<sup>11</sup>. To protect the livelihoods of informal enterprises, access to service premises, market connectivity, local economic development infrastructure needs to be further increased and improved.

8. **Institutional reforms, plans and strategies to address the above challenges.** To achieve metropolitan coordination that can harness the benefits of agglomeration and economies of scale, the government adopted institutional, policy, and legal reforms for the GKMA. These reforms are based on the premise that a well-functioning metropolitan area is the result of more than the sum of well-performing local governments. There is therefore a need to align the incentives and provide for a territorial logic to the responsibilities and mandates already performed by KCCA and the GKMA LGs under the decentralization policy framework. This was the ambition for the newly created Ministry of Kampala Capital City and Metropolitan Affairs (MoKCCMA). As a new ministry, it has a nascent capacity to coordinate GKMA development and management. In addition, the policy and legal framework need to be revised to avoid overlaps in mandates with sector Ministries, Departments and Agencies (MDAs) and the Kampala Capital City Authority (KCCA). These MDAs are currently being coordinated by

<sup>11</sup> World Bank 2017, From regulators to enablers: Role of City Governments in Economic Development of Greater Kampala.



the Inter-Ministerial Committee (IMC), chaired by the Minister for the MoKCCMA, but more sustainable arrangements need to be established to enhance the committee's coordination role. Similarly, capacity for planning and management of local levels needs to be strengthened. Despite being a new ministry, the MoKCCMA has demonstrated its leadership capability to mobilize the relevant inter-ministerial coordinating members to be fully engaged. The government has approved the structure of the new ministry; recruitments are on-going, and a substantive accounting officer appointed.

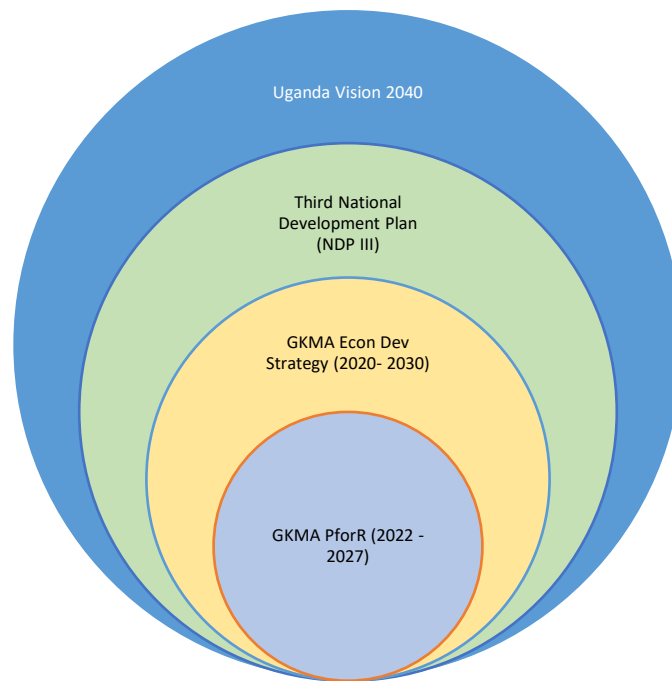
9. **In addition, the Government of Uganda (GoU) has prioritized resilient urban development to enable overall economic growth and sustainable development at metropolitan level.** The GKMA vision is “A Greater Kampala united towards job creation, improved livability and a sustainable development for all its citizens.” The vision focuses on three strategic areas. Firstly, ensuring that the GKMA's economy is creating more quality jobs to keep pace with the metropolitan area's population. Secondly, improving livability through increasing access and quality of service for citizen wellbeing as well as city competitiveness. Thirdly, protecting Greater Kampala's environmental assets to ensure sustainable economic development in the future. Importantly the vision also emphasizes a “united” Greater Kampala. KCCA and the eight Metropolitan LGs (3 districts and 5 municipalities) agree that working together across jurisdictions is an essential principle for the future development of the GKMA. In 2013, the Cabinet approved the GKMA Development Framework 2040 and gazetted GKMA as a special planning area. The National Planning Authority (NPA) adopted a programmatic and an integrated multisectoral approach, as opposed to the hitherto sectoral approach, that will make the GKMA fit for purpose. In 2019 the Greater Kampala Economic Development Strategy, with five strategic objectives and ten program areas, was developed and adopted to promote the vital economic contribution and competitiveness of GKMA.

10. **The proposed Program will take a multisectoral approach and be aligned to the GoU's vision 2040, the National Development Plan III (2020/21 – 2024/25) and the GKMA Economic Development Strategy (2020 – 2030)**<sup>12</sup>. The national vision 2040, the Third National Development Plan (NDP III) and the GKMA Economic development strategy provide the frameworks for strategic and prioritized engagements to address the identified challenges in the GKMA. Specifically, the GKMA strategy highlights five objectives: (i) competitive economic infrastructure, (ii) conservation and protection of environmental assets, (iii) business support to the informal sector, (iv) a unique center for tourism, and (v) effective city and local government service delivery (see table 1 for detail in section C, PforR Program scope). Under the country NDP III, the government has moved away from a project approach to addressing development challenges to a programmatic approach. The GKMA Economic Development Strategy therefore provides the platform that integrates the currently dispersed efforts by the participating local governments into a coordinated and interlinked program area. The chart below shows the relationships and linkages between the national vision 2040, the third national development plan (NDP III), The GKMA Economic Development Strategy, and the GKMA Urban Development PforR Program.

<sup>12</sup> National Planning Authority 2007, Uganda Vision 2040; National Planning Authority 2020, Third National Development Plan (2020/21-2024/25); National Planning Authority 2020, Greater Kampala Economic Development Strategy (2020 – 2030).



Figure 2. PforR Program, GKMA Economic Development Strategy, NDP III and Vision 2040 linkages



### C. Relationship to the CPS/CPF and Rationale for Use of Instrument

#### Relationship to the CPF

11. The proposed GKMA Program scope is fully aligned with the World Bank Group’s Country Partnership Framework (CPF) for Uganda for the period 2016 – 2021 (Report No. 101173-UG) discussed by the Board of Executive Directors on April 21, 2016, and the Performance and Learning Review of the CPF for FY16-FY21 (Report No. 157534-UG) which was discussed by the Board on June 2, 2021. The Program will contribute to Local Economic Development (LED) and will particularly support the achievement of CPF Strategic Focus Area C: *Boosting inclusive growth in urban areas*. The Program will specifically contribute to two thematic objectives areas, particularly thematic objective 6, *improved access to urban services* and thematic objective 5, *improved business environment*. The CPF lays out a vision whereby World Bank Group (WBG) investments will support public investment for more and better jobs, while improving living conditions and connectivity for urban populations. The Program will directly contribute to achieving this vision through its support to GKMA national and subnational institutions (MoKCCMA, PTC, KCCA, and eight GKMA LGs) to deliver critical infrastructure investments as well as improved urban service delivery to local citizens and the private sector.

12. The proposed Program is also aligned with the World Bank’s next generation Africa climate business plan, climate change action plan 2021-2025, and Uganda’s national climate change policy, national biodiversity strategy action plan, and green growth strategy and aim at enhancing climate change adaptation and mitigation. The Program’s focus on integrated metropolitan land use planning, resilient infrastructure development, and green mobility in the GKMA are well-aligned with the initiatives and strategies of the GoU and the World Bank. The Program will build institutional capacity of urban resilience for central and sub-national governments and ensure the Program-funded infrastructure investments fully realize the potential of being



climate and disaster resilient in their design, construction, and maintenance. This will substantially contribute to the achievement of resilient cities and green mobility targets of the next generation Africa climate business plan: Tier 1 resilient cities targets (i) the development of multi-sectoral climate-smart urban and transport plans for at least five African cities, and (ii) US\$2 billion in investment financing for urban resilience-building activities; and Tier 2 green mobility has a target of securing maintenance to make at least 100,000km (about 62,137.12 miles) of African roads climate resilient.

### Rationale for Bank Engagement and Choice of Financing Instrument

13. The rationale for World Bank engagement and choice of financing instrument are based on the following factors:

- **First, the choice of instrument** was assessed drawing from the experience of implementing both Investment Project Financing (IPF) and Program for Results (PforR) Programs in the urban-local government sector in Uganda and other countries over the past 10 years. The PforR instrument is the preferred option and the natural next step in World Bank support to Uganda given the Program development objective of building institutional capacity for metropolitan coordination, management and improve service delivery across the nine autonomous sub-national entities that make up the GKMA. The IPF with performance base conditions (PBCs) was also considered but IPF-PBCs would not achieve the Government's objective of using this next operation to build upon past PforR investments in the sector to strengthen the country's own systems for sustainable metropolitan governance.
- **Second, the PforR instrument will incentivize institutional improvements and contribute to the building of the country system generally, but specifically for metropolitan governance and improved service delivery.** Although the capacity to implement the various activities under the Program do exist in KCCA and the eight metropolitan LGs, there is low capacity for coordinated metropolitan planning and management to ensure the achievement of a metropolitan logic. Currently each of the nine GKMA subnational entities (KCCA, 3 Districts LGs and 5 Municipal LGs) are operating as independent corporate entities. The World Bank engagement and choice of financing instrument will incentivize these entities to compete for the access of investment funds under the Program while at the same time work in a coordinated manner and develop integrated plans covering common metropolitan services for the whole of the GKMA. The incentives for each level of government to deliver on its mandates has been an integral part of Program design. Disbursement linked indicators have targeted all levels of government concurrently to ensure alignment of incentives to promote coordinated metropolitan services and the achievement of the goals of the Government's program
- **Third, Leveraging the experiences and success of the earlier urban PforR Program.** The Uganda Support to Municipal Infrastructure Development (USMID) Program (P117876) approved in March 2013 had an original funding of US\$150 million and covered 14 municipal LGs. The PforR has demonstrated that access to development financing through a competitive process of minimum conditions and institutional performance measures leads to improved capacity and timely delivery of infrastructure investments. The success of the USMID PforR has led to an additional financing of US\$360 million, thus bringing the current municipal PforR financing to a total of US\$510 million. The Program's success has led to its roll-out to cover a total of 22 municipal LGs. This positive record of accomplishment of PforR, in an urban setting, gave further justification for choice of instrument both by the GoU as well as the World Bank for the GKMA. The same rule of the game under the current urban PforR covering 22 municipal LGs, that is





accessing funding through a competitive process, and not an allocation entitlement, will also be applied to KCCA and the eight metropolitan LGs.

- **Fourth, The World Bank approach in the preparation of the Program using the PforR instrument has been based on:** (i) adopting a multisectoral approach to address the different challenges in the GKMA and reducing transaction costs; (ii) consolidating achievements and experiences registered under the USMID PforR and Second Kampala Institutional and Infrastructure Development Project (KIIDP 2); (iii) incorporating the recommendations of the different analytical studies undertaken; (iv) focusing on investments that are low risks and can be delivered within a realistic time frame of 3-4 years of the Program period; and (v) ensuring there is strategic alignment to the Government program contained in the GKMA Economic Development Strategy.

#### D. Lessons learned

14. The lessons that have been integrated into the design of the GKMA Program are the following:

15. Country ownership and leadership is critical for successful implementation of complex multi-entity programs covering large metropolitan areas. These programs usually require strong multi-agency coordination, intensive contract management, rigorous due diligence, appropriate RAP implementation, establishing and maintaining functioning grievance redress mechanisms (GRMs), and extensive communication strategies. Client ownership and problem-solving with such complex programs is stronger when anchored in client policies and systems rather than World Bank policies.

16. Successful PforRs hinge on three principles, first, grant design should have a clear formula-based funds distribution, a performance-based award system, significant local discretion on use of funds, and a sizeable enough grant amount to incentivize the necessary behavior change; second, the assessment, management and execution of the Program should have provisions for Program coordination, and an annual assessment process that is contracted out with a robust quality assurance review (QAR); and thirdly, capacity building support that is a combination of demand and supply driven support must be included. A 2021 study review of PforR performance<sup>13</sup> showed that the PforR is the preferred instrument when dealing with multiple sub-national entities charged with coordinated planning and service delivery such as the GKMA. This is because PforRs can be better aligned with Government's own Intergovernmental Fiscal Transfers (IGFT) procedures which ensures a smoother and more timely payment of funds against performance as it occurs through the Government's own financing cycle. This approach has demonstrated success in urban performance grants cases across several countries (Uganda, Ghana, and West Bengal). The study review also found that DLIs provide an additional advantage as they can speed up reform processes, especially when DLIs are interlinked with minimum conditions and a performance-based top-up.

17. In terms of value for money (VfM) and quality of infrastructure, the lessons from the PforR review showed that under USMID PforR in Uganda, 91 percent of projects were of higher VfM with clear linkages between efficiency in procedures (PFM, procurement etc.) and economy and effectiveness (quality and utilization of infrastructure), including when the Program was scaled up from 14 to 22 Urban Local Governments (ULGs). Similar findings were noted for the Ethiopia under the Urban Infrastructure and Institutional Development Project (UIIDP) PforR (P163452) where there were improvements of quality and cost effectiveness over time. In the West Bengal PforR program, an output verification study conducted at mid-term review (MTR) in 2020 evaluated 651 projects and showed that 98 percent of the financed infrastructure investments were satisfactory.

<sup>13</sup> Analytical review of urban performance grant (UPG) portfolio (2021)



18. In terms of sustainability, the review found that PforRs are more likely to lead to sustainable reforms as they are designed as integral parts of the government system. For example, the Uganda USMID PforR piloted systems that have now been adopted at the national level such as the country-wide annual performance assessment (APA) system for local governments, the OAG's value for money (VfM) audit program, and the mainstreaming of Environment, Social, Health and Safety (ESHS) in bidding documents which are now used nationally by all levels of governments. Similarly, under the Ethiopia UIIDP PforR, the financial and Environmental and Social System Assessment (ESSA) auditing systems developed under the Program are being rolled to all the regions in the country. In Kenya, the urban performance grant has expanded to other grants including climate resilience performance grants.

19. The systems and capacity developed through PforRs (such as planning, procurement, and grievance mechanisms) are expected to have a longer lasting impact after project completion as they are anchored in the country's own systems.

## II. PROGRAM DESCRIPTION

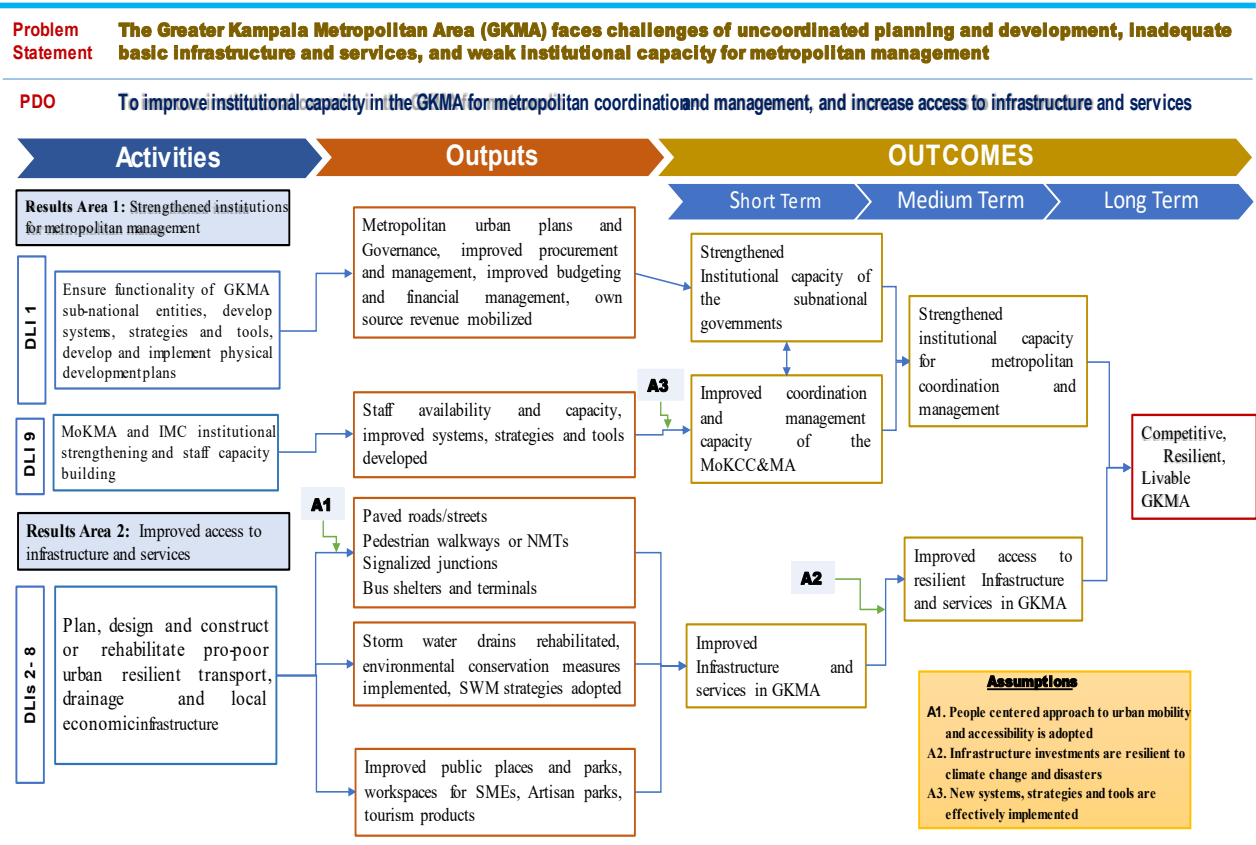
### A. Government Program

20. **The GoU's program is contained in the GKMA Economic Development Strategy (2020 – 2030), with an estimated overall cost of US\$2,995 million.** The strategy integrates interrelated projects/activities into programs and gives coherence, for the first time under one umbrella, to different investments and initiatives of the LGs in an integrated manner within the context of the GKMA. Under the GKMA strategy, the Government highlights five strategic objectives and major program areas, which include: (i) *Competitive Economic Infrastructure* - Strategic Roads Program, Public Transportation Program, and Affordable Housing and Land Management Program, (ii) *Conserve and protect environmental assets* - Comprehensive Solid Waste Management Program and Lakes, Wetlands & Waterways Conservation Program, (iii) *Business support to transform the informal sector, the youth and economic growth clusters*, Micro, Small and Medium Enterprise workspace and innovation and skilling program, Business engagement and youth entrepreneurship development program, Cluster Competitiveness Program, Certification, Apprenticeship and Accreditation, (iv) *A unique centre for tourism*, infrastructure in the tourism sites and deliberate efforts to promote tourism in the GKMA; and (v) *Effective city and local government service delivery* - Sub-national Government Skills, strong institutional and legal arrangement and governance for effective city and service delivery and strengthening institutions to deliver services, for example Local Economic Development (LED).

21. The MoKCCMA is responsible for overall coordination and oversight of the GKMA Economic Development Strategy (2020-2030) but as per their legal mandate, the KCCA, the three districts and five municipal LGs are responsible for implementation of the investments in their respective jurisdictions and with their respective budget allocations. The activities under the Program are within the core devolved functions and mandates of KCCA and the LGs which they have been implementing for the last 25 years since 1997 with the promulgation of the national Constitution (1995) and the enactment of the Local Government Act (1997). These pieces of legislation devolved service delivery to LGs because they are nearer to the population while the central ministries, departments, and agencies (MDAs) retained the mandate for policy, standards, coordination and setting of guidelines.



B. Theory of Change



22. The ToC seeks to address some constraints identified within the GKMA, namely: (a) inadequate urban infrastructure, (b) constrained service delivery, (c) uncompetitive business environment, and (d) limited job opportunities. The overall desired long-term outcome is to achieve a competitive, resilient, and livable GKMA. There are two medium-term outcomes for the GKMA which the Program seeks to achieve as stated in the PDO: (i) Strengthened institutional capacity for metropolitan coordination and management, and (ii) Improved access to resilient Infrastructure and services. Three short-term outcomes will lead to achievement of the medium-term outcomes: (i) Strengthened Institutional capacity of the subnational governments, (ii) Improved coordination and management capacity of the MoKCC&MA, and (iii) Improved Infrastructure and services in GKMA. The intermediate results indicators (outputs) are linked to the Program outcomes and will be measured from: (a) strategies, systems and tools developed and staff capacities enhanced, (b) the actual infrastructure delivered under the Program (e.g. kilometers of roads, signalized junctions, street lights installed, kilometers of NMT (pedestrian walkways), bus shelters/terminals, etc., considering climate and disaster risks in their designs, (c) storm water drains rehabilitated to reduce the impacts of flooding, trees and green areas planted, and (d) artisan parks and work spaces for Small Medium Enterprises (SMEs) provided, tourism products developed and tourism infrastructure provided, considering climate and disaster risks in their site location and designs. Several relevant activities which will contribute to achievement of the intended outputs have been identified. The ToC demonstrates a clear causal pathway between the required interventions to be able to achieve the planned



outcomes. Three critical assumptions that may impact achievement of results have been identified: (i) *people centered approach to urban mobility and accessibility is adopted* - which requires rethinking the approach towards transportation from the concept of how to reduce congestion on the streets to move cars faster to instead focus on how people can be helped to access their destinations with less friction, (ii) *target stakeholders set up viable enterprises* - to be able to transform the informal sector, provide jobs to the youth and women and set up economic growth clusters, and (iii) *new systems, strategies and tools are effectively implemented* – to be able to address the institutional weak capacities.

### C. PforR Program Scope

23. The Program is designed to achieve two results areas (RAs). RA1 – Strengthened institutions for metropolitan management and coordination both at national and sub-national level. RA 1 will be financed through two windows. Window 1 for KCCA and the eight metropolitan LGs (sub-national level) and Window 3 for MoKCCMA/PTC (national level); and RA2 – improved access to infrastructure and services. RA 2 will be financed through the Metropolitan Development Grant (MDG) under Window 2. The Program has nine DLIs that have been grouped to achieve the two RAs. DLI 1 financed under Window 1 and DLI 9 financed under Window 3 will achieve RA 1. DLIs 2 – 8 under Window 2 through the MDG will achieve RA 2.

24. The PforR Program will support some elements of the Government program as presented in table 1. *The PforR pillar 1 of Mobility and accessibility* is linked to the government program 1.1 - strategic roads. The activities to be financed under this pillar will be limited to (i) rehabilitation/upgrading of existing roads within the existing right of way; (ii) improving on existing streets to meet the needs of all users, both vehicles and non-motorized transport (cyclists and pedestrians), (iii) signalization of junctions – most junctions are currently roundabouts, and they cannot handle the increased traffic volume. They need to be upgraded from roundabouts to signalized junctions with traffic lights to improve on traffic flow; and (iv) piloting non-motorized transport (NMT) means of transport within the city CBD by converting some sections of existing streets to only pedestrian and cycling lanes to improve mobility, reduce accidents and reduce carbon emission footprint. *Pillar 2 - Resilience and Environment* is linked to government programs 2.1 - Comprehensive Solid Waste Management (SWM) Program and 2.2 - Lakes, Wetlands, Waterways Conservation Program. The activities to be financed under the PforR Program will only be limited to the following low risk activities: (i) Preparation of SWM strategies to better understand the constraints within the solid waste chain, (ii) Promoting waste segregation/sorting and characterization to promote recycling and reduce waste, (iii) Community sensitization campaigns, (iv) Rehabilitation of stormwater drainage; and (iv) development of green parks/belts and tree planting along roads sides as elements of urban beautification and greening. The first three are linked to government program 2.1 and the latter two activities are linked to government program 2.2. *Pillar 3 - Job Creation* is linked to government programs 3.1 - Micro-enterprise workspace program, 3.2 - Business engagement and youth entrepreneurship development program and 4.1 - Tourism development Program. The activities to be financed under this pillar will be demand driven, low risks and limited to only the establishment of (i) artisans' parks where they can have access to common facilities such as utilities, (ii) markets and spaces for vendors, (iii) business centres for engagement, incubation, and jobs for youth, and (iv) development of international tourist signage system, Kampala tourism circuit and Meetings, Incentives, Conferences and Exhibitions (MICE) Tourism. Investments under pillar 3 will be focused more on the provision of demand driven public local economic infrastructure that can support informal sector, women, and youth entrepreneurs, to grow from informal to micro to small and medium enterprises. It will involve organizing the stakeholders (youth or women) that have demanded for the services to have peer to peer learning, economies of scale and be able to graduate from informal to formal sector. The proposed activities to be financed under the PforR Program are therefore limited to demand driven (and not supply driven) low risk public



investments that are a small sub-set of the government program. As part of an overarching institutional strengthening, the PforR Program will also support government program 5.1 - Sub national Government Skills and Efficiency Program by financing institutional strengthening activities related to skills development, retooling and systems developments (e-governance roll-out such as e-payments, e-feedback etc).

25. The geographical boundary of the GKMA Program will be limited to two levels: *national level* – Ministry of Kampala Capital City and Metropolitan Affairs (MoKCCMA) and the PTC<sup>14</sup>, and *sub-national level* – KCCA and the eight<sup>15</sup> surrounding five municipal and three district LGs. The Program will build on the experiences gained under the on-going USMID PforR Program and refine the mechanisms to enable the focus on the metropolitan area. Table 1 summarizes the slice of the PforR Program as part of the GoU GKMA program.

**Table 1. Government program and the proposed Program boundary**

Strategic objectives	GoU GKMA Programs	GoU Flagship investments Areas	PforR Program
1. Competitive Economic Infrastructure	1.1 Strategic Roads Program	<ul style="list-style-type: none"> <li>Upgrade existing roads</li> <li>Street improvements</li> <li>Strategic new roads investment</li> </ul>	<ul style="list-style-type: none"> <li>Upgrading/rehabilitation existing roads within existing rights of way</li> <li>Street improvements to meet the needs of all users (pedestrian and cycle lanes)</li> <li>Converting roundabouts to Signalized junctions (traffic lights)</li> <li>Piloting Non-Motorized Transport (NMT) means of transport (cycling and pedestrian walkways) as an integral part of mobility within GKMA</li> </ul>
	1.2 Public Transportation Program	<ul style="list-style-type: none"> <li>Pilot Bus Rapid Transit (BRT) key corridors</li> <li>Light rail network</li> <li>Non-motorized transport (NMT) pilot</li> <li>Water transport</li> </ul>	Not applicable (NA)
	1.3 Affordable Housing and Land Management Program	<ul style="list-style-type: none"> <li>High density affordable housing pilot</li> <li>Land zoning and land banking</li> <li>Integrated transport/land use planning</li> <li>Slum upgrading</li> <li>Sites and services</li> </ul>	NA
2. Conserve and protect environmental assets	2.1 Comprehensive Solid Waste Management Program	<ul style="list-style-type: none"> <li>Modern waste management facilities with transfer stations</li> <li>Community sensitization campaigns</li> <li>SWM strategies - Waste segregation/sorting and characterization</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of Solid Waste Management (SWM) strategies to better understand the constraints within the solid waste chain.</li> <li>Promoting waste segregation/sorting and characterization to promote recycling and reduce waste.</li> </ul> <p>Community sensitization campaigns.</p>
	2.2 Lakes, Wetlands,	<ul style="list-style-type: none"> <li>Lake Victoria and wetland</li> </ul>	<ul style="list-style-type: none"> <li>Rehabilitation of stormwater drainage</li> </ul>

<sup>14</sup> The PTC membership comprises MoKCCMA, MoFPED, MoLG, MoLHUD, LGFC, NPA, KCCA, MoWT and Ministry of Water and Environment (MoWE). The committee can co-opt members as and when needed.

<sup>15</sup> Kiira, Nansana, Makindye-Ssabagabo, Mukono and Entebbe municipalities and districts of Wakiso, Mukono and Mpigi.



Strategic objectives	GoU GKMA Programs	GoU Flagship investments Areas	PforR Program
	Waterways Conservation Program	environmental conservation <ul style="list-style-type: none"> <li>Demarcation and buffering of lake shores and wetlands with trees</li> </ul>	<ul style="list-style-type: none"> <li>Development of green parks/belts and tree planting along roadsides</li> <li>Community sensitization campaigns</li> </ul>
3. Business support to the informal sector, the youth and economic growth clusters	3.1 Micro-enterprise workspace program	<ul style="list-style-type: none"> <li>Development of Artisan parks</li> <li>Workspaces and markets for street vendors</li> </ul>	<ul style="list-style-type: none"> <li>Development of Artisan parks</li> <li>Workspaces and markets for street vendors</li> </ul>
	3.2 Business engagement and youth entrepreneurship development program	<ul style="list-style-type: none"> <li>Business engagement centers</li> <li>Business incubation and job centers for youth</li> </ul>	<ul style="list-style-type: none"> <li>Business engagement centers</li> <li>Business incubation and job centers for youth</li> </ul>
	3.3 Cluster Competitiveness Program	<ul style="list-style-type: none"> <li>Strengthening existing clusters and attracting further enterprise investment</li> </ul>	<ul style="list-style-type: none"> <li>NA</li> </ul>
4. A unique center for tourism	4.1 Tourism development Program	<ul style="list-style-type: none"> <li>Kampala tourism circuit</li> <li>Meetings Incentives Conferences and Exhibitions (MICE) Tourism</li> <li>Cultural and Religious Tourism</li> <li>Lake and Eco-tourism</li> </ul>	<ul style="list-style-type: none"> <li>Development of international tourist signage system</li> <li>Kampala tourism circuit<sup>16</sup></li> <li>Meetings, Incentives, Conferences and Exhibitions (MICE) Tourism</li> </ul>
5. Effective city and local government service delivery	5.1 Sub national Government Skills and Efficiency Program	<ul style="list-style-type: none"> <li>E-governance roll-out, including ICT infrastructure and training</li> <li>Capacity-building for local government officials</li> </ul>	<ul style="list-style-type: none"> <li>Skills development</li> <li>Retooling</li> <li>Systems development for metropolitan management (e-governance roll-out such as e-payments, e-feedback etc.)</li> </ul>

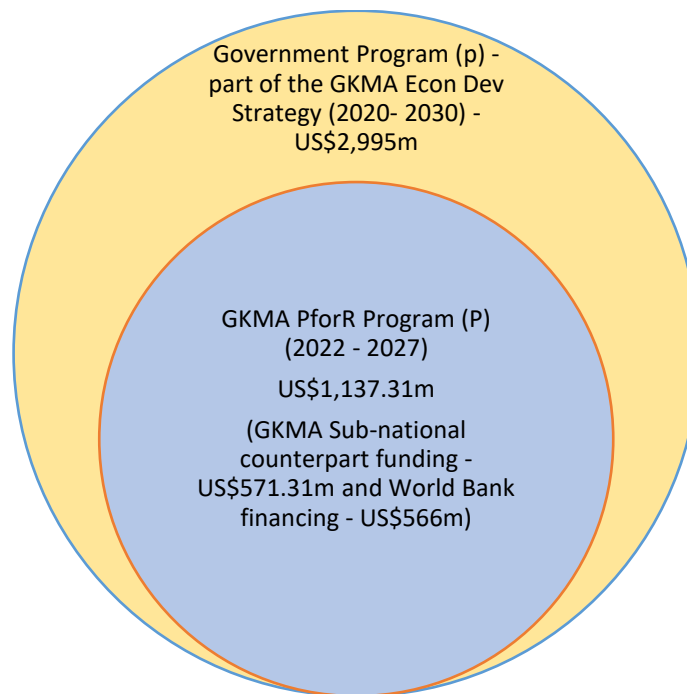
25. **Table 1 and Figure 3 shows the boundary of the PforR Program (US\$1,137.31 million) vis a vis the government program (US\$2,995 million) contained in the GKMA Economic Development Strategy (2020 – 2030).** The Government program, which is contained in the GKMA Economic Development strategy, has five strategic objectives, ten programs and several projects that the government considers its flagship investment areas. The PforR Program is only limited to a sub-set of the government program that are currently being financed by KCCA and the eight metropolitan LGs that are within their mandates and low risks. The size of the PforR is therefore estimated to be US\$1,137.31 million of which KCCA and the eight GKMA LGs will co-finance US\$571.31 million under their current budget lines during the Program period and the World Bank will provide a total funding of US\$566 million<sup>17</sup>.

<sup>16</sup> Includes roads, markets for tourism products, etc.

<sup>17</sup> PforR Program total cost of US\$1,137.31 million is comprising of US\$571.31 million GKMA sub-national counterpart projections for the 5 years Program period and the World Bank Program financing of US\$566 million.



Figure 3. Government program and the PforR Program financing scope



26. **The World Bank financed part of the GKMA UDP PforR Program (US\$566 million) will comprise of three windows:**

27. **Window 1 - GKMA subnational-level institutional Support Grants (ISG) (US\$30 million IDA Grant, DLI 1).** This sub-window will finance institutional strengthening activities related to skills development, retooling and systems developments (e-governance roll-out such as e-payments, e-feedback etc.) to allow the GKMA LGs perform their functions as true metropolitan government managers. Window 1 will contribute to the achievement of RA 1, Strengthened institutions for metropolitan management and coordination.

28. **Window 2 - GKMA subnational-level Metropolitan Development Grants (MDG) (US\$518 million IDA Credit, DLI 2 - 8).** This sub- window will finance low risk infrastructure investments highlighted under the PforR boundary in table 1. KCCA and each of the eight GKMA LGs will have to compete to access the development grant. MDG grants will include a fixed and a variable component. To access the fixed component, GKMA sub-nationals will need to meet the agreed Minimum Conditions (MCs). The variable component can be accessed by GKMA sub-nationals to the extent they meet Performance Measures (PMs) for institutional improvements and infrastructure delivery under the Program. Window 2 will achieve RA 2 of improved access to infrastructure and services in the GKMA area. The combination of RA 1 and RA 2 leads to the achievement of the PDO.

29. **Window 3 - National-level institutional strengthening Grant (US\$18 million IDA Grant, DLI 9).** This sub-window will finance activities to support the MoKCCMA and the PTC to achieve the necessary results related to improved policy, legal or institutional framework for metropolitan coordination, management, and improved service delivery, including timely assessment and release of funds under the Program and provision of support for smooth Program implementation (DLI 9). Window 3 will contribute to the achievement of institutional strengthening RA 1 at the MoKCCMA and the PTC.



30. The GKMA sub-nationals (KCCA and the 8 LGs in the GKMA) will need to meet the agreed Minimum Conditions (MCs) to access Institutional Support Grant (ISGs) and Metropolitan Development Grants (MDGs) every year. In addition, the extent to which they meet Performance Measures (PMs) will enable them to earn more resources for institutional improvements and infrastructure delivery under the Program. Minimum Conditions compliance and performance on the part of GKMA sub-nationals will be assessed on an annual basis, through Annual Performance Assessments (APAs), which will be undertaken by Independent Verification Agencies (IVAs) (private consultancy firms), procured, and supervised by MoKCCMA. The details of the assessment tool will be included in the Program Operations manual.

**GKMA sub-national Institutional Support Grant (ISG) - DLI 1 (US\$30 million, IDA Grant)**

31. This sub-window will be financed by an IDA grant of US\$30 million. Subject to compliance with Minimum Conditions (MCs), each eligible GKMA sub-national will have access to an annual ISG, set at a flat rate of US\$833,000 per GKMA sub-national and made available for four years. The flat rate recognizes that the institutional needs for the sub-nationals are similar. In total, each participating GKMA sub-national would be able to benefit from a total of US\$3.33 million in the form of ISGs over the Program period. To qualify for their ISGs, eligible GKMA sub-national will need to comply with the MCs indicated in table 2. Compliance with these MCs will signal that each of the GKMA sub-nationals have the willingness and capacity to engage actively in the development of the GKMA in a coordinated manner. This arrangement provides adequate flexibility and incentive for competition and disbursement of the ISG.

**Table 2. ISGs – Minimum Conditions**

Minimum conditions	Indicator
<b>ISG MC1:</b> GKMA sub-national has drawn up (and reviewed implementation of) an Institutional Support Plan (ISP)	ISP drafted by GKMA sub-national as per template in the Program Operational Manual (POM) and reviewed ISP implementation on an annual basis.
<b>ISG MC2:</b> <u>From Year 2 onwards:</u> GKMA sub-national use of previous year’s ISG has been as per approved ISP and is consistent with guidelines in the Program Operational Manual.	Annual GKMA sub-national expenditure statement shows that the sub-national has followed approved annual ISP work plan and ISG expenditure guidelines. Any expenditure on non-eligible items will mean failure to comply with this ISG Minimum Condition.
<b>ISG MC 3:</b> GKMA sub-nationals has drawn up an ISP with at least 30 percent of funds for climate change related activities <sup>18</sup>	Annual ISP shows at least 30 percent of funds is allocated for climate related activities. LGs’ expenditure statement shows that LG has utilized 30 percent of ISGs to climate change related activities.

32. The ISG is intended to strengthen the capacity of the GKMA sub-nationals as an autonomous corporate body to deliver on their statutory mandates, but in a coordinated manner and with a resilient territorial development logic. This will be achieved by strengthening the capacity of the GKMA sub-nationals to undertake climate- and disaster-resilient investment planning and prioritization, design, and supervision of investments. It will also support the mainstreaming of biodiversity management, climate adaptation and resilience measures, revenue collection capacity to support future investments and ensure maintenance of infrastructure and services, preparation of GKMA physical development plan (PDP) and detailed local area development plans aligned to the GKMA PDP and use of e-platforms for service delivery and citizens engagements and feedbacks.

<sup>18</sup> Climate change related activities are in the category of 1. Urban planning & services, 4. Asset management, and 5. Urban resilience and climate change/disaster risk management of table 3. ISG eligible expenditure menu





33. **Program ISG expenditure menu – GKMA sub-nationals that qualify for ISGs will use their grants to finance three categories of institutional support activities related to metropolitan management.** This will include (i) human resource development - short-term skills development not exceeding nine months, (ii) institutional capacity and systems development related to metropolitan management e.g., E-government services roll-out; and (iii) retooling related to improving working environment, strengthening urban governance and service delivery. The activities to be funded by the ISG should not only improve the performance of the GKMA sub-nationals but also enable them to meet the Program’s Disbursement Linked Results (DLRs) – and thus qualify for larger metropolitan development grants (MDGs). The ISG will be released as one tranche to qualifying GKMA sub-nationals at the beginning of each fiscal year. Table 3 presents the indicative expenditures financed by the ISGs and the list of non-eligible expenditures (to be detailed in the Program’s Operational Manual). A maximum of 20 percent of ISG annual allocations can be used to finance the purchase of IT equipment and retooling by the GKMA sub-nationals.

**Table 3. ISG eligible and non-eligible expenditure menu**

<b>A. ELIGIBLE EXPENDITURES</b>		
No	Functional area	Indicative expenditure areas
1	Urban planning & services	<ul style="list-style-type: none"> <li>• Spatial planning activities</li> <li>• GIS mapping instruments</li> <li>• Investment planning improvements</li> <li>• Enforcement and implementation</li> </ul>
2	Urban economic development and competitiveness	<ul style="list-style-type: none"> <li>• Mapping of economic activities and private sector actors</li> <li>• Surveys of local business environment</li> <li>• Consultative meetings between MA and private sector</li> </ul>
3	Own Source Revenue (OSR) improvements	<ul style="list-style-type: none"> <li>• Development of revenue databases</li> <li>• Development of modernized billing systems</li> <li>• Street and property addressing</li> <li>• Property valuation updates</li> <li>• Enforcement and implementation</li> </ul>
4	Asset management	<ul style="list-style-type: none"> <li>• Asset mapping and inventories</li> </ul>
5	Urban resilience, key biodiversity area (hope spots), and climate change/disaster risk management	<ul style="list-style-type: none"> <li>• Climate change impact assessment</li> <li>• Key biodiversity areas (hope spots)</li> <li>• Disaster risk assessment</li> <li>• Risk map</li> <li>• Emergency response plan</li> </ul>
6	Environmental and social Management	<ul style="list-style-type: none"> <li>• Support to functionality of District/Urban environment and natural resource committee</li> <li>• Environmental and Social assessments,</li> <li>• Stakeholder Engagements and GRM, GBV/SEA/SH</li> <li>• Environmental compliance Audits,</li> <li>• Health and Safety in infrastructural development</li> <li>• Gender mainstreaming,</li> <li>• Capacity building for enhanced E&amp;S risk management in infrastructural development e.g., costing ESMP, E&amp;S in designs, B.O.Q, ESHS in bidding &amp; contractual</li> <li>• development of bylaws and ordinance</li> </ul>
7	E-government services	<ul style="list-style-type: none"> <li>• Participation and communication services (e-platform)</li> <li>• Integrated services (e.g., one-stop services and portals)</li> </ul>



A. ELIGIBLE EXPENDITURES		
No	Functional area	Indicative expenditure areas
		<ul style="list-style-type: none"> <li>• Electronic Government Procurement(eGP)</li> </ul>
8	Human resource development	<ul style="list-style-type: none"> <li>• Training in the above areas (short courses not exceeding 9 months)</li> </ul>
9	Retooling	<ul style="list-style-type: none"> <li>• Office furniture</li> <li>• Office renovation (painting, tiling, etc.)</li> <li>• Internet connectivity</li> <li>• Specialized equipment and tools (surveying, air quality, other environmental monitoring equipment, weather station etc.)</li> </ul>
B. NON-ELIGIBLE EXPENDITURES		
a	Means of transport (vehicles, motorcycles)	
b	Construction of office building	
c	International travel and associated costs	
d	Long term training costs (for example, university degree programs)	
e	Recurrent costs (for example, salaries, utilities, and the like)	

**Metropolitan Development Grants (MDGs) - DLIs 2 – 8 (US\$518 million, IDA Credit)**

34. **Allocations** - The allocation of an annual MDG for a GKMA sub-national will be based on a fixed and a variable component. Under the fixed component, allocations will be based on a basic formula (a constant) – 20 percent of the MDG annual pool shared equally between the GKMA sub-nationals. The remaining 80 percent of the annual pool will be allocated through the variable component, based on results of the annual performance assessment weighted with two variables of total population – weight of 65 percent, to provide for demand/scale of delivering services, and poverty head count – 15 percent, for equalization purposes. The fixed allocation (equal share) is to ensure that each GKMA sub-national gets a meaningful allocation which is adequate to deliver quality investment, while the variable allocation is intended to align the incentives for metropolitan coordination. These are the same variables used to allocate the Government urban discretionary development equalization grant and the urban USMID PforR.

35. **Table 4 provides the MDG indicative planning figures that the GKMA sub-nationals will access over the Program period.** To access their maximum MDG allocations, sub-nationals will need to: (a) comply fully with all MDG Minimum Conditions; and (b) fully achieve all MDG Performance measures and meet annual targets. An annual pool fund that has not been fully disbursed in a year will be rolled forward and added to the pool of the next fiscal year where all sub-nationals will be eligible to compete for. The MDG will be disbursed in the first four years, with year five left to allow for all pending works to be completed, including defects liability period.



**Table 4. Maximum MDG allocations to GKMA Sub-nationals (US\$518 million) over Program period (FY23 – FY27)**

	GKMA Sub-national	Population	Poverty head count (%)	Pop weight coefficient	Poverty Weight coefficient	Constant allocation (20%) – US\$ <sup>19</sup> m	Weighted Variable allocation <sup>20</sup> (80)	Total MDG IPF
1	KCCA	1,709,900	2.6	0.29	0.10	11.50	105.41	116.91
2	Mpigi District	292,900	3.7	0.05	0.14	11.50	27.71	39.21
3	Mukono District	523,700	7.3	0.09	0.28	11.50	52.06	63.56
4	Wakiso District	1,495,300	3.7	0.26	0.14	11.50	98.42	109.92
5	Entebbe MC	109,100	1.5	0.02	0.06	11.50	11.40	22.90
6	Mukono MC	196,400	3.0	0.03	0.11	11.50	18.65	30.15
7	Makindye-Ssebagabo MC	567,700	1.5	0.10	0.06	11.50	38.33	49.83
8	Nansana MC	440,500	1.5	0.08	0.06	11.50	31.60	43.10
9	Kira MC	493,100	1.5	0.08	0.06	11.50	31.60	43.10
	<b>Total</b>	<b>5,828,600</b>	<b>26.3</b>	<b>1.00</b>	<b>1.00</b>	<b>103.50</b>	<b>415.00</b>	<b>518.00</b>

Source: Uganda Bureau of Statistics (UBoS), 2021

Based on the anticipated allocations, the maximum amount any one of the GKMA entities would receive in total ranges from US\$4.4 million to US\$23.38 million per year (based on minimum conditions plus a performance top up)

**MDG Minimum Conditions (MCs) - DLI 2 (US\$ 60 million, IDA Credit)**

36. **To qualify for MDG, eligible GKMA sub-nationals will need to comply with three basic MDG MCs.** The four MCs that need to be complied with are summarized in table 5. GKMA sub-nationals will need to comply with all MCs to qualify for their annual MDGs. Sub-nationals that meet the MCs will get initial MDGs of US\$60 million, shared equally, allocated under DLI 2 during the Program period. The MC and DLI 2 are intended to incentivize GKMA sub-nationals to have the basic institutional functional fiduciary, standards, and technical capacities to deliver the Program successfully and within time.

**Table 5. MDGs– Minimum Conditions**

UDG MC No	MDG Minimum Conditions	Indicators
<b>MC 1</b>	The sub-national entity has <b>substantively<sup>21</sup> filled key staff positions</b> that are relevant for metropolitan governance and service delivery	<ul style="list-style-type: none"> <li>The sub-national entity has an Executive Director/Town Clerk designated by OOP/MoLG and appointed by PS/ST MoFPED as Accounting Office.</li> <li>The sub-national entity has critical positions in all the ten departments as outlined in the performance assessment manual substantively filled.</li> </ul>
<b>MC 2</b>	The sub-national entity has demonstrated basic capacities in <b>budgeting, procurement, and financial management</b> (fiduciary standards)	<ul style="list-style-type: none"> <li>The sub-national entity has done the following:                             <ol style="list-style-type: none"> <li>Submitted an annual performance contract of the current FY that among others includes annual work-plan, budget and procurement plan by the deadline issued by MoFPED<sup>22</sup>.</li> <li>Submitted the Annual Performance Report for the previous FY on or before the</li> </ol> </li> </ul>

<sup>19</sup>US\$518 x 0.2/9 GKMD sub-nationals

<sup>20</sup> [(Population weighted coefficient x 0.65) + (Poverty weighted coefficient x 0.15)] x US\$518m

<sup>21</sup> Substantively filled means that the staff appointed and posted possesses the required skills and qualifications.

<sup>22</sup> The deadline of June 30 specified in the PFMAA and LG Budget guidelines is often not complied with due to systemic and functionality issues with the PBS.



UDG MC No	MDG Minimum Conditions	Indicators
		<p>deadline issued by MoFPED of the current Financial Year<sup>23</sup></p> <p>iii. <b>Internal Audit function</b> is being executed in accordance with the LGA section 90, LG Procurement Regulations, PFMAA and KCCA Act?</p> <p>iv. The <b>audit opinion of LG Financial Statement</b> for the previous FY is not adverse or disclaimer</p>
<b>MC 3</b>	The sub-national entity has met all <b>Program specific requirements</b>	<ul style="list-style-type: none"> <li>• The sub-national entity has:               <ol style="list-style-type: none"> <li>i. Signed a Participation Agreement with MoKCCMA (first year only).</li> <li>ii. The sub-national entity has a functional Metropolitan Development Forum.</li> <li>iii. Annual work-plan/budget for GKMA PforR adheres with the investment menu and selection criteria provided for in the Program Operational Manual.</li> <li>iv. Adheres to the eligible expenditures (investment menu) for the use of funds in the previous year</li> </ol> </li> </ul>
<b>MC 4</b>	The sub-national entity has demonstrated basic capacities in climate and disaster risk management	<ul style="list-style-type: none"> <li>• Evidence that the sub-national entity has carried out climate change/ disaster risk screening checklist<sup>24</sup> at planning, designing, implementation, and completion (O&amp;M) stages for the infrastructure investments supported by the MDGs</li> </ul>

37. **The MDG MC assessment will be a simple “Yes” or “No” scoring system when the MCs have been met or not respectively.** A score of “No” in any one of the MC parameters will make the sub-national not be eligible to access the MDG grant (DLI 2-8) for the year for which the assessment is meant to trigger funds release. The sub-national may, however, access the ISG if it meets the MC for the ISG.

**MDG Performance Measures (PMs) - DLIs (3 – 8) (US\$458 million, IDA Credit)**

38. **Performance Measures (PMs) – sub-nationals that meet the MC will qualify to receive additional MDGs based on their performance, as measured against a specific set of Performance indicators that will trigger disbursements under DLIs 3 - 8.** The PMs assessments will focus on four thematic areas, with a total score of 100 points each. The summary is presented in the table below, and a detailed and transparent scoring system is described in Annex 2, Table 2.

**Table 6. Summary of Performance Measures (PM) for GKMA sub-nationals**

Performance Measures Area	Performance Indicators	DLI amount (US\$ million)
<b>DLI 3</b> - GKMA Sub-nationals have strengthened institutional performance for service delivery, including climate-resilient project designs	<ul style="list-style-type: none"> <li>• Urban planning*, budgeting, and management</li> <li>• Own Source Revenue Mobilization and Administration</li> <li>• Procurement</li> <li>• Accounting and core financial management</li> <li>• Metropolitan governance</li> <li>• Environmental and social standards</li> <li>• Climate and disaster risk management</li> </ul>	60.00
<b>DLI 4:</b> GKMA Sub-nationals have planned and delivered climate-resilient infrastructure investments in an integrated and coordinated manner	<ul style="list-style-type: none"> <li>• GKMA sub-national development/investment plans show coordinated, climate-resilient, and integrated development planning</li> <li>• Roads’ investments take into consideration same design standards for disaster and climate resilient infrastructure and connectivity</li> </ul>	70.00

<sup>23</sup> The deadline of 31st July specified in the PFMA Act, 2015 is seldom complied with due to systemic and functionality issues with the PBS

<sup>24</sup> As per the Urban Resilience Guideline and Checklist in POM. Verification methodology of DLI 2 MC 4 will be elaborated in the POM.



	<ul style="list-style-type: none"> <li>Joint procurement of contractors and supervising consultants for investments that are multi-jurisdictional.</li> </ul>	
<b>DLI 5</b> - GKMA Sub-nationals have implemented their annual climate-resilient <sup>25</sup> infrastructure investments plans	<ul style="list-style-type: none"> <li>Average implementation percentage of targets set in annual work plan</li> </ul>	90.00
<b>DLI 6</b> - GKMA Sub-nationals have achieved value for money when delivering the infrastructure investments	<ul style="list-style-type: none"> <li>Annual VfM Audit Reports from Office of Auditor General (OAG)</li> </ul>	70.00
<b>DLI 7</b> - GKMA Sub-nationals have executed operation and maintenance for all major infrastructure assets in accordance with guidelines in the Project Operational Manual	<ul style="list-style-type: none"> <li>Budget implementation for O&amp;M for all major infrastructure projects and assets during the previous FY**.</li> </ul>	50.00
<b>DLI 8</b> – GKMA Sub-nationals have delivered infrastructure investments that contribute to climate change mitigation and adaptation	<ul style="list-style-type: none"> <li>GKMA sub-national development/investment plans show investments that contribute to climate change mitigation and adaptation</li> </ul>	118.00
<b>Total</b>		<b>458.00</b>

\*As part of metropolitan planning and management, the Physical Development Plan to be developed and implemented will consider climate and disaster risks.

\*\* This includes budget implementation for O&M of interventions that contributes to climate change mitigation and adaptation, such as associated road drainage rehabilitated under Pillar 1, rehabilitation of storm water drainage, ecosystem restoration, green parks, solid waste management, emergency preparedness and response infrastructure under Pillar 2, and job creation facilities under Pillar 3.

39. **The PMs assessments are explicitly designed to incentivize the GKMA sub-nationals to strengthen their institutional capacity to be actively engaged with metropolitan development issues and to improve the quality of the metropolitan public goods and services that they provide.** The maximum Performance score for any sub-national is 100 percent for each of these DLIs. MDGs will be earned on a pro rata basis<sup>26</sup>.

**MDG Investment menu**

40. **GKMA sub-nationals will be able to use its MDG to finance investments in three key pillars of urban infrastructure and service delivery aligned to the GKMA Economic Development Strategy (the Government program),** and consistent with their mandates as provided for in the Local Governance Act, (CAP 243) and KCCA Act, 2010. The eligible investment activities and negative lists under the Program are presented in table 7.

<sup>25</sup> All sub-project investments in the climate-resilient infrastructure investment plan will be screened by the climate change/ disaster risk screening checklist at planning, designing, implementation, and completion (O&M) stages.

<sup>26</sup> Assume that KCCA with a population of 1,709,900 and poverty head count of 2.6 per cent scored 60 percent in any of the DLIs 3 – 6, the maximum MDG KCCA is entitled to will be [(KCCA population/total GKMA population) x weight assigned to population) + (KCCA poverty head count/sum GKMA poverty head count) x weight assign to poverty head count]] x total MDG allocation (US\$518) x KCCA score/average score of all the GKMA sub-nationals]



**Table 7. MDG eligible and non-eligible investment/expenditure menu**

ELIGIBLE INVESTMENTS & EXPENDITURES	
Pillars and linkage to GoU program	Indicative investments
<p><b>Pillar 1 - Mobility and Accessibility</b> – linked to government program 1.1 - Strategic Roads Program</p>	<ol style="list-style-type: none"> <li>1. Upgrading/rehabilitation existing roads within existing rights of way</li> <li>2. Street improvements to meet the needs of all users (pedestrians and cycles lanes)</li> <li>3. Converting roundabouts to Signalized junctions (traffic lights)</li> <li>4. Piloting NMT means of transport (cycling and pedestrian walkways) as an integral part of mobility within GKMA</li> </ol>
<p><b>Pillar 2 – Resilience and Environment</b> - linked to government programs 2.1 - Comprehensive Solid Waste Management (SWM) Program) and 2.2 - Lakes, Wetlands, Waterways Conservation Program.</p>	<ol style="list-style-type: none"> <li>1. Preparation of SWM strategies to better understand the constraints within the solid waste chain.</li> <li>2. Promoting waste segregation/sorting and characterization to promote recycling and reduce waste.</li> <li>3. Community sensitization campaigns on improved SWM and climate risks.</li> <li>4. Rehabilitation of stormwater drainage</li> <li>5. development of green parks/belts and tree planting along roadsides</li> </ol>
<p><b>Pillar 3 - Job Creation</b> - linked to government programs 3.1 - Micro-enterprise workspace program, 3.2 - Business engagement and youth entrepreneurship development program and 4.1 - Tourism development Program</p>	<ol style="list-style-type: none"> <li>1. Artisan Parks including common user facilities</li> <li>2. Markets for street vendors</li> <li>3. Workspaces to support Youth and Women employment</li> <li>4. Workspaces for small scale food processing and value addition activities, and</li> <li>5. Development of GKMA Tourism Circuit (development of international tourist signage system, Kampala tourism circuit, and meetings Incentives Conferences and Events (MICE) Tourism)</li> </ol> <p>Note: Investments under this Pillar must be Demand-Driven</p>
General screening criteria	
<p><b>A. Preliminary screening</b></p> <ol style="list-style-type: none"> <li>1. Sub-project is within the agreed PforR <b>investment menu</b> boundary above.</li> <li>2. Sub-projects are aligned to <b>GKMA strategy and</b></li> <li>3. <b>Contained in the 5-year rolling sub-national local development plan</b> which has been discussed, approved, and owned by the local council.</li> <li>4. There is evidence of demand, well documented for the Pillar 3 (Job Creation) investments, as detailed in the POM.</li> </ol> <p><b>B. Detailed screening</b></p> <ol style="list-style-type: none"> <li>5. <b>Inclusivity</b> in terms of impact and use by different stakeholders (GKMA residents) – private investments for exclusive usage of few, and investments with limited numbers of users will be excluded. Preference will be given to investments which are public, with a substantial number of beneficiaries.</li> <li>6. <b>Technical viability</b> -feasibility study and detailed designs should demonstrate sub-project viability for implementation in terms of costs being within available resources, existence of right of way, low risks in terms of environment risks mitigation measures costs, no RAP costs or minimum within the KCCA and LGs available financing, and no or minimum displacements with suitable relocation sites.</li> <li>7. <b>Sub-projects Readiness for implementation</b> – the sub-project is ready for implementation by having in place detailed design, BoQs, right of way fully acquired, PAPs fully compensated and relocated, continuous sub-project sites, free of encumbrances, available for handover to contractors, availability of the necessary certificates from National Environmental Management Authority (NEMA) to confirm that all the environmental standards requirements have been complied with before construction.</li> <li>8. <b>Sustainability</b> – sub-projects should complement/enhance the functionality of existing investments. For examples roads selected for funding under the PforR Program Should be linked to other roads beyond the boundary of the implementing LG to improve connectivity and mobility within the GKMA.</li> <li>9. <b>Time consideration</b> – sub-projects to be prioritized for implementation should be those that can be completed within the Program period (1 – 4 years). They should have low environmental and social risks without any complications downstream that may delay implementation.</li> <li>10. At least 80 percent of the MDG shall be spent on <u>non</u>-moveable infrastructure assets.</li> <li>11. Part of the MDG can be used for investment implementation costs (supervision costs).</li> <li>12. <b>Climate and disaster resilience</b> - Siting, design, construction, and implementation of all physical infrastructure under all three pillars must consider risk map (flood, drought, fire, soil erosion)/disaster risk management plan/climate change impact</li> </ol>	



assessment and integrate measures to make them resilient to climate change and disaster impact (as per the Urban Resilience Guideline and Checklist in POM).
<b>NON-ELIGIBLE INVESTMENTS &amp; EXPENDITURES (Negative list)</b>
<ul style="list-style-type: none"> <li>a. <b>Exclusions:</b> Activities that are high risk, e.g. widening of existing roads that have RAP costs that cannot be financed by the GKMA sub-nationals, sub-projects that will displace people where KCCA and the 8 metropolitan LGs cannot afford to pay the RAP cost or mitigate the associated risks; slum upgrading; reclaiming of wetlands; abattoirs; and landfill.</li> <li>b. Any investments that are a green field and would require a longer time to prepare and obtain the necessary standards clearances – construction of new roads that do not have the right of way.</li> <li>c. Investments that are for private use, e.g. private markets, private workspaces, and private car/taxi parks.</li> <li>d. The following types of public investment (Vehicles, new office buildings, any investments that do not fall under the three pillars above)</li> </ul>

41. **The Program’s Operational Manual will include a negative list of investments which will not be considered eligible under the Program.** Specifically, GKMA sub-nationals will not use the MDG to finance expenditures in activities that do not fall within the PforR menu of investments, even though such activities may be an integral element of their functional mandate as spelled out in the Local Governance Act, (CAP 243) or KCCA Act (2010). In addition, MDGs will not be used to finance investment projects that are of high risks. To ensure robust monitoring of the eligible investment projects by sub-nationals, the MoKCCMA/PTC will closely monitor the usage of the MDGs through field visits as well as quarterly report, and the World Bank will carry out implementation support mission for monitoring (See Section III B under Results Monitoring and Evaluation).

42. **The National (MoKCCMA/PTC) sub-window (DLI 9) - US\$18 million will be financed through an IDA Grant.** The national sub-window will finance (i) activities for the achievement of the necessary results related to improved policy, legal or institutional framework for metropolitan coordination, management and improved service delivery, (ii) timely annual assessment and disbursement of Program funds, and (iii) support Program management (Coordination, technical back-up support by MoKCCMA /PTC, M&E, Program Action Plan (PAP), Program Mid Term Review (MTR), and systems developments) and all those other functions needed to be performed by the central MDAs to ensure successful implementation of the Program. The MoKCCMA, as the executing ministry, will coordinate the preparation of the GKMA annual work plan (AWP) from the various MDAs to support the GKMA sub-nationals for approval by the PTC for funding under this sub-window. The funds will be made in equal installment of US\$2 million for the Program period of 5 years and will be assessed based on the existence of a satisfactory AWP (in year 1) and implementation of the AWP of the previous year. Disbursement will be based on a pro rata of percentage implementation of the annual AWP by the MDAs.

**Expenditure Framework**

43. **The proposed Program will support the Government’s program totaling US\$2,995 million contained in the GKMA Economic Development Strategy (2020 – 2030).** The PforR Program with a total cost of US\$1,137.31 million will be financed from KCCA and the 8 GKMA LGs counterpart funding of US\$571.31 million and World Bank funding of US\$566 million. The World Bank financing will support the budget lines of the MoKCCMA for Program management, technical back-up support and the development of metropolitan governance policies, standards, and guidelines for improved and coordinated service delivery (US\$18 million), and the budget lines for KCCA and the 8 LGs for their institutional strengthening (US\$30 million) and improved infrastructure delivery and services (US\$518 million) (See Section II C under PforR Program Scope).

44. **The Program Expenditure framework has been analyzed by assessing the expenditures of KCCA and the 8 metropolitan LGs in the activities that will be supported under the PforR Program.** The assessment has established that KCCA and the 8 GKMA LGs have been financing, over the last three years (FY2018/19 – FY2020/21), on average US\$114.26 million per annum. In FY2018/19, FY2019/20, and 2020/21; KCCA and the



eight GKMA LGs spent US\$111.50 million, US\$120.1 million, and US\$126.28 million respectively in the investment areas of roads rehabilitation, Street lighting, urban beautification, drainage, sewage, solid waste management, and urban local economic development (markets and taxi/bus parks). These are the investment areas that will be supported under the PforR Program. It is therefore projected that KCCA and the 8 metropolitan LGs will spend about US\$571.31 million over the PforR Program period of 5 years. These expenditures by KCCA and the 8 GKMA LGs, limited to the investment activities to be supported under the PforR Program, will be considered as the GKMA sub-nationals counterpart funding and not new additional money that would be required during Program implementation. In summary, given the total government program cost of US\$2,995 million, PforR Program cost of US\$1,137.31 million comprising of GKMA sub-national counterpart funding of US\$571.31 million and World Bank contribution of US\$566 million; the KCCA and the 8 GKMA LGs counterpart financing of US\$571.38 million is 19.1 percent of the government program. The World Bank financing of US\$566 million is 18.9 percent of the government program. The PforR financing of US\$1,137.31 million is 38.0 percent of the government program. The assessment also confirms that under the GoU Public Financial Management (PFM) system, the budgeting and accounting systems and procedures are adequate enough to allow for the auditing of the PforR funds. Table 8 summarizes the expenditures projections for the PforR Program of US\$1,137.31 million.

**Table 8a. GKMA sub-national PforR expenditure framework (US\$ million)<sup>27</sup>**

Exchange rate: US\$1 = UGX 3,750 (As of November 5, 2021)							
Expenditure Framework	Yr. 0	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr.5	Total
<b>1. KCCA &amp; eight GKMA sub-nationals counterpart funding</b>	<b>81.61</b>	<b>158.04</b>	<b>78.72</b>	<b>106.12</b>	<b>111.43</b>	<b>117.00</b>	<b>571.31</b>
- of which roads rehabilitation and upgrading	66.02	129.32	64.36	86.57	90.89	95.44	466.58
- of which Solid waste management and drainages	12.89	24.13	12.06	16.36	17.18	18.04	87.76
- of which market and taxi parks	2.71	4.59	2.3	3.2	3.36	3.53	16.97
<b>2. GKMA – UDP Bank financing</b>	<b>NA</b>	<b>98.50</b>	<b>138.50</b>	<b>173.50</b>	<b>138.50</b>	<b>17.00</b>	<b>566.00</b>
- of which roads rehabilitation and upgrading	NA	70.00	102.00	130.00	102.00	12.00	418.00
- of which Solid waste management and drainages	NA	8.50	12.50	16.00	12.50	1.50	51.00
- of which market and taxi parks	NA	8.50	12.50	16.00	12.50	1.50	51.00
- of which institutional support to GKMA sub-nationals and MoKCCMA	NA	11.50	11.50	11.50	11.50	2.00	48.00
<b>3. GKMA - UDP PforR Program (1 + 2) (P)</b>	<b>NA</b>	<b>256.54</b>	<b>217.22</b>	<b>279.62</b>	<b>249.93</b>	<b>134</b>	<b>1,137.31</b>

**Table 8b. Alignment of PforR Program and Government program.**

	Government program	Program supported by the PforR	Reasons for non-alignment
Objective	Job creation, improved livability, and a sustainable development within GKMA.	improved mobility, enhanced living environment, and developed job locations within the GKMA	The PforR operation will only support elements of the RAs of the government program.
Duration	2020-2030	2022-2027	
Geographic coverage	KCCA and 8 metropolitan LGs (3 DLGs and 5 MCs)	KCCA and 8 metropolitan LGs (3 DLGs and 5 MCs)	
Program areas	10	7	High risks activities under the program excluded from the PforR operation.
Overall Financing	US\$2,995 million	US\$1,137.31million	

<sup>27</sup> Bank projections based on Expenditures Framework figures, MoFPED, GoU





**Table 9. Program Financing**

	<b>Total US\$ million</b>	<b>Percentage</b>
<b>Program Cost by Windows financed by IDA</b>		
1. PforR Window	566.00	49.7%
1.1 Institutional Support Grant (ISG) – IDA Grant	30.00	2.6%
1.2 Metropolitan Development Grant (MDG)- IDA Credit	518.00	45.5%
1.3 Support to MoKCCMA & PTC for Program implementation – IDA Grant	18.00	1.6%
<b>GKMA Sub-national counterpart financing</b>	571.31	50.2%
<b>Total Operation Cost PforR Program)</b>	1,137.31	100%

**D. Program Development Objective(s) (PDO) and PDO Level Results Indicators**

45. **The Program Development Objective (PDO).** The objective of the program is to improve the institutional capacity in the GKMA for metropolitan coordination and management; and increase access to improved infrastructure and services.

46. **The Program will focus on two RAs:** The schematic diagram in the theory of change (See section II.B.) shows how the PDO will be achieved. The results are linked to the Disbursement Link Indicators (DLIs) and Disbursement Link Results (DLRs) to be achieved under the Program’s results areas, which include: (i) RA1: strengthened institutions for metropolitan management and coordination at central and sub-national levels, and (ii) improved access to infrastructure and services

47. **The four PDO level results indicators are:**

- GKMA sub-national entities with strengthened institutional performance for service delivery, including climate resilience project designs (Percentage));
- MoKMA and IMC with improved coordination and management capacity (Percentage) Implementation of climate-resilient annual infrastructure investment plan (Percentage) and
- People provided with improved access to infrastructure under the Program (Number (Thousand)).

**E. Disbursement Linked Indicators and Verification Protocols**

48. The Program fund (US\$ 566 million) will be disbursed through a set of DLIs linked to the PDO: Eight DLIs at the sub-national level (DLIs 1 – 8), focusing on incentivizing performances of the KCCA and the 8 metro LGs in the GKMA; and one DLI at the central level (DLI 9), focusing on performances of the MoKCCMA and the PTC for Program management and metropolitan coordination and service standards. All the DLIs (DLI 1 – 9) contribute to achievements of PDO Indicators and are summarized below:



**Table 10. Disbursement Linked Indicators (DLIs) amounts and recipients.**

Sub-window	Disbursement Linked Indicators (DLIs)	Amount (US\$ million)	Program Funds Recipient
GKMA Sub-nationals	<b>DLI 1:</b> Number of GKMA Sub-nationals that have met the ISG Minimum Conditions <sup>28</sup>	30	GKMA sub-nationals
	<b>DLI 2:</b> Number of GKMA Sub-nationals that have met the MDG Minimum Conditions <sup>29</sup>	60	GKMA sub-nationals
	<b>DLI 3:</b> GKMA Sub-nationals have strengthened institutional performance for service delivery, including climate-resilient project designs	60	GKMA sub-nationals
	<b>DLI 4:</b> GKMA Sub-nationals have planned and delivered climate-resilient infrastructure investments in an integrated and coordinated manner	70	GKMA sub-nationals
	<b>DLI 5:</b> GKMA Sub-nationals have implemented their annual climate-resilient infrastructure investments plans	90	GKMA sub-nationals
	<b>DLI 6:</b> GKMA Sub-nationals have achieved value for money when delivering the infrastructure investments	70	GKMA sub-nationals
	<b>DLI 7:</b> GKMA Sub-nationals have executed operation and maintenance for all major infrastructure assets in accordance with guidelines in the Project Operational Manual	50	GKMA sub-nationals
	<b>DLI 8:</b> GKMA Sub-nationals have delivered infrastructure investments that contribute to climate change mitigation and adaptation	118	GKMA sub-nationals
<b>National</b>	<b>DLI 9:</b> MoKCCMA and PTC have adopted and executed the Annual Work Plans for metropolitan coordination and management	18	MoKCCMA
<b>Total</b>		566	

49. **DLIs for GKMA Sub-nationals (KCCA and eight Metro LGs) (DLI 1-8)**- Funds for the sub-national window will be disbursed to sub-national entity (KCCA and the eight metro LGs) that have achieved the Disbursement Link Indicators/Results (DLI/Rs) and will be used to finance annual Institutional Support Grant (ISG) - US\$30 million (DLI 1), and annual Metropolitan Development Grants (MDGs) - US\$518 million (DLI 2 – 8). Qualified sub-nationals will use the ISG for institutional and capacity development and the MDG for infrastructure development. Both types of grants will be determined based on annual performance assessments (APAs) conducted by an independent verification agency (IVA) hired by the MoKCCMA. The DLIs for the GKMA sub-nationals are summarized below.

- **DLI 1 (US\$30 million IDA Grant for GKMA sub-national ISG)** - triggers release of institutional support grant (ISG) of US\$30 million over the Program period to GKMA sub-nationals. GKMA sub-nationals that will receive the ISGs will be those that comply with the MCs for ISG. Compliance will signal that the KCCA and the metro LGs are committed to the Metropolitan development agenda and are spending the ISG in line with the Program’s eligible expenditure menu. The Implementation support plan will include technical assistance and trainings for urban resilience assessment and plans for climate change/disaster risk management. The eligible expenditure covers areas on urban resilience

<sup>28</sup> GKMA sub-national entities that have prepared an ISG plan that includes urban resilience and climate change/disaster risk management

<sup>29</sup> GKMA sub-national entities that have substantively filled key staff positions and demonstrated basic capacities in fiduciary, standards, and climate change/disaster risk management



and climate change/disaster risk management as laid in table 3.

- **DLI 2 (US\$60 million IDA Credit for MDG)** - triggers release of metropolitan development grant (MDG) of US\$60 million over the Program period to GKMA sub-nationals that have met the MCs for the MDG. The DLI 2 will incentivize the GKMA sub-nationals to have the institutional functional capacities in terms of the necessary key staff to address technical, fiduciary, standards, and climate and disaster risk management issues for successful Program implementation.
- **DLI 3 (US\$60 million IDA Credit for MDG)** - triggers additional release of the MDG. The DLI 3 will incentivize the GKMA sub-nationals to strengthen their capacity in urban planning, revenue generation, fiduciary, standards, and technical management for improved service delivery to the population of the GKMA. The institutional performance to be measured covers the integration of climate and disaster risk in metropolitan planning and management and the functioning of disaster risk management committee and contingency plan.
- **DLI 4 (US\$70 million IDA Credit for MDG)** – triggers additional release of MDG. The DLI 4 will incentivize the GKMA sub-nationals to plan and deliver their investment plans in an integrated, climate-resilient, and coordinated manner within the context of the broader metropolitan physical development plan (PDP)<sup>30</sup>. It will incentivize the sub-nationals to use disaster and climate resilient road design standards and consider spatial accessibility of road network and connectivity.
- **DLI 5 (US\$90 million IDA Credit for MDG)** - triggers release of additional MDG of US\$90 million over the Program period to GKMA sub-nationals. The DLI will incentivize timely implementation of climate- resilient annual infrastructure investment plan by the GKMA sub-nationals. The DLI is intended to respond to the current challenges of delayed contract execution resulting in delayed delivery of infrastructure. To score high marks and get more MDG under this DLI, the sub-nationals will therefore be required to plan their climate resilient infrastructure work program well, have it well-resourced and ensure that contractors do deliver on their work program in a timely manner. It will incentivize the alignment between time elapsed, physical progress, and payments in contract management and performances.
- **DLI 6 (US\$70 million IDA Credit for MDG)** - triggers additional release of the MDG to GKMA sub-nationals. The DLI will incentivize quality services to ensure that Program funds do provide and achieve value for money (VfM). The DLI will be assessed annually by the Office of the Auditor General (OAG) and will focus on three parameters, namely economy (quality and whether the investment/service has been provided at a competitive unit cost), efficiency (whether the investment/service has been delivered in a timely manner), and effectiveness (whether the investment/service has been put to its intended use). GKMA sub-nationals that will score high in the VfM, audit as conducted by the OAG, will earn more MDG under this DLI. The DLI therefore responds directly to quality investment/services and reduction of waste of resources.
- **DLI 7 (US\$50 million IDA Credit for MDG)** - triggers additional release of the MDG of US\$50 million to GKMA sub-nationals over the Program period. The DLI 7 will incentivize GKMA sub-nationals to do two things, first to have an asset registry, and second to operate and maintain these assets to prolong

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<sup>30</sup> Japan International Cooperation Agency has been supporting the development of GKMA metropolitan physical development plan.



their lifespan. To score high in this DLI and get more MDG, an independent verification agency (IVA) will assess the sub-national O&M budget and the actual expenditure for O&M. The budget implementation for O&M will cover infrastructure that contributes to climate change mitigation and adaptation.

- **DLI8 (US\$118 million IDA Credit for MDG)** – DLI 8 will incentivize the GKMA sub-nationals to implement their investment plans that contribute to climate change mitigation and adaptation. It will incentivize the sub-nationals to increase the proportion of implemented investments that contribute to climate change adaptation by reducing flood risks through rehabilitation of stormwater drainage and decreasing drainage clogged by improper SWM practices (reducing dumping). It will also incentivize the sub-nationals to increase the proportion of implemented investments that contribute to climate change mitigation by increasing green parks/belts and trees along roadsides.

50. **DLI for national level (MoKCCMA/PTC) (DLI 9) will be financed from IDA Grant.** The DLI is intended to provide incentives for the achievement of the necessary results related to improved policy, legal or institutional framework for metropolitan coordination, management and improved service delivery; national stakeholders to undertake key Program functions on a timely basis and to ensure that KCCA and metro LGs receive the support they need to effectively perform their statutory obligations for Program implementation.

- **DLI 9 (US\$18 million IDA Grant for MoKCCMA /PTC)** - triggers release of US\$18 million for Program management and coordination over the Program period to the MoKCCMA. The DLI 9 will incentivize the MoKCCMA to do three things (i) finance activities that will lead to the achievement of the necessary results related to improved policy, legal or institutional framework for metropolitan coordination, management and improved service delivery ; (ii) conduct timely Annual Performance Assessments (APA) of the GKMA sub-nationals and ensure timely releases of Program funds for investments and institutional support activities, and (iii) fully implement the MoKCCMA/PTC annual work Plan (AWP) for Program implementation support. Under the third incentive structure, the DLI will incentivize Ministries, Departments and Agencies (MDAs) that have key roles to play in Program implementation to play their role effectively, by including their Program related activities in the AWP. The MoKCCMA, as the overall Program coordinating ministry, will ensure that mandatory Program activities to be undertaken such as VfM audit by the office of the Auditor General (OAG), Procurement Audit by Public Procurement and Disposal of Public Assets (PPDA), Sub-Projects Environmental and Social Audits by National Environment Management Authority (NEMA), Mid Term Review (MTR), Program Technical Committee (PTC) meetings, technical back-up support to GKMA sub-nationals, service standards and guidelines, etc. are programmed and consolidated into an annual work plan (AWP) for the MoKCCMA /PTC for implementation under this DLI. An IVA will assess the quality of the annual work plan and its implementation and funds will be made available to the MoKCCMA on a pro-rata basis, based on the score achieved.

51. **Verification protocols for the Disbursed Linked Results (DLRs).** An independent verification agent (IVA) – third party private firm - will be hired by MoKCCMA on a multi-year basis (at least two years consistent with audit practices) to verify results achieved under the Program. The World Bank will retain the right to make any final decisions as to whether a DLR has been achieved or not. For purposes of final verification, the World Bank will undertake an independent quality assurance review (QAR) to review the IVA reports and the DLRs achievement. The details of the DLIs and the verification protocol is provided in Annex 2, Table 2. The summary of the verification protocol steps for the DLIs is presented below.



- An annual assessment will be commissioned by MoKCCMA and will be undertaken by a reputable independent third-party firm. MoKCCMA will ensure that the terms of reference for this firm are satisfactory to the World Bank. The annual performance assessment will (i) confirm GKMA sub-nationals meeting the requirements to access the ISG under the Program, (ii) measure the performance of GKMA sub-national against the Program’s MDG minimum conditions (MCs), and performance measures for metropolitan governance/coordination and service delivery; and (iii) measure the MoKCCMA implementation of its Program annual work plan (AWP) to coordinate Program implementation, back-stop GKMA sub-nationals and achieve the Program objective. Based on the assessment findings, the firm will assign a score to each GKMA sub-national and the MoKCCMA and calculate the allocation to each as per formula in the World Bank Disbursement Table (Annex 2, Table 3), and provide the aggregate disbursement amount along with the consolidated full assessment report and its findings simultaneously to the MoKCCMA/PTC and the World Bank for review.
- The IVA will submit the draft report simultaneously to the independent quality assurance review (QAR) consultant hired by the Bank and the Program Technical Committee (PTC) to verify that the assessment results are accurate. The World Bank QAR consultant and the PTC will review the assessment results for clear and indisputable errors.
- As part of implementation support, the World Bank will review the assessment results, the allocation amount and will ensure that there is timely disbursement of Program funds to MoKCCMA and the GKMA sub-nationals. The World Bank’s final review will prevail in the case of any disputes between the IVA and QAR results. The three levels of reviews (World Bank’s independent QAR consultant, PTC, and the World Bank task team) will ensure credibility of the IVA’s results.

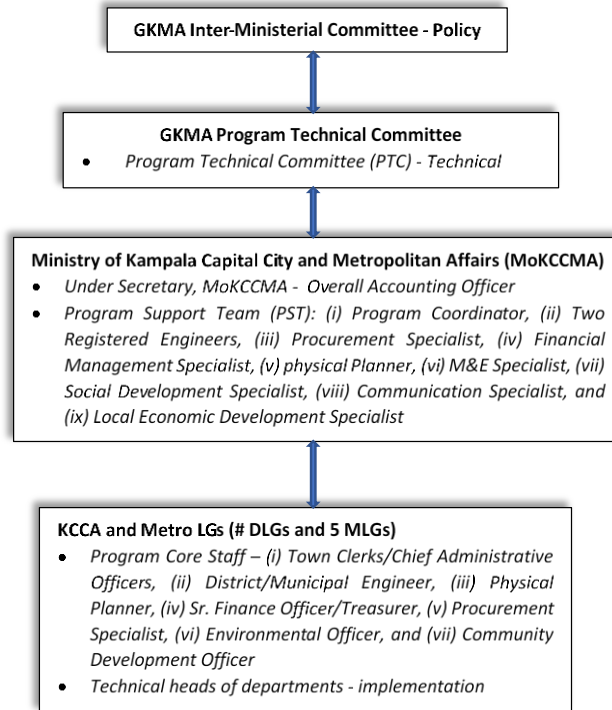
### III. PROGRAM IMPLEMENTATION

#### A. Institutional and Implementation Arrangements

52. **The Program** will be implemented in line with the institutional arrangements outlined in Greater Kampala Economic Development Strategy (2020-2030, revised December 2019), and further clarified in the note approved by Cabinet (March 2020). The institutional arrangement for Program implementation will therefore follow the Government program structure, outlined as per the chart below.



*Institutional arrangement for Program implementation*



- GKMA Inter-Ministerial Committee (IMC)** will comprise of the ministers of the relevant sector Ministries (Ministry of Kampala Capital City and Metropolitan Affairs; Ministry of Local Government; Ministry of Works and Transport; Ministry of Tourism Wildlife and Antiquities; Ministry of Trade Industry and Cooperatives; Ministry of Finance, Planning, and Economic Development; Ministry of Lands, Housing and Urban Development, NEMA, Energy & Mineral Development, ICT, Uganda Police Force, Ministry of Water and Environment; Kampala Capital City Authority; The Uganda National Roads Authority; The National Planning Authority; PPDA, Office of the President, Ministry of Gender Labor and Social Development, and Ministry of Public Service, and two representatives of Mayors and one Chairperson of the GKMA Local Governments. The Minister for the MoKCCMA is the chair of the IMC and the Minister of one of line MDA will co-chair. The IMC will be responsible for making policy decisions regarding emerging policy issues that may or have an impact on the Program.
- Program Technical Committees (PTC)** will comprise the key technical staff from the IMC relevant ministries, departments, and agencies (MDAs) expanded to include the Local Government Finance Commission (LGFC) and the accountability institutions [Office of the Auditor General (OAG), PPDA and the Inspectorate of Government (IG)]. The PTC will be responsible for addressing technical issues that might have impacts on the Program implementation. It will meet quarterly, on a rotational basis, at the KCCA/metropolitan LGs to have sight inspection, provide real time guidance/support and promote community of practices, amongst others. Any emerging policy issues identified will be forwarded by the PTC to the IMC for resolution.



- **MoKCCMA** will be the coordinating ministry for the Program, and it will be responsible for carrying out several capacity building activities. Thus, MoKCCMA will have the overall responsibility for coordination and accounting for the Program funds to the National Parliament. Assessment of MoKCCMA's capacity to implement the Program indicated staffing as a major risk to the achievement of Program's development objective. To mitigate this risk and ensure the Ministry's adequate staffing to fulfill its duties under the Program, a Program Support Team (PST) will be put in place prior to effectiveness of the IDA financing for the Program. The PST will, at a minimum, be comprised of the following eleven professional staff: (i) Program Coordinator, (ii) Two Registered Engineers, at least one of whom shall be a civil engineer, (iii) Procurement Specialist, (iv) Financial Management Specialist, (v) Physical Planner, (vi) M&E Specialist, (vi) Environmental Specialist, (vii) Social Development Specialist, (viii) Communication Specialist, and (ix) Local Economic Development Specialist. These professionals will report to the Under Secretary, MoKCCMA, who shall be the overall accounting officer for the Program. The PST team will also provide mentoring and technical back-up to the KCCA and the metropolitan LGs during Program implementation. The performance of PST staff will be evaluated annually, and their contracts renewed based on performance.
- **KCCA and Metropolitan LGs** will be responsible for planning, budgeting, implementing, and reporting on Program funded activities, consistent with their mandate under the KCCA Act 2010 and LGs Act (CAP 243). The accounting officers of the KCCA and the metro LGs (Executive Director (ED), Chief Administrative Officer (CAO) and the Town Clerks) will be responsible for implementing and reporting on Program activities, with support from their respective technical heads of departments. The KCCA/metro LGs councilors (elected representatives) and the metro development forum (MDF) will monitor Program implementation and provide oversight functions at KCCA and metro LGs level.

53. **An important measure to enhance transparency, accountability, and participation under the Program will be the Metro Development Forum (MDF).** From 2010, GoU, supported by Cities Alliance, established a Municipal Forum (MF) in the twenty-two USMID PforR municipalities in Uganda. The main purpose of the MF is to enhance governance through increasing bottom-up transparency, accountability, and participation in key urban development and management activities. MF has been representing local stakeholders including the private sector, NGOs, faith-based organizations, CBOs, settlement level representatives as well as council officials, service providers, and politicians. They meet in plenary on a regular basis to scrutinize and inform municipal decision-making on issues like the annual municipal plans and major investment activities, development funding and the municipal budget, and to monitor infrastructure project implementation progress. The twenty-two MFs have been successfully introduced to many urban LGs in Uganda and will be adopted/modified and rolled out as Metropolitan Development Forum (MDFs) under third Program in the KCCA and the eight metro LGs. Like the MF in municipal LGs under USMID, the MDFs under the GKMA will play a central role in enhancing local transparency, accountability, and participation thereby strengthening governance and mitigating risk in areas such as fraud and corruption. Nine MDFs are expected to be established, covering all the GKMA sub-nationals by June 2022. The MDF shall be an apolitical platform that will bring together all key stakeholders to discuss the development needs of the community. It shall have an executive that will consult with the communities they represent from time to time and hold monthly meetings. The executive will interface with KCCA and the eight metropolitan LGs to represent the communities' interest and needs. They will therefore act as a bridge between the communities and the LGs. They will help in improving communication between stakeholders as well as mediation between communities and the LGs. They will enhance transparency, accountability, and participation by all key stakeholders. This system worked very well under the USMID PforR Program.



## **B. Results Monitoring and Evaluation**

54. **The Program will be monitored and reported using the existing Government systems.** The Government systems already have well-developed M&E tools, including regular reports from the KCCA and the metropolitan LGs (3 districts and 5 municipal LGs), the Annual Performance Assessments (APAs) (including the Annual Procurement Audits and the Value for the Money Audit conducted by PPDA and the OAG respectively), annual financial audit reports, and midterm Review and regular reviews. The metro sub-national level (KCCA, 3 districts and 5 municipal LGs) performance assessments will be a strengthened version of the ongoing Office of the Prime Minister (OPM) and USMID assessments focusing on enhancing metropolitan governance and service delivery

55. **The Program M&E capacity at the MoKCCMA and the sub-national level (KCCA, municipal and district LG) will be enhanced.** At the MoKCCMA level, the Program Support Team (PST) that will be in place by effectiveness, as per Program's Financing Agreement, will include an M&E specialist who will be responsible, among other things, for helping the KCCA and the metro LGs in ensuring the quality of data, and for linking the results of the annual performance assessment to the institutional capacity support activities pertaining to M&E. At the LG level, the Program will provide training and assistance on M&E, which will focus on (i) data collection, (ii) data quality and integrity control and (iii) linking data to informing sub-national's decision-making processes. This will be through training for the staff in engineering, planning, finance, and procurement, so that they can compile timely progress reports and monitor the implementation progress of the various activities under the Program. The M&E Specialist as part of the PST is to provide hands on support and enhance the Program M&E requirements.

56. **MoKCCMA, as the coordinating ministry, will produce and submit annual Program progress reports to the World Bank within one month of the beginning of each new fiscal year.** The Program report will be shared with the PTC for discussion and guidance. The annual report will provide information on, but not limited to, the following:

- Summary of the metro sub-national assessment results and the corresponding Disbursement Link Results (DLRs) achieved, and the corresponding amounts earned.
- Summary of aggregate Program expenditures and infrastructure delivered by KCCA and metro LGs.
- Progress report on activities executed under the MoKCCMA/PTC institutional support plan.
- Summary of aggregate institutional support activities executed by KCCA and the metro LGs.
- Summary report on aggregate environmental and social measures undertaken by KCCA and the metro LGs, including grievances handled.
- Summary of aggregate information on procurement grievances.
- Summary of aggregate information on fraud and corruption issues – including, but not limited to complaints and investigations - will be captured in Program reporting as provided by or reported to PPDA, Inspectorate of Government (IG), Criminal Investigation Department (CID) and Directorate of Public Prosecution (DPP) (see section on Fraud and Corruption).
- Summary of fund flow (financial management) of the Program, procurement and contract management status, and update of results framework.





57. **A mid-term review will be conducted within 30 months** after the effectiveness of the financing agreement for the Program to evaluate progress and make any adjustment to the Program design.

58. **Value for money (VfM) audits, which will be conducted by the Office of the Auditor General will begin in the FY22.** It will be a valuable tool in tracking institutional and infrastructure performance improvements and determining whether VfM is being achieved in executing Program activities. The outcome of the value for money audits will be one of the Program Disbursement Linked Results (DLRs) that will be assessed every year and used to determine disbursement to GKMA sub-nationals from subsequent fiscal years onwards.

### **C. Disbursement Arrangements**

59. **Upon the confirmation of the achievement of Program Disbursement-Linked Results, the World Bank will disburse the corresponding amount to the GoU in one tranche on a yearly basis.** Funds for DLIs 1, 2, 3, 4, 5, 6, 7 and 8 will be transferred from the MoFPED to KCCA and the eight Metropolitan LGs as per the APA results within 45 days of IDA to GoU transfer. Funds for DLI 9 will be disbursed to the MoKCCMA. All DLIs are scalable DLIs and disbursements will be based on Disbursement-Linked Results achieved. A detailed explanation of the steps needed for disbursement against each Program DLI is provided in IFSA and will be included in the POM.

### **D. Capacity Building**

60. **As part of the Program design, an institutional and capacity needs assessment of the MoKCCMA and the GKMA sub-nationals (KCCA, three District LGs and five Municipal LGs) were conducted.** The summary of the key findings and the recommendations for the institutional and capacity building of these entities are summarized below.

- **The governance framework for the GKMA is based on a two-tier system** - the upper tier is the new Ministry of Kampala Capital City and Metropolitan Affairs (MoKCCMA), and the lower tier comprises the nine GKMA sub-national entities. The MoKCCMA, established in 2016, has a broad mandate that covers all the facets of the GKMA Program implementation. The critical function of the Ministry is to coordinate the strategic, policy, planning and execution initiatives and actions of the GKMA sub-nationals. It will therefore be the primary coordinator of the Program implementation. Within the MoKCCMA, there is a “Coordinating Secretariat,” which has been providing the counterpart support and coordination with the World Bank team in the design of the GKMA Program. This Secretariat is the nucleus structure of a Program Support team (PST). The current staffing of the Coordinating Secretariat/PST is constituted of staff seconded from the KCCA (five in number) and one from the National Planning Authority (NPA). There is an undersecretary of the MoKCCMA, who heads the Secretariat. The current structure of the MoKCCMA is too lean and lacking in technical competencies to discharge the ministry’s broad mandate to coordinate the implementation of the GKMA Program. The MoKCCMA coordinating capacity will be enhanced by eleven professional Program Support team (PST) comprising of Program Coordinator, two Registered Engineers, Procurement Specialist, Financial Management Specialist, Physical Planner, Environmental Specialist, Social Development Specialist, Local Economic Development Specialist, M&E Specialist, and Communication Specialist.
- **The KCCA approved organizational structure and establishment provides for broad range of technical functions at the top and a comparatively substantial number of professional, technical, administrative and support personnel.** However, 42 percent of the approved posts of the KCCA



remain vacant as of March 2022, and as high as 52 percent of senior positions remains vacant. This high level of vacant staff positions in the KCCA reveals the extent to which the human capital capacity of the KCCA remains deficient. KCCA management has however embarked on implementing good human resources management (HRM), which should ensure and sustain performance and retention of competent personnel. Two such practices stand out: (i) performance-based compensation system implemented for key staff (Heads of Department, Deputy Heads and Town Clerks); and (ii) operating staff code of conduct: The staff code of conduct is being enforced. The institutional mandate of the KCCA is appropriately broad and satisfactory for the GKMA Program implementation. The approved structure and establishment of the KCCA avail the opportunity to build a particularly strong organization. However, the high levels of vacancy of staff in key technical departments (such as physical planning, engineering and technical services, and legal affairs, etc.), which are key to planning, design and implementation of important sub-programs and projects in the KCCA under the GKMA Program pose risks to timeliness, efficiency, and effectiveness in Program implementation.

- **Under the Uganda decentralization policy framework, Districts LGs are higher local governments and Municipal LGs are lower local governments.** The Municipal LGs are autonomous with separate votes at the National level. The Municipal LGs, being smaller administrative units within the district, share some of the administrative services with districts, such as district Public Accounts Committees (PAC), District Service Commission (DSC), and district land board. The proposed investment activities under the Program falls within the mandates of both the district LGs as well as the municipal LGs. The capacity of the GKMA district LGs and the municipal LGs are comparatively much below those of the KCCA, but adequate to implement the Program.

61. **To strengthen the technical, fiduciary, and environmental and social standards capacity in the MoKCCMA, the ministry will recruit a Program support team (PST) to be paid under DLI 9.** The DLI will also incentivize the MoKCCMA to ensure effective and robust Program implementation and coordination. For the GKMA sub-nationals, they will also be required to have in post, the key staff that are provided for in their establishment. The key core staff both for the MoKCCMA and the sub-national entities that are required for effective Program implementation, in the establishment, are summarized in the table below.

**Table 11. Required key staff for the MoKCCMA (PST) and GKMA Sub-nationals**

	<b>MoKCCMA (PST) required skill mix</b>	<b>GKMA sub-nationals core staffing requirements</b>
1	Program Coordinator	Executive Director/Chief Administrative office/Town Clerk
2	2 Registered Engineers	Senior Engineer
3	Procurement Specialist	Two Senior Procurement officers
4	Financial Management Specialist	Chief Finance Officer/Treasurer
5	Physical Planner	Physical Planner
6	Environmental Specialist	Environmental Officer
7	Social Development Specialist	Community Development Officer
8	Local Economic Development Specialist	Commercial/Local Economic Development officer
9	M&E Specialist	Internal Auditor
10	Communication Specialist	Human Resource Officer



62. **The annual performance assessment (APA) will help each of the GKMA sub-national to identify functional capacity gaps to inform its institutional support plan (ISP) that will be financed under DLI 2, the institutional support grant (ISG).** The ISG will also support basic retooling and equipment required to make the sub-national staff more efficient in their work. In addition, MDG will be used to incentivize the GKMA sub-nationals to have the eleven key staff listed above in post as per the current approved establishment structure.

63. **The institutional and capacity assessment as part of the Program design has identified a few capacity building and institutional strengthening activities for successful Program implementation.** These have been incorporated into the Program design as part of the Program DLIs, and the Program Action Plan.

#### IV. ASSESSMENT SUMMARY

##### A. Technical (including program economic evaluation)

64. **Strategic relevance.** The GKMA Program has been assessed to have a strong strategic relevance as it is well aligned with the Government Policies, namely: (i) GoU Vision 2040, (ii) the third National Development Plan (NDP III) for the period 2020 – 2025, (iii) National Urban Policy, and (iv) the Government GKMA Economic Development Strategy (2020-2030). The proposed Program focuses on interventions meant to address the urban challenges as outlined in the urban policy and it is consistent with the cities/urban centres focus as “drivers of change” for development and the goal to “*promote liveable urban areas that are organized, inclusive, productive and sustainable.*” The proposed GKMA Program is consistent with the current Country Partnership Framework (CPF) between the GoU and World Bank for the period 2016 – 2021. The GKMA PforR Program will be a subset of the programs contained in the Government GKMA Economic Development Strategy. The Program and the proposed PforR instrument are fully supported by the Government based on the successes registered under the current USMID Program, which has been implemented over the last eight years.

65. **Technical soundness** The GKMA Program is also assessed to be robust and technically sound: (i) it is based on practical experiences from similar PforRs and performance-based grant systems implemented in Uganda since 2003 and international experiences, (ii) it is informed by a significant number of studies and analytical works undertaken, (iii) adapted to existing capacity constraints of the implementing institutions, and (iv) appropriate mitigation measures have been proposed through the respective DLIs and in the Program Action Plan. The Program focuses on investment menu where LGs and KCCA have mandates under the law and had some previous experiences.

66. **Economic rationale.** As the transfers to the GKMA sub-nationals are discretionary (within the investment menu), it is not possible to predict in advance exactly which investments the sub-nationals will prioritize. However, a survey was conducted with the GKMA sub-nationals to collect data on where they themselves considered the largest gaps to be in infrastructure coverage. The feedback from the GKMA sub-nationals indicated they would invest 80 percent of the MDG in Mobility, accessibility, and connectivity pillar, 10 percent each, in the Resilience and Environment, and Job creation pillars. Based on these, the benefit/cost ratio for the Program at a 12 per cent discount rate is calculated to be 5.71, and the net present value (NPV) of the Program is US\$472.63 million. The economic internal rate of return (EIRR) is 31 percent. These figures are comparable with the economic assessments of recent World Bank interventions in Uganda.



## B. Fiduciary

67. The objective of the Integrated Fiduciary Systems Assessment (IFSA) is to determine whether the sectors as defined by government and related implementing agencies at central and LG levels have reasonable procurement, financial management, and Anti-corruption arrangements to use the funds disbursed for the program for the intended purpose. The assessment included a review of the systems and processes of the implementing agencies and local governments. The implementing agencies are KCCA, Nansana MC, Mukono MC, Mukono DLG, Entebbe MC, Wakiso DLG, Wakiso DLG, Kira MC and Mpigi DLG. MoKCCMA, the coordinating agency, was not assessed because at the time there was only one Staff, the Undersecretary, in place. The key risks identified and proposed mitigation measures and required measures under the alignment with Anti-Corruption Guidelines<sup>31</sup> (ACG) for PforR Operation were identified and mitigation agreed on.

68. The applicable Procedures will be the Government of Uganda procedures. The assessment established that fiduciary implementation found out that the KCCA, MDAs/DLGs was generally done in accordance with Government procedures below.

- **Public Financial Management** - Government PFM policies and procedures are governed by the PFM Act 2015, Local Governments Act 2007, the PFM regulations 2016 and the Local Governments Financial and Accounting Regulations (LGFAR) of 2007. The LGFAR 2007 were developed from the repealed Public Finance and Accountability Act 2003. The LGFAR 2007 are yet to be revised to make them consistent with the new PFM Act of 2015. The Government of Uganda's Central and local Governments financial statements are prepared on the modified cash basis of accounting.
- **Public Procurement** – The public procurement in Uganda is governed by the Public Procurement and Disposal of Public Assets (PPDA Act 2003), and Regulations under Order 2021. The Act and the Regulations are applicable to the Central Government and Local Government.
- **Governance, Fraud and Corruption** - Uganda's anti-corruption legal and institutional framework is provided in the constitution, Public Finance Management Act and related regulations, Anti-corruption Act, Leadership Code Act, inspectorate of Government Act, Access to Information Act, Whistle Blowers' Act, Public Procurement and Disposal of Public Assets Act and the National Audit Act. The provisions in the above legislation provide a sufficient legal and regulatory framework for minimizing corruption in the country.

69. The FSA established that there are no potential high-value contracts that exceed OPRC thresholds. Reservation and Preferences schemes will not apply under the project and Firms and Individuals debarred or suspended by the World Bank shall not be eligible to participate or be awarded contracts under the PforR.

70. The overall fiduciary systems rating of the program is **Substantial**. Noted risks include. (i) Staffing in the GKMA LGs and KCCA is significantly below the recommended staff numbers; (ii) Procurement Planning gaps due to: (a) Incomplete Detailed Engineering designs, and Environmental and Social (ES) screening resulting in design changes during construction and time/cost overruns; and (b) inadequate participation by user departments in sub- project preparation and procurement resulting in gaps in needs identification ; (iii) The GoU has not developed a project implementation manual; (iv) Late submission of quarterly and annual reports which are often

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<sup>31</sup> Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results financing", - July 2016



incomplete/inaccurate and missing asset registers; (iv) Inadequate mechanism for monitoring of VFM in civil works execution, limited coverage of PPDA audit due to funding constraints and the need to update audit tool; (v) contract managers in Subnational entities have limited contract management skills resulting in expiry of contracts, expiry of performance security guarantees, inadequate monitoring, and payment for incomplete works; (vi) Except for KCCA and Entebbe MC, other Subnational entities have inadequate experience in civil works contracts subject to open competition; (vii) gaps in incorporation of Environmental and Social (E&S) provisions in the civil works SBDs; (viii) gaps in assessment of Contractor technical and financial capacity resulting in Contractors being awarded contracts beyond their financial and technical capacity; (ix) Inadequate Citizen engagement as contracts not shared with beneficiary community who do not have a platform to participate in contract monitoring; and (x) risk of Fraud and Corruption arising from (a) Inflation of quantities in Bill of Quantities (BoQ) by Subnational entities, and forgery and misrepresentation by bidders during procurement processing; (b) fraudulent claims of allowances and other supervision costs; (c) lack of a transparent complaints handling mechanisms in the Local Governments and (d) Inadequate mechanism of operationalizing the electronic revenue system in data entry, property valuation, and assessing fees creating room for fraud; and (xi) ineligible expenditure to award of contracts to firms debarred or suspended by the World Bank.

71. **Mitigation measures:** The PforR will follow GoU procedures subject to the agreed risk mitigation measures. The overall fiduciary systems rating of the program is Substantial. The mitigation measures agreed with MoKCCMA and the Subnational entities are as follows:

- Subnational entities to recruit Staff to fill the vacant positions in adequate skills and numbers to ensure adequate Procurement and Disposable Unit (PDU), Accounts and Technical staff to support program implementation – this will be assessed under DLI 2
- Procurement Planning risks will be addressed by: (i) ensuring detailed engineering designs and ESIA for civil works must be in place before inclusion of activity on the annual procurement plan submitted to MoFPED; (ii) Adherence to annual procurement plan during program implementation; and (iii) The POM shall require that both the lead and participating entities are involved at all stages of procurement processing. This will be assessed under DLI Performance Area 2 B (i)
- The GoU will prepare a program operational manual, subject to World Bank review and clearance, to guide program implementation as one of the effectiveness conditions of the Financing Agreement.
- Strengthening Accounting and Reporting systems by Sub-national entities submitting monthly/ quarterly and annual reports timely and maintaining accurate asset registers; this will be assessed under DLI 3.
- Strengthening Audit arrangements through OAG conducting annual VFM audits to be assessed under DLI 6, and PPDA to conduct annual procurement audits for all Subnational entities with updated audit tool – to be assessed under DLI 3. The PPDA audit tool will be updated to assess the data<sup>32</sup> to be tracked under the PforR. PPDA will prepare a Baseline report on these indicators to track progress over the course of the program including the Performance rating (%) of each implementing entity and share this information. PPDA will hold a Workshop for Subnational entities to disseminate the audit tool and the aspects of the procurement function it assesses.

<sup>32</sup> (i) Procurement lead time (time taken to complete a procurement cycle); (ii) % of procurement (by value) subject to competition; (iii) % of contracts awarded by direct contracting; (iv) Average number of bids received; (v) % of procurement related complaints that are upheld; (vi) % of contracts implemented within the original contract period; (v) % of contracts implemented within the original contract amount (vi) Average % time/cost overrun; (vii) % of procurement that follow established procurement procedures, and (viii) % of significant audit recommendations implemented from previous audit.



- The Program action Plan will include actions to strengthen the assessment of the Contractor capacity and the skills of the Subnational entity staff as follows: (a) Strengthening assessment of Contractor technical and financial capacity through: (i) all contracts shall be subject to Open Competitive Bidding as provided for by the PPDA Act and in the POM; (ii) Subnational entities to use: (i) online Contractor Commitment Portal link on PPDA website to track the number of contracts a contractor has already signed and accordingly assess capacity to handle additional contracts; (ii) PPDA to issue User Guide to guide entities in assessing: (a) the bidder's capacity to meet the requirements for the new works as well as the current/ongoing commitments and (b) to meet aggregate requirements for multiple lots before being awarded contracts for multiple lots; (b) Strengthening Subnational entities implementing capacity where Subnational entities will use ISG to fund capacity building on contract management delivered by a training institute with wide experience in civil works e.g. International Federation of Consulting Engineers (FIDIC); (ii) clustering of Subnational entities in 3 clusters<sup>33</sup> to ensure adequate technical capacity for construction of infrastructure and (iii) PPDA, MoGLSD and NEMA to provide training to Subnational entities in environment and social impact screening, and the incorporation of Environmental and Social (E&S) provisions in SBDs,
- The identified risks of fraud and corruption shall be mitigated by: (i) MoKCCMA to roll out Electronic Revenue system to all Subnational entities. This will be incentivized under DLI 3 and DLI 9 and included in the POM. Fraud in compensation to the project affected persons, fraudulent claims of allowances and other supervision costs, lack of a transparent complaints handling mechanisms in the Local Governments, and inadequate citizen engagement will be addressed through the POM, that will include a section on complaints handling mechanism, eligible allowances and expenses on the project and creation and operationalizing the Metropolitan Development Forums to enhance transparency, participation and provide opportunity for community to hold leaders accountable.
- The award of contracts to firms debarred or suspended by the World Bank (in addition to those suspended by PPDA), Inflation of quantities by Subnational entities, and forgery and misrepresentation by bidders during procurement processing shall be addressed by the POM requiring Subnational entities to: (i) check firms or individuals awarded contracts against the World Bank's list of suspended and debarred firms, (ii) specifying a robust mechanism to review BoQs, and (iii) due diligence to verify information provided by bidders during evaluation and prompt reporting of cases of fraud. Indicator on Fraud will also be assessed under DLI 3 (Transparency).

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<sup>33</sup> Cluster A: Mpigi DLG, Entebbe MC, and Makindye-Ssabagabo MC; Cluster B: Mukono MC, Kira MC, and Mukono DLG; Cluster C: KCCA, Wakiso DLG, and Nansana MC



### C. Environmental and Social

72. **The Program will finance prioritized infrastructure works proposed by metropolitan sub-nationals based on their 5-year rolling Development Plans.** Based on the experience of the USMID PforR Program implementation, most of the work will involve rehabilitation and upgrade of existing infrastructures within the existing right-of-way and/or premises of existing facilities. Works could fall under the following thematic areas: (i) Roads and streets, non-motorized transport facilities, and streetlights and signalized junctions, (ii) Low risk activities which include rehabilitation of storm water drainage, development of green parks/belts and tree planting along roads sides as elements of urban beautification and greening, (iii) Demand driven, low risk urban economic infrastructure which include artisans' parks, markets and spaces for vendors, and business centers for engagement, incubation, and jobs for youth. (iv) support to improve solid waste management, preparation of SWM strategies to better understand the constraints within the solid waste chain, promoting waste segregation/sorting and characterization to promote recycling and reduce waste, community sensitization campaigns, and (v) Disaster management.

73. **The Program will exclude investments that have adverse environmental and social impacts and high-risk activities.** These types of investments, while highly unlikely to be prioritized by the metropolitan sub-nationals due to budget limitations and time needed to prepare them, will be excluded from Program financing consistent with the requirements of a PforR operation. The excluded high-risk activities include widening of existing roads that have RAP costs that cannot be financed by the GKMA sub-nationals, sub-projects that will displace people where KCCA and the 8 LGs cannot finance the RAP cost nor mitigate the associated risks; slum upgrading; reclaiming of wetlands; abattoirs; and landfills. Furthermore, any investments that are a green field and would require a longer time to prepare and obtain the necessary standards clearances, for example, construction of new roads that do not have the right of way, investments that are for private use, (private markets, private workspaces, and private car/taxi parks, and vehicles, new office buildings), any investments that do not fall within the broader GoU program and in the PforR investment menu, have also been excluded from financing under the Program. Only minor physical resettlement and economic displacement will in principle be allowed.

74. **Potential environment risks and impacts associated with the investment activities are considered moderate.** These include among others; noise and dust pollution, contamination from generated solid waste, water pollution, erosion and sedimentation of waterways, risks of contacting communicable diseases including COVID-19, water and soil pollution, traffic interruptions and accidents, health and safety risks to workers and communities. These are common risks and impacts associated with civil workers and can be considered moderate risks since they are localized, reversible in nature and can be mitigated at design of subprojects and during implementation phases of the subject's activities,

75. **Besides, potential environmental risks and impacts of investment activities, there are already existing environmental challenges in GKMA** such as degradation of wetland and forest ecosystems due to unplanned urbanization and informal settlements, inadequate waste management facilities, air pollution, erosion and sedimentation of streams and waterways, flooding, pollution of Lake Victoria and inadequate sanitation facilities, The ESSA recognizes these existing challenges and proposed enhancement measures in the design of the Program under Environment and Resilience pillar. By including and incentivizing investments in green infrastructures or combination of grey and green infrastructures (ecological engineering), the Program will result in multiple positive environmental and climate outcomes. Investing in nature-based solutions (green infrastructures) such green spaces/parks for the urban dwellers will enhance other ecological functions.



76. **The potential social risks and impacts associated with the investment activities are considered substantial.** This is because most of the workers on the project sites will be local citizens that will be commuting from their respective homes, with limited foreign workers. The social risks include among others minor loss of land, access, and economic displacement, spread of sexually transmitted diseases (including HIV/AIDS) and other communicable diseases such as COVID 19 and tuberculosis; exacerbation of gender issues leading to Gender Based Violence, i.e. in consideration of working mothers' interest and needs such as sanitation and provision of separate facilities shelter for breastfeeding mothers, Violence Against Children (VAC) including child labor, defilement, teenage pregnancies and labor management issues including influx of contracted workers (underpayment, non-payment, delayed payment of workers and lack of documentation (contracts/appointment letters/daily duty roster sign in and out of casual labor) for employment); potential risk of exclusion of vulnerable groups from Program benefits and potential risk of social tension in the community due to inadequate stakeholder engagement and a weak GRM.

77. The Program intends to mitigate the above social risks by: preferential use of local workforce based on the qualification needs, mandatory signing of the code of conduct by all workers, mandatory training of all stakeholders on GBV/SEA/SH/VAC, establishment of a robust and responsive GRM through grievance committees to be set at all sub-project sites and continuous stakeholder engagement at District or Municipal levels through the metropolitan development forum (MDF) that will bring all stakeholders under a common platform for citizen engagements and feedback, carry out socio-economic impact assessments on the surrounding communities and prepare mitigation measures accordingly, and in case of potential need for land for expansion; record and file evidence in terms of agreements, consent letters, MoUs including community witnessing. The Program will also have a Program Operational Manual which will incorporate contractual responsibilities and obligations with appropriate mechanisms for addressing non-compliance of the social issues by the contractor and the GKMA sub nationals. In addition, the ESSA has proposed measures as part of the Program Action Plan to strengthen the implementation and monitoring of the Environment and Social management system to close gaps in the areas of weak capacity, measures aimed at reducing risks associated with sub investment implementation especially during construction and operation phases.

78. **ESSA Findings: As recognized in the previous assessments, the country's legislative and institutional frameworks are adequate to guide the management of E&S risk and impact for the GKMA urban Program.** The National Environment Act, 2019 and the attendant Regulations has clear categorization of projects based on risks. The Environment Act and the Local Government Act both provide for decentralized environmental management, empowering local governments (sub national entities) to manage segments of the environment and natural resources within their jurisdictions. The Environment Act provides for structures for the management of Environment in the urban areas. Overall, the existing laws, regulations, guidelines clearly delineate between the National and local Government levels to (i) screen subprojects for potential E & S impacts and risks; (ii) determine the level of E & S analysis and specific plan to be prepared based on the outcomes of the screening; (iii) review the results of the assessment and plan and clear environmental permitting process; (iv) monitor and follow-up; and, (v) impose penalty and sanctions for violations and infractions to the system.

79. **Despite the good legislative and institutional frameworks, the country's environmental system performance is weak,** specifically in respect to enforcement of laws, monitoring, staffing level for environmental, health and safety management, and inadequate budget allocation. There is unevenness in implementation of environment and social risks mitigation measures, which can be traced to weakness in inclusion of E&S aspects in procurement documents, weak enforcement of contracts due to poor supervisions, weak institutional capacity (tools & budgetary allocations) and technical competence and tools for effective implementation at the national





and local government/municipal levels. Therefore, implementation of the environmental and social systems for GKMA will rely on strengthening central and sub national institutional capacity to effectively implement the Program. The minimum conditions in the Annual Performance Assessments require that staff capacities, including the Environmental and Social standards staff, are in place for any subnational entity to access the funding. The subnational entity who does not meet any of the minimum conditions will not access Program funding for that year. Implementation of similar types of urban works in Uganda under Uganda Support Municipal Infrastructure Development (USMID) indicate that short-term construction impacts can be prevented or mitigated with standard operational procedures and good construction management practices. These procedures will be included in the technical manual and be a standard part of environmental and social management plans included in bidding documents for contractors.

80. At the central level, the Ministry of Kampala Capital City, and Metropolitan Affairs (MoKCCMA) as a coordinating agency for GKMA Program is a new ministry whose capacity to coordinate GKMA development and management is being enhanced. The ministry is yet to fill the position of Environmental Specialist and Social Development Specialist who must be recruited by the Public Service Commission. The Program Support Team will be placed at the MoKCCMA with specialists in key areas including Environment and Social. The Program Technical Committee will draw expertise from the different Ministries, Departments and Agencies, including the Ministry of Gender, Labor and Social Development (MoGLSD) which is mandated to guide and supervise the functions of the Community Based Services Department at the Local Governments/Municipalities, and the National Environment Management Authority (NEMA) mandated to review and make decisions on ESIA.

81. **To manage potential impacts and risks, and to strengthen the country system for environmental, social, health and safety management, particularly at the GKMA sub-national level**, the ESSA recommends actions, which are integrated into the Program “Minimum Conditions,” DLIs and Program Action Plan, including: (i) Enhancing Program designs that strengthen environment and social sustainability – by strengthening resilience and environment pillar in the Program to provide for investments in nature based solutions for disaster and climate resilience (green infrastructural development) for example: investments in green parks/belts; (ii) Incorporating composite indicators that strengthen E&S aspects in the DLIs and enhanced assessment tool and verification protocol; and eligibility investments criterion for sub-project screening that drops activities with potential substantial or high risks and impacts; (iii) Technical studies that strengthen environment and social sustainability of the program for example, regional ESIA to cater for cumulative risks and impacts of multiple investment activities in GKMA entities and identifying areas in GKMA where nature-based solutions/green infrastructures (or hybrid of green and grey) can contribute to disaster and climate resilience (iv) Program action plan - such as recruitment of Social Development Specialist and Environment and Natural Resource Specialist at PST in MoKCCMA; filling existing vacancies for Environment, Labor and Community Development Officers at the GKMA sub-national level; establishing environment, Health and Safety management system at the MoKCCMA, developing and implementing institutional support plans and TA for the MoGLSD and NEMA to strengthen environmental and social risks management, health and safety, review and decision process on ESIA/PBs for subproject investments, monitoring, enforcements, audits and finalization of relevant draft E&S regulations.

82. **Gender**– A gender assessment<sup>34</sup> was conducted and identified three key challenges: (i) lack of women’s safety in public spaces; (ii) lack of gender mainstreaming system and capacity; and (iii) lack of gender disaggregated M&E data. Boda-Boda remains the primary public mode of transport of the poor in Uganda,

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<sup>34</sup> A gender assessment was conducted in November 2021 to identify gaps and propose activities to close the gaps and indicators to measure the progress. Since the assessment covers the areas beyond the Program scope, only related findings and activities are incorporated into the Program design.



although the crowded urban environment is largely unfavorable to pedestrians and community. This situation created major risk of accidents and fatalities, gender issues in public urban transport are also concerning particularly for women that are pregnant or are carrying children and elderly persons are more reliant on public urban transport and limited access to Boda-Boda. Accessibility to this public transport is especially problematic for people with limited mobility in major cities. Urban infrastructure such as sidewalks, pedestrian crossings, and taxi stops severely lack accessibility-related features such as dedicated seating particularly for vulnerable groups (pregnant and elderly persons).

83. Women's safety in public spaces, especially at night, is a key gender concern in Kampala. Women face threat of theft or assault while waiting for transport, or when traveling to and from bus stations<sup>35</sup>. According to a 2013 study by an NGO, girls indicated that they experienced sexual harassment through verbal insults and comments and unwelcome touches by touts and motorcycle riders<sup>36</sup>. In addition, the availability of toilets in public spaces is limited. The Directorate of Gender and Community Services and Production (GCP) in the KCCA is expected to provide leadership on gender mainstreaming at the KCCA headquarters and all five divisions. It is however understaffed with vacancy levels of approved positions at 42 percent. A similar arrangement is replicated at the district and municipal levels. The responsibility for gender issues is usually vested in the Community Development Officer or another officer.

84. **To address these challenges, the following actions will be implemented.** First, the Program's MDG investment menu includes infrastructure and services which aim to reduce safety risks for both male and female e.g., through financing of streetlights, pedestrian walkways, sanitation facilities in public spaces (e.g., urban parks and markets). Second, the Program will develop and help operationalize an urban gender mainstreaming strategy with annexes of clear job descriptions for the GCP and community development officer in gender mainstreaming activities at sub-national levels; additionally, the Program's ISG investment/expenditure menu includes gender mainstreaming activities including trainings, especially for the newly hired/relocated staff at 9 sub-national, helping to operationalize the gender mainstreaming strategy. Third, the Program's result framework will collect disaggregated female beneficiaries' numbers using the government's regular monitoring system. As the quarterly monitoring report is currently not collecting gender disaggregated data, the Program will update this template to collect gender-disaggregated data.

85. To measure the progress of these actions, the Program's results framework measures the number of females who benefited from streetlights, pedestrian walkways, sanitation facilities in urban parks and markets. The development and operationalization of the urban gender mainstreaming strategy will be included in the Program Action Plan (PAP) and respective progress will be monitored during the Program implementation. Gender disaggregated data will be collected for the indicators in the results framework, where applicable. The quarterly monitoring report template will be updated to collect gender disaggregated data for MDG and ISG beneficiaries and annexed in the Program Operational Manual, and the Program will regularly report on this via an indicator in its results framework that measures female beneficiaries.

86. **Climate and Disaster Risk Management** – Climate and disaster risk screening tool was used to conduct high-level screening to help consider short- and long-term climate and disaster risks in Program design. Based on the screening which resulted in a moderate overall risk, due to the exclusion of environmental high risk sub-projects, the Program has considered disaster and climate risk mitigation measures in the physical investments

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<sup>35</sup> Stockholm Environment Institute. 2021. Mainstreaming Gender in Urban Public Transport: Lessons from Nairobi, Kampala, and Dar es Salaam.

<sup>36</sup> Plan International Uganda. 2013. Because I am a Girl Urban Program: Rapid Situation Assessment



not only under the Pillar 2 on Resilience and Environment but also under other two Pillars for physical investments. In addition, institutional strengthening on disaster risk management will be undertaken to increase the capacities to manage disaster and climate risks.

87. With GKMA being prone to recurrent flooding, which may aggravate in the future due to climate change, climate and disasters resilience under this Program is addressed through the following measures: (a) the minimum conditions for accessing the Metropolitan Development Grant (MDG) for GKMA sub-national entities include demonstrated basic capacities in climate and disaster risk management (part of DLI 2); (b) average performance score to measure strengthened institutional performance for metropolitan management and service delivery of GKMA sub-national entities considers performance of (i) metropolitan urban planning and management incorporating climate and disaster risks, and (ii) climate and disaster risk management (functioning of disaster risk management committee and preparation of contingency plan) (as part of DLI 3); (c) physical investments in all three pillars of the MDG investment menu incorporating climate and disaster resilience (as guided by the Urban Resilience Guideline and Checklist to be part of POM) (related to DLI 5); (d) conformance to climate and disaster risk considerations in siting, design, construction and implementation of new physical infrastructure works in value for money audits (as part of DLI 6); and (e) strengthening the capacity of GKMA sub-national entities on climate change mitigation and adaptation (as part of DLI 8).

88. **Climate Co-Benefits.** The mitigation Co-Benefits will arise from transforming GKMA's urban mobility through fostering transit-oriented development (ToD), urban planning, traffic management, sidewalks, pedestrianization/walkability, and non-motorized transport (NMT). In addition, the Co-Benefits will arise from improved energy efficiency and/or equipping renewable energy sources where feasible (e.g., solar street lighting every 50m). This decentralized solar photovoltaic power reduces the dependence on the electricity grid. Mobility infrastructure designs will be designed in an integrated manner including tree planting and enhanced green spaces. The trees will also act as carbon sinks and contribute in a small way to climate mitigation Co-Benefits. The adaptation Co-Benefits will arise primarily under Pillar 2 of the investments from: (a) enhancing storm water drainage capacity and improving its maintenance; (b) improving solid waste management to avoid solid waste from clogging drainage.; and (c) Planting trees and securing green and permeable surface to decrease runoff thereby preventing flooding. Investments under Pillar 1 will also contribute to climate change adaptation by planning, designing, and implementing the upgrade of existing streets and roads with appropriate drainage. Investments under Pillar 3 will facilitate job creation in the target area, resulting in strengthening citizens' ability to cope with climate-induced stress.

89. **Citizen Engagement** - Under the on-going USMID-AF PforR, there is a functioning Municipal Forums (MFs), which is an apolitical forum providing a platform for citizen engagement in Program activities and other service delivery interventions at Municipal LGs. The role of the MFs has been expanded to cover all project issues beyond the USMID Program activities to support enhanced transparency, accountability, and better service delivery in the Municipal LGs. Overall MFs have contributed to securing citizens trust and leadership confidence beyond the Program. The GKMA-UDP will adopt the MF modality and have a Metropolitan Development Forum (MDF) for each of its sub-nationals to promote citizen engagement, transparency, and accountability.

90. The Program will have a GRM that will handle grievances from communities, workers as well as Program Affected Persons (PAPs). Grievance Redress Committees (GRCs) will be established at all program sites with clear appeal processes for redress.



## V. GRIEVANCE REDRESS SERVICE

91. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported program may submit complaints to existing program-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address program-related concerns. Program affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, because of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## VI. RISK

92. **The overall Program risk is Substantial.** This is because of the substantial risks associated with the political economy of the GKMA, the institutional capacity for coordination and sustainability, fiduciary, and environment and social risks. The risk associated with macroeconomics are low, while those associated with sector strategy and policies, the technical design of the Program, and those of stakeholders are moderate.

93. **Political and governance risks** – The political and governance risk is **substantial**. The political economy of GKMA is complex because it is cosmopolitan area with a well-informed population. There are therefore real dangers of capture of the Program or a deliberate derailment of the Program implementation by people or bodies who have vested interest. To mitigate this risk the Program will have a robust citizen engagement strategy that clearly explains the Program objectives, the benefits to the citizens, the temporary inconveniences that may occur during Program implementation, and a clear grievance redress system (GRS) with a clear appeal procedure.

94. **Institutional capacity for implementation and sustainability** – The risk associated with institutional capacity for implementation and sustainability is **substantial**. Although KCCA and the 8 GKMA LGs do have the technical capacities to implement the Program, there are substantial risks associated with their inability to mobilize own source revenue (OSR) to meet the operating costs for the infrastructures to be financed under the Program. This inability to collect enough OSR is mainly attributed to actions by central government, which on many occasions, do undermine the ability of LGs to collect adequate OSR. Such actions in the past included abolition of certain taxes and pronouncing blanket exemptions for other revenue sources such as property rates on owners occupied residential houses. This risk will be mitigated under the Program by introducing revenue administration systems that are convenient, cost effective and will promote compliance by citizens to pay taxes. Focus under the Program will be in investing in tax administration reforms that targets those revenue sources that have high yields.

95. **Fiduciary risk** - The IFSA report has established that the risk associated with fiduciary is **substantial** (see section B). Noted risks include. (i) inadequate staffing in the GKMA LGs and KCCA, (ii) gaps in procurement due to lack of detailed engineering designs, inadequate participation by user departments in sub- project preparation and the GoU having no project implementation manual. These risks will be mitigated by (i) the sub-national recruiting staff to fill the vacant positions in adequate skills and numbers to ensure adequate Procurement and Disposable Unit (PDU), Accounts and technical staff to support program implementation that will be incentivized under DLI 2; (ii) ensuring detailed engineering designs and ESIA for civil works are in place before inclusion of



activity on the annual procurement plan; and (iii) the POM shall require that both the lead and participating entities are involved at all stages of procurement processing. prepare a Baseline report on these indicators to track progress over the course of the program including the Performance rating (%) of each implementing entity and share this information. PPDA will hold a Workshop for Subnational entities to disseminate the audit tool and the aspects of the procurement function it assesses. The fiduciary risks identified will be addressed through DLIs and Program Action Plan (PAP) as detailed under the Fiduciary discussions under Section IV B, Assessment Summary.

96. **Environmental and Social risks – The overall Environmental and Social risks for the Program is substantial.** The Environmental risk is **moderate**. Although the country legal and regulatory system exists, the country's environmental system performance is weak, specifically in respect to enforcement of laws, monitoring, staffing level for environmental, health and safety management, and inadequate budget allocation. The major weaknesses identified in the management of environmental impacts is in the weak capacity at all GKMA entities, and risk of poor adherence by the contractors due to poor supervision. Despite the above, the experience of environmental impacts on projects in the urban sector is considered moderate. Implementation of similar types of urban works in Uganda under Uganda Support Municipal Infrastructure Development (USMID) PforR indicate that short-term construction impacts can be prevented or mitigated with standard operational procedures and good construction management practices. To mitigate the environmental risk under the GKMA Program, procedures will be included in the Program Operational Manual (POM) and a standard part of environmental management plans included in bidding documents for contractors. The Program's social risk is **substantial**. The main social risk of the GKMA Program will be potential risks associated with (i) small land acquisition due to realignments, (ii) lack of access to a timely grievance redress and (iii) limited community engagement (iv) labor management including influx of labor of contracted workers, (v) exacerbation of gender issues leading to GBV among others, (vi) potential exclusion of vulnerable groups from program benefits and, (vii) potential risk of social tension in the community due to inadequate community engagement and less than ideal functioning of the GRM. However, the Program also has several social benefits, particularly owing to its design to improve urban service delivery to the communities, improved community accessibility, improved security and safety through improved walkways and streetlights, economic empowerment due to extended working hours, employment opportunity for the community during construction, paved pedestrian walkways within slum settlements, improved health of slum dwellers and positive economic impact on livelihood and business through job creation. To mitigate the social risks the MoGLSD will appoint a staff to the PTC of the GKMA to oversee the overall compliance with the required standards in social risks management, the MoKCCMA to have a Social Development Specialist and the GKMA sub-national (KCCA and metro LGs) to have a Community Development Officer (CDO) and a Labor Officer as per their structures, preferential use of local workforce based on the qualification needs, establish a robust GRM system for the contractor, workers and communities, continuous stakeholder engagement and feedback provided, mandatory signing of the code of conduct by all workers and mandatory training on GBV/SEA/SH/VAC.



**ANNEX 1. RESULTS FRAMEWORK MATRIX**

**Results Framework**

**COUNTRY: Uganda**

**Greater Kampala Metropolitan Area Urban Development Program**

**Program Development Objective(s)**

To improve the institutional capacity in the Greater Kampala Metropolitan Area (GKMA) for metropolitan coordination and management, and to increase access to improved infrastructure and services

**Program Development Objective Indicators by Objectives/Outcomes**

<b>Indicator Name</b>	<b>DLI</b>	<b>Baseline</b>	<b>End Target</b>
<b>Improved the institutional capacity for metropolitan coordination and management</b>			
GKMA sub-national entities with strengthened institutional performance for service delivery, including climate resilience project designs (Percentage)	DLI 3	0.00	90.00
MoKMA and IMC with improved coordination and management capacity (Percentage)	DLI 9	0.00	95.00
<b>Increased access to infrastructure and services</b>			
Implementation of climate-resilient annual infrastructure investment plan (Percentage)	DLI 5	0.00	95.00
People provided with improved access to infrastructure under the Program (Number (Thousand))		0.00	1,740.00
Number of female direct beneficiaries (Number (Thousand))		0.00	887.00



**Intermediate Results Indicator by Results Areas**

Indicator Name	DLI	Baseline	End Target
<b>Results Area 1: Improved Institutional capacity of Central Government and sub-nationals</b>			
The number of GKMA sub-national entities with climate and disaster-informed integrated neighborhood plans covering at least 30% of LG's administrative boundary (Number)		0.00	9.00
The number of GKMA sub-national entities with more than 5 percent increase in OSR (Number)		0.00	9.00
GKMA sub-national entities that have prepared an ISG plan that includes urban resilience and climate change/disaster risk management (Number)	DLI 1	0.00	9.00
GKMA sub-national entities that have substantively filled key staff positions and demonstrated basic capacities in fiduciary, E&S standards, and climate change/disaster risk management (Number)	DLI 2	0.00	9.00
GKMA sub-national entities with strengthened, coordinated, climate -resilient, and integrated metropolitan planning and investments (Percentage)	DLI 4	0.00	30.00
GKMA sub-national entities utilizing tax simplification and e-governance across the GKMA (Number)		3.00	9.00
Quarterly monitoring report template, updated to collect gender disaggregated data for MDG and ISG beneficiaries, is being used (Yes/No)		No	Yes
<b>Results Area 2: Increased access to infrastructure and services</b>			
Infrastructure/investment completed with the Program support (Text)		0.00	TBD, as planned in the capital investment plans
Rehabilitated Roads (km) (Text)		0.00	TBD



Indicator Name	DLI	Baseline	End Target
Pedestrian walkways/NMT (km) (Text)		0.00	TBD
Signalized junctions (number) (Text)		0.00	TBD
Stormwater drains (km) (Text)		0.00	TBD
Local economic infrastructure (number) (Text)		0.00	TBD
Green parks created (square meter) (Text)		0.00	TBD
Trees planted (number) (Text)		0.00	TBD
GKMA sub-national entities with strengthened capacity on climate change mitigation and adaptation (Percentage)	DLI 8	0.00	30.00
Value for Money (VfM) audits in the infrastructure investments delivered (Percentage)	DLI 6	0.00	90.00
Operation and Maintenance (O&M) of Infrastructure Projects (Percentage)	DLI 7	0.00	90.00
Public satisfaction in the GKMA with completed infrastructure and services provided under the Program (Text)		TBD	50%
Number of clients in the GKMA serviced via the SMS platform (Number)		0.00	5,000,000.00





**Monitoring & Evaluation Plan: PDO Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
GKMA sub-national entities with strengthened institutional performance for service delivery, including climate resilience project designs	Average percentage score of institutional performance (DLI3) that the participating sub-national entities have achieved	Annually	APA report	Private IVA firm will carry out the APA.	IVA, MoKMA PST
MoKMA and IMC with improved coordination and management capacity	Percentage implementation of the annual GKMA institutional support plan implemented by the MoKMA and IMC (DLI 9)	Annually	APA report	Private IVA firm will carry out the APA	IVA, MoKMA PST
Implementation of climate-resilient annual infrastructure investment plan	Average delivery rate of infrastructure investment plans of the Program participating sub-nationals. It will be assessed from second year of the implementation of the Program (DLI 5). The indicator will be determined based on actual delivery of infrastructure against annual work plan targets, the methodology of calculating delivery rate will be specified in the	Annually	APA report	Private IVA firm will carry out the APA	IVA, MoKMA PST



	POM and the APA guideline.				
People provided with improved access to infrastructure under the Program	This is to measure the cumulative number of direct beneficiaries provided with improved access to infrastructure and services under the Program through Metropolitan Development Grants. The target is set to benefit 30 percent of the population in the GKMA.	Semi-annually	M&E data base	M&E team in the MoKMA PST will develop specific methodologies to collect the beneficiary numbers by investment type and collect the data using quarterly monitoring reports from the GKMA sub-nationals, which will be annexed in the POM.	MoKMA PST, GKMA sub-nationals
Number of female direct beneficiaries	This is to measure the number of female direct beneficiaries, provided with improved access to infrastructure and services through Metropolitan Development Grants. The number of female direct beneficiaries will be further disaggregated by type of investment. Number of females who benefited from streetlights, pedestrian walkways, sanitation facilities in urban parks and markets will be monitored (gender tagging indicator)	Semi-annually	M&E data base	M&E team in the MoKMA PST will develop specific methodologies to collect the beneficiary numbers by investment type and collect the data using quarterly monitoring reports from the GKMA sub-nationals, which will be annexed in the POM.	MoKMA PST, GKMA sub-nationals



**Monitoring & Evaluation Plan: Intermediate Results Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
The number of GKMA sub-national entities with climate and disaster-informed integrated neighborhood plans covering at least 30% of LG’s administrative boundary	This is to measure the number of GKMA sub-national entities with climate and disaster-informed integrated neighborhood plans covering at least 30% of LG’s administrative boundary. “climate and disaster-informed integrated neighborhood plans” will be further defined in the POM.	Annually	M&E data base	M&E team in the MoKMA PST will collect the data using quarterly monitoring reports from the GKMA sub-nationals, which will be annexed in the POM.	IVA, MoKMA PST
The number of GKMA sub-national entities with more than 5 percent increase in OSR	This is to measure the increase in own source revenue (OSR), it will count the number of GKMA sub-nationals which have achieved 5 percent increase in their OSR on a yearly basis. % increase will be calculated by $(Y2\ OSR\ amount - Y1\ OSR\ amount) / Y1\ OSR\ amount * 100$ .	Annually	M&E data base	M&E Specialist in the MoKMA PST will collect the data using quarterly monitoring reports, which will be annexed in the POM.	MoKMA PST, GKMA sub-nationals
GKMA sub-national entities that have prepared an ISG plan that includes urban resilience and climate change/disaster risk management	It is to measure the number of GKMA sub-national entities that have met all the minimum	Annually	IVA report	Private IVA firm will carry out the APA	IVA, MoKMA PST



	conditions for the Institutional Strengthening Grant (DLI 1).				
GKMA sub-national entities that have substantively filled key staff positions and demonstrated basic capacities in fiduciary, E&S standards, and climate change/disaster risk management	This is to measure the number of GKMA sub-national entities that have met all the minimum conditions for the Metropolitan Development Grant (DLI 2).	Annually	IVA report	Private IVA firm will carry out the APA	IVA, MoKMA PST
GKMA sub-national entities with strengthened, coordinated, climate - resilient, and integrated metropolitan planning and investments	The sub-national entities have achieved average percentage score of value of investments that are multi-jurisdictional out of total investment under the Program in a FY (DLI 4).	Annually	APA report	Private IVA firm will carry out the APA	IVA, MoKMA PST
GKMA sub-national entities utilizing tax simplification and e-governance across the GKMA	This measures the number of subnational entities that have adopted the revenue automation systems (e.g. Integrated Revenue Administration System – IRAS), GIS enabled property evaluation, One-Stop Centre for business transactions, etc). The methodology will be further specified in the POM.	Annually	M&E data base	M&E team in the MoKMA PST will collect the data using quarterly monitoring reports from the GKMA sub-nationals, which will be annexed in the POM.	MoKMA PST, GKMA sub-nationals
Quarterly monitoring report template, updated to collect gender disaggregated	This is to measure whether quarterly monitoring	Annually	Quarterly monitoring	M&E team in the MoKMA PST will check	MoKMA PST, GKMA sub-nationals



data for MDG and ISG beneficiaries, is being used	report template is updated to collect gender disaggregated data and being used.		report	whether gender-disaggregated data is collected through quarterly monitoring reports (template annexed in the POM) from the GKMA sub-nationals.	
Infrastructure/investment completed with the Program support	This is to measure the cumulative number, km, area of different types of Infrastructure/investment completed under the Program through Metropolitan Development Grants.	Semi-annually	M&E data base	M&E team in the MoKMA PST will collect the data using quarterly monitoring reports from the GKMA sub-nationals, which will be annexed in the POM.	MoKMA PST, GKMA sub-nationals
Rehabilitated Roads (km)	This is to measure the cumulative km of roads rehabilitated under the Program	Semi-annually	M&E data base	M&E team in the MoKMA PST will collect the data using quarterly monitoring reports from the GKMA sub-nationals, which will be annexed in the POM.	MoKMA PST, GKMA sub-nationals
Pedestrian walkways/NMT (km)	This is to measure the cumulative km of pedestrian walkways/NMT constructed under the Program	Semi-annually	M&E data base	M&E team in the MoKMA PST will collect the data using quarterly monitoring reports from the GKMA sub-nationals, which will be annexed in the POM.	MoKMA PST, GKMA sub-nationals
Signalized junctions (number)	This is to measure the cumulative number of	Semi-annually	M&E data base	M&E team in the MoKMA PST will collect	MoKMA PST, GKMA sub-nationals



	signalized junctions constructed under the Program.			the data using quarterly monitoring reports from the GKMA sub-nationals, which will be annexed in the POM.	
Stormwater drains (km)	This is to measure the cumulative km of stormwater drains (standalone, not the drains along the road) rehabilitated/constructed under the Program.	Semi-annually	M&E data base	M&E team in the MoKMA PST will collect the data using quarterly monitoring reports from the GKMA sub-nationals, which will be annexed in the POM.	MoKMA PST, GKMA sub-nationals
Local economic infrastructure (number)	This is to measure the cumulative number of artisan parks, markets, work spaces, and common use facilities constructed/rehabilitated under the Program.	Semi-annually	M&E data base	M&E team in the MoKMA PST will collect the data using quarterly monitoring reports from the GKMA sub-nationals, which will be annexed in the POM.	MoKMA PST, GKMA sub-nationals
Green parks created (square meter)	This is to measure the cumulative area of green parks constructed under the Program	Semi-annually	M&E data base	M&E team in the MoKMA PST will collect the data using quarterly monitoring reports from the GKMA sub-nationals, which will be annexed in the POM.	MoKMA PST, GKMA sub-nationals
Trees planted (number)	This is to measure the cumulative number of trees planted under the Program.	Semi-annually	M&E data base	M&E team in the MoKMA PST will collect the data using quarterly monitoring reports from the GKMA sub-nationals, which will be annexed in	MoKMA PST, GKMA sub-nationals



				the POM.	
GKMA sub-national entities with strengthened capacity on climate change mitigation and adaptation	This measures the average annual score of value of investments that contribute to climate change mitigation and adaptation out of total investment under the Program (DLI 8). The methodology of calculating score will be specified in the POM and the APA guideline.	Annually	APA report	Private IVA firm will carry out the APA	IVA, MoKMA PST
Value for Money (VfM) audits in the infrastructure investments delivered	This is to measure the increase in service delivery efficiency, by tracking the average percentage scores of value for money audits (DLI 5).	Annually	IVA report	Private IVA firm will carry out the APA	IVA, MoKMA PST
Operation and Maintenance (O&M) of Infrastructure Projects	This is to measure the increase in service delivery efficiency, by tracking the average percentage scores of O&M (DLI 6).	Annually	IVA report	Private IVA firm will carry out the APA	IVA, MoKMA PST
Public satisfaction in the GKMA with completed infrastructure and services provided under the Program	This will measure the satisfaction of GKMA residents on the improved infrastructure and services supported by the Program. The baseline will be determined in year 1.	Mid-Term and End of Project	Survey	Private firm will carry out the survey at midterm and at end of the project.	MoKMA PST



	<p>Public satisfaction will be assessed twice – to inform MTR and at the last year of project implementation to inform the implementation completion report (ICR). The indicator will depreciate citizen perception between overall services by the subnational entities as part of their mandate and those provided under the Program.</p>				
<p>Number of clients in the GKMA serviced via the SMS platform</p>	<p>Measure of the ability of the subnational entities in GKMA to embrace Information Communication and Technology for improved service delivery and citizen feedback. The indicator measures the total number of clients who are being serviced through the mobile SMS platform in the GKMA. The collection methodology will be specified by the M&amp;E specialist in the MoKMA PST.</p>	<p>Bi-annually</p>	<p>M&amp;E data base</p>	<p>M&amp;E team in the MoKMA PST will collect the data using quarterly monitoring reports from the GKMA sub-nationals, which will be annexed in the POM.</p>	<p>MoKMA PST, GKMA sub-nationals</p>





**ANNEX 2. DISBURSEMENT LINKED INDICATORS, DISBURSEMENT ARRANGEMENTS AND VERIFICATION PROTOCOLS**

Disbursement Linked Indicators Matrix				
<b>DLI 1</b>	Number of GKMA Sub-nationals that have met the ISG Minimum Conditions			
<b>Type of DLI</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
Output	Yes	Number	30,000,000.00	5.45
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>
Baseline	0.00			
FY22/23	9.00		7,500,000.00	See Annex 2 Attachment 1 for detail
FY23/24	9.00		7,500,000.00	See Annex 2 Attachment 1 for detail
FY24/25	9.00		7,500,000.00	See Annex 2 Attachment 1 for detail
FY25/26	9.00		7,500,000.00	See Annex 2 Attachment 1 for detail
FY26/27	0.00		0.00	See Annex 2 Attachment 1 for detail
<b>DLI 2</b>	Number of GKMA Sub-nationals that have met the MDG Minimum Conditions			
<b>Type of DLI</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
Intermediate Outcome	Yes	Number	60,000,000.00	10.91
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>



Baseline	0.00			
FY22/23	9.00		15,000,000.00	See Annex 2 Attachment 1 for detail
FY23/24	9.00		15,000,000.00	See Annex 2 Attachment 1 for detail
FY24/25	9.00		15,000,000.00	See Annex 2 Attachment 1 for detail
FY25/26	9.00		15,000,000.00	See Annex 2 Attachment 1 for detail
FY26/27	0.00		0.00	See Annex 2 Attachment 1 for detail
<b>DLI 3</b>	GKMA Sub-nationals have strengthened institutional performance for service delivery, including climate-resilient project designs			
<b>Type of DLI</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
Outcome	Yes	Percentage	60,000,000.00	10.91
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>
Baseline	0.00			
FY22/23	50.00		15,000,000.00	See Annex 2 Attachment 1 for detail
FY23/24	60.00		15,000,000.00	See Annex 2 Attachment 1 for detail
FY24/25	70.00		15,000,000.00	See Annex 2 Attachment 1 for detail
FY25/26	80.00		15,000,000.00	See Annex 2 Attachment 1 for detail
FY26/27	90.00		0.00	See Annex 2 Attachment 1 for detail



<b>DLI 4</b>	GKMA Sub-nationals have planned and delivered climate-resilient infrastructure investments in an integrated and coordinated manner			
<b>Type of DLI</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
Intermediate Outcome	Yes	Percentage	70,000,000.00	12.73
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>
Baseline	0.00			
FY22/23	5.00		10,000,000.00	See Annex 2 Attachment 1
FY23/24	10.00		15,000,000.00	Annex 2 Attachment 1
FY24/25	15.00		20,000,000.00	Annex 2 Attachment 1
FY25/26	20.00		15,000,000.00	Annex 2 Attachment 1
FY26/27	30.00		10,000,000.00	Annex 2 Attachment 1
<b>DLI 5</b>	GKMA Sub-nationals have implemented their annual climate-resilient infrastructure investments plans			
<b>Type of DLI</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
Outcome	Yes	Percentage	90,000,000.00	16.36
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>
Baseline	0.00			
FY22/23	0.00		0.00	See Annex 2 Attachment 1 for detail
FY23/24	70.00		30,000,000.00	See Annex 2 Attachment 1 for detail



FY24/25	80.00		35,000,000.00	See Annex 2 Attachment 1 for detail
FY25/26	90.00		25,000,000.00	See Annex 2 Attachment 1 for detail
FY26/27	95.00		0.00	See Annex 2 Attachment 1 for detail
<b>DLI 6</b>	GKMA Sub-nationals have achieved value for money when delivering the infrastructure investments			
<b>Type of DLI</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
Intermediate Outcome	Yes	Percentage	70,000,000.00	12.72
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>
Baseline	50.00			
FY22/23	60.00		15,000,000.00	See Annex 2 Attachment 1 for detail
FY23/24	70.00		15,000,000.00	See Annex 2 Attachment 1 for detail
FY24/25	80.00		25,000,000.00	See Annex 2 Attachment 1 for detail
FY25/26	85.00		15,000,000.00	See Annex 2 Attachment 1 for detail
FY26/27	90.00		0.00	See Annex 2 Attachment 1 for detail
<b>DLI 7</b>	GKMA Sub-nationals have executed operation and maintenance for all major infrastructure assets in accordance with guidelines in the Project Operational Manual			
<b>Type of DLI</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
Intermediate Outcome	Yes	Percentage	50,000,000.00	9.09
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>



Baseline	0.00			
FY22/23	60.00		10,000,000.00	See Annex 2 Attachment 1 for detail
FY23/24	70.00		10,000,000.00	See Annex 2 Attachment 1 for detail
FY24/25	80.00		20,000,000.00	See Annex 2 Attachment 1 for detail
FY25/26	85.00		10,000,000.00	See Annex 2 Attachment 1 for detail
FY26/27	90.00		0.00	See Annex 2 Attachment 1 for detail
<b>DLI 8</b>	GKMA Sub-nationals have delivered infrastructure investments that contribute to climate change mitigation and adaptation			
<b>Type of DLI</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
Intermediate Outcome	Yes	Percentage	118,000,000.00	20.00
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>
Baseline	0.00			
FY22/23	5.00		22,000,000.00	See Annex 2 Attachment 1 for detail
FY23/24	15.00		27,000,000.00	See Annex 2 Attachment 1 for detail
FY24/25	20.00		32,000,000.00	See Annex 2 Attachment 1 for detail
FY25/26	25.00		32,000,000.00	See Annex 2 Attachment 1 for detail
FY26/27	30.00		5,000,000.00	See Annex 2 Attachment 1 for detail



<b>DLI 9</b>	MoKCCMA and PTC have adopted and executed the Annual Work Plans for metropolitan coordination and management			
<b>Type of DLI</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
Outcome	Yes	Text	18,000,000.00	1.82
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>
Baseline	0.00			
FY22/23	Approved Y1 annual work plan in place		4,000,000.00	See Annex 2 Attachment 1 for detail
FY23/24	70.00		4,000,000.00	See Annex 2 Attachment 1 for detail
FY24/25	80.00		4,000,000.00	See Annex 2 Attachment 1 for detail
FY25/26	90.00		4,000,000.00	See Annex 2 Attachment 1 for detail
FY26/27	95.00		2,000,000.00	See Annex 2 Attachment 1 for detail



Verification Protocol Table: Disbursement Linked Indicators

<b>DLI 1</b>	Number of GKMA Sub-nationals that have met the ISG Minimum Conditions
<b>Description</b>	This DLI will be met if the GKMA sub-national has met all MCs for ISG: (i) GKMA Sub-national entity has an approved annual ISP for the current FY; (ii) GKMA Sub-national entity adhered to the eligible expenditures (investment menu) for the use of the Institutional Support Grant (ISG) in previous year; (iii) Annual ISP shows at least 30% of funds is allocated for climate related activities. LG's expenditure statement shows that MA has utilized 30 % of ISGs to climate change related activities.
<b>Data source/ Agency</b>	Private firm (IVA) conducts GKMA sub-national Annual Performance Assessment (APA) and produces a report
<b>Verification Entity</b>	Independent firm (IVA) advice to Program PTC and the World Bank. WB Quality Assurance Review (QAR) consultant validates and confirms IVA results.
<b>Procedure</b>	<ol style="list-style-type: none"> <li>1. MoKMA hires a reputable private sector consulting/audit firm (whose terms of reference will be acceptable to the Bank) to carry out the independent annual performance assessment (APA) of the GKMA sub-nationals to measure the performance of each sub-national compliance with the Program's minimum conditions. APA result determines whether all minimum conditions have been met.</li> <li>2. After completion of the compilation of the results, the APA firm will calculate the allocation to each GKMA sub-national for the ISG as per the formula in the Bank Disbursement Table and provide the aggregate disbursement amount (along with the full assessment report and its findings) simultaneously to GoU and the Bank for review.</li> <li>3. The Program Technical Committee (PTC) will <b>verify</b> that the assessment results are accurate.</li> <li>4. MoFPED presents to the PTC, evidence that the disbursement from the central government to the GKMA sub-nationals of Program funds in the last FY period has been done on time (starting with the second disbursement of the Program duration).</li> <li>5. After PTC approval of the results, the MoKMA in liaison with MoFPED will inform each GKMA sub-national on the amount of the Disbursement Linked Result (DLR) earned as per the formula in the Bank Disbursement Table and provide the aggregate disbursement amount to the World Bank for review and authorization of withdrawal.</li> <li>6. As part of implementation support, Bank will review the assessment results (QAR), the allocation earned amount and will ensure the timely disbursement of Program funds.</li> </ol>
<b>DLI 2</b>	Number of GKMA Sub-nationals that have met the MDG Minimum Conditions
<b>Description</b>	This DLI will be achieved if the GKMA sub-national has met the MCs for the MDG: (i) substantially filled the key staff



	positions (details of the key staff are provided in the assessment tool), (ii) has basic functional capacities for Fiduciary standards, (iii) met all Program specific requirements, and (iv) demonstrated basic capacities in climate and disaster risk management
<b>Data source/ Agency</b>	Same as DLI 1 above
<b>Verification Entity</b>	Same as DLI 1 above
<b>Procedure</b>	Same as DLI 1 above
<b>DLI 3</b>	GKMA Sub-nationals have strengthened institutional performance for service delivery, including climate-resilient project designs
<b>Description</b>	This DLI will be achieved if the GKMA sub-national shows improved institutional performance and met the annual target below as assessed by the IVA in functional areas of (i) Urban planning, budgeting, and management, (ii) Own Source Revenue (OSR) mobilization and administration, (iii) Procurement, (iv) Accounting and Financial Management, (v) Governance (accountability, transparency, and citizen engagement), (vi) Environment & Social), and (vii) climate and disaster risk management.
<b>Data source/ Agency</b>	Same as DLI 1 above
<b>Verification Entity</b>	Same as DLI 1 above
<b>Procedure</b>	Same as DLI 1 above
<b>DLI 4</b>	GKMA Sub-nationals have planned and delivered climate-resilient infrastructure investments in an integrated and coordinated manner
<b>Description</b>	The sub-national entities have achieved average percentage score of value of investments that are multi-jurisdictional out of total investment under the Program in a FY. Targets are Year 1: 5%; Year 2: 10%; Year 3: 15%; Year 4: 20%; Year 5: 30%.
<b>Data source/ Agency</b>	Same as DLI 1
<b>Verification Entity</b>	Same as DLI 1
<b>Procedure</b>	Same as DLI 1





<b>DLI 5</b>	GKMA Sub-nationals have implemented their annual climate-resilient infrastructure investments plans
<b>Description</b>	Achievement of the DLI will be determined based on actual delivery of infrastructure by GKMA sub-national against annual work plan targets of the previous FY using the GKMA Program funds.
<b>Data source/ Agency</b>	Same as DLI 1 above
<b>Verification Entity</b>	Same as DLI 1 above
<b>Procedure</b>	Same as DLI 1 above
<b>DLI 6</b>	GKMA Sub-nationals have achieved value for money when delivering the infrastructure investments
<b>Description</b>	Achievement of the DLI will be measured on three parameters of Program activities implementation (i) Economy – unit cost of implementation/delivery, (ii) Efficiency – timeliness of delivery, and (iii) Effectiveness – the usage of the service or investment.
<b>Data source/ Agency</b>	VfM audit Report
<b>Verification Entity</b>	Office of the Auditor General (OAG) advises the PTC and World Bank.
<b>Procedure</b>	<ol style="list-style-type: none"> <li>1. As per mandate of the OAG, the Value for Money (VfM) part of the APA will be conducted by the OAG who submits results to PTC.</li> <li>2. PTC will <b>verify</b> that the assessment results are accurate.</li> <li>3. The IVA firm picks the OAG VfM audit results to calculate the amount earned by each GKMA sub-national under the Program based on the formula provided in the Disbursement Table.</li> <li>4. MoFPED presents to the PTC, evidence of timely disbursement to the GKMA sub-nationals Program funds in the last FY (applicable to second FY onwards).</li> <li>5. After PTC approval of the results, the MoKMA in liaison with MoFPED will inform the Disbursement Linked Result (DLR) earned amount to each GKMA sub-national as per the formula in the Bank Disbursement Table and provide the aggregate disbursement amount to the World Bank for review and authorization of withdrawal.</li> <li>6. As part of implementation support, Bank will review the assessment results (QAR), the allocation amount and will ensure the timely disbursement of Program funds.</li> </ol>



<b>DLI 7</b>	GKMA Sub-nationals have executed operation and maintenance for all major infrastructure assets in accordance with guidelines in the Project Operational Manual
<b>Description</b>	Achievement of the DLI will be measured based on the annual actual implementation of the GKMA sub-national O&M plan and budget.
<b>Data source/ Agency</b>	Private IVA firm will carry out the annual implementation rate of O&M of each GKMA sub-national based on the annual O&M plan and budget.
<b>Verification Entity</b>	Same as DLI 1 above
<b>Procedure</b>	<ol style="list-style-type: none"> <li>1. MoKMA hires a reputable private sector consulting/audit firm (whose terms of reference will be acceptable to the Bank) to carry out the independent annual performance assessment (APA) of the GKMA sub-nationals to measure the implementation rate of O&amp;M of each sub-national against its O&amp;M plan and budget. APA result determines the percentage score of implementations of O&amp;M.</li> <li>2. After completion of the compilation of the results, the APA firm will calculate the allocation to each GKMA sub-national for DLI 6 as per the formula in the Bank Disbursement Table and provide the aggregate disbursement amount (along with the full assessment report and its findings) simultaneously to GoU and the Bank for review.</li> <li>3. The Program Technical Committee (PTC) will <b>verify</b> that the assessment results are accurate.</li> <li>4. MoFPED presents to the PTC, evidence that the disbursement from the central government to the GKMA sub-nationals of Program funds in the last FY period has been done on time (starting with the second disbursement of the Program duration).</li> <li>5. After PTC approval of the results, the MoKMA in liaison with MoFPED will inform each GKMA sub-national on the amount of the Disbursement Linked Result (DLR) earned as per the formula in the Bank Disbursement Table and provide the aggregate disbursement amount to the World Bank for review and authorization of withdrawal.</li> <li>6. As part of implementation support, Bank will review the assessment results (QAR), the allocation earned amount and will ensure the timely disbursement of Program funds.</li> </ol>
<b>DLI 8</b>	GKMA Sub-nationals have delivered infrastructure investments that contribute to climate change mitigation and adaptation
<b>Description</b>	Achievement of the DLI will be determined based on actual delivery of investments by GKMA sub-national against annual work that contributes to climate change mitigation and adaptation including rehabilitation of stormwater drainage; preparation of SWM strategies and promotion of waste segregation/sorting that contribute to reduced drainage clogging.
<b>Data source/ Agency</b>	Same as DLI 1 above



<b>Verification Entity</b>	Same as DLI 1 above
<b>Procedure</b>	Same as DLI 1 above
<b>DLI 9</b>	MoKCCMA and PTC have adopted and executed the Annual Work Plans for metropolitan coordination and management
<b>Description</b>	Achievement of the DLI will be determined based on execution of activities specified in the MoKMA annual work plan for Program implementation support plan, which includes, but not limited to: Implementation of activities to strengthen the institutional capacity of MoKMA and IMC (recruitment of the PST staff, etc.); Implementation of activities under Program management, monitoring and oversight (APA, VfM, procurement audit, M&E, etc.); technical back-up support to GKMA sub-nationals; improved policy, legal or institutional framework for metropolitan coordination, management, and improved service delivery(studies to inform metropolitan governance policies and coordinated investments, development of metropolitan policies, regulations, and standards); Implementation of Program Action Plan; and implementation of activities to train and provide technical support to GKMA sub-nationals.
<b>Data source/ Agency</b>	MoKMA annual Program implementation support plan
<b>Verification Entity</b>	Same as DLI 1 above
<b>Procedure</b>	Same as DLI 1 above



**ANNEX 3. PROGRAM ACTION PLAN**

Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement
				Due Date		
Develop, implement, and improve methodology for collection data for Results framework	Technical		MoKMA PST	Due Date	30-Jun-2023	M&E data collection plan, regular monitoring template, and database established
Subnational entities to use online Contractor Commitment reference link on PPDA website <a href="http://www.pppda.go.ug">www.pppda.go.ug</a> to track the number of contracts a contractor has already signed.	Fiduciary Systems		PPDA and GKMA entities	Recurrent	Continuous	Evaluation reports to include section on findings from online Contractor Commitment reference link on PPDA website <a href="http://www.pppda.go.ug">www.pppda.go.ug</a> .
Facilitate and support the sub-national entities to select and prioritize investments across all the Program pillars	Technical		MoKMA, NPA	Recurrent	Continuous	Percentage of GKMA sub-national MDG invested in each of the three key pillars of urban infrastructure and service delivery.
Identify measures related to both policy framework and operational/implementation issues to improve Own Source Revenue collection and management (focusing on property tax)	Technical		MoKMA, MOFPED, MoLHUD, and MoLG	Recurrent	Continuous	Urban sub-national own source revenue policy and implementation issues and reform options documented.
Assess Environment and climate change aspects during O&M of completed infrastructures	Environmental and Social Systems		MoKMA, MWE and NEMA	Other	Year 2 and annually	(i) Compliance Audit reports (ii) Climate risk assessment screening (iii) Report on implementation of corrective action plan (iv) Report on climate expenditure reviews



Ensure Firms/Individuals debarred by the World Bank don't participate or be awarded contracts under the Program	Fiduciary Systems		PPDA, GKMA entities	Recurrent	Continuous	Evaluation reports to include section on findings after checking firms against debarred and suspended list.
Develop Environment, Health and Safety policy and procedures as part of Environment management system for GMKA	Environmental and Social Systems		NEMA, GKMA entities, MoLGS	Other	By end of year 1	Documented E&S systems and procedure developed
Develop urban gender mainstreaming strategy	Other		MoKMA, MoLHUD, MGLSD and GKMA entities	Due Date	30-Jun-2024	(i) Urban gender mainstreaming strategy with annexes of job descriptions for the GCP and community development officer at sub-national levels, (ii) Adoption of the strategy by MoKMA, MoLHUD, MGLSD, and the GKMA entities
Operationalize urban gender mainstreaming strategy	Other		GKMA, GKMA sub-nationals	Other	Year 3, 4, and 5	Annual progress report for Year 3, 4, and 5 with a sub-section on reporting the progress of gender mainstreaming activities through ISG.
Address environment, climate change and social risks and impacts during planning, design of sub project investments	Environmental and Social Systems		NEMA, GKMA entities, MoLGS	Other	Continuous (Prior to contract/bidding)	ESIA reports & NEMA certificate & other permits; ESHS integrated in designs, B.O.Q, tender and contract documents
Develop E&S Institutional strengthening plan based on needs assessment for subnational entities	Environmental and Social Systems		GKMA entities	Recurrent	Yearly	E&S Institutional Strengthening Plan in place and annual progress report
Capacity building and technical Assistance to sub national entities for strengthening E&S including conducting Compliance monitoring and enforcement	Environmental and Social Systems		MKMA, MWE, NEMA, MGLSD, PPDA	Recurrent	Yearly	(i) Develop capacity building plan for strengthening E&S in planning, design, and procurement (ii) Implementation report of capacity building plan (iii) Training and gazettement of Inspectors (iv) Joint quarterly monitoring



						reports
Technical support to fast track ESIA reviews, baseline verification, decision making and compliance monitoring	Environmental and Social Systems	DLI 3	NEMA, MLGSD	Recurrent	Yearly	(i) Enhanced and Automated ESIA review and approval/rejection system in place. (ii) timely decision making on ESIAs/PB submitted to NEMA (NEMA certificates) (iii) Compliance monitoring reports
Guidelines for unified system of grievance redress and community/stakeholder engagement planning in all the Sub Nationals issued.	Environmental and Social Systems		MoKMA, MGLSD, NEMA and GKMA entities	Recurrent	Continuous	(i) Functional Grievance Redress Committees in place,(ii) A complaints log with clear information and reference for onward action,(iii) Stakeholder Engagement Plan prepared and implemented, (iv) plans to prevent GBV/SEA/SH, prepared/implemented
Improve land acquisition and resettlement procedure	Environmental and Social Systems		MoKMA, GKMA sub nationals	Other	Continuous (prior to commencement of works)	(i) Evidence of payment, land title, land agreement, formal consent, MoU including community witnessing evidence, etc) (ii) No of PAPs adequately and timely paid. (iii) RAP prepared and implemented (iv) Land titles transferred in the names of subn
Conduct strategic studies to strengthen E&S sustainability and guide sub nationals	Environmental and Social Systems		MoKMA	Other	Before commencement of Program implementation activities (Year 1)	(i) Regional ESIA report (ii) Guidance report on nature-based solutions for disaster and climate resilience and ecosystem services (iii) Social Risk Assessment



ANNEX 4. IMPLEMENTATION SUPPORT PLAN

1. The strategic approach for the implementation support (IS) has four objectives: (i) to monitor the implementation of the risk mitigation defined in the technical, fiduciary, and standards assessments, (ii) to provide the client the technical advice necessary to facilitate the achievement of the PDO; (iii) to monitor implementation progress on the Program and to contribute to the quality of the institutional and capacity building of stakeholders by providing best practices and benchmarks, and (iv) to ensure compliance with the provisions of legal covenant. The World Bank team will provide training/clinics and support during implementation support missions (ISMs) on the implementation of the Program as appropriate, including the implementation of the Program action plan (PAP). World Bank technical implementation support will include, but not limited to, providing relevant sample ToRs, bid documents, and specifications for equipment to be procured under the Program. The current practice of monthly meetings between World Bank team and coordinators of Bank funded projects/programs will continue to be able to respond to issues on a timely basis as they emerge.

2. A majority of the World Bank’s implementation support team members (fiduciary, environmental and social management, and Governance and Anti-Corruption), including the Task Team Leader, are based in the Uganda Country Office. This will ensure timely, efficient, and effective implementation support to MoKCCMA and the participating GKMA sun-nationals. Formal implementation support missions and field visits will be carried out semi-annually. In addition, since they are based in the country, the majority of the Bank’s implementation support team will be available to help at any time over the life of the Program.

The focus of the implementation support is summarized below:

Time	Focus	Skills Needed	Resource Estimate	Partner Role
First twelve months	Technical and Procurement support	Procurement Specialist Municipal Engineer	4 SWs 4 SWs	NA
	Procurement Training	Procurement Specialist	1 SW	
	FM training and supervision	FM Specialist	2 SWs	
	Project supervision coordination	Operations Specialist	6 SWs	
	Social systems management training	Social development specialist	3 SWs	
	Environmental management training	Environmental specialist	8 SWs	
	LED training	LED specialist	3 SWs	
	Task Team Leadership	TTL	8 SWs	
	Performance assessment training	Bank Task Team	1 SW	
12-60 months	Financial Management, disbursement, and reporting	FM Specialist Local Government Specialist	2 SWs 8 SWs	NA
	Technical and Procurement monitoring of procurement, assets management, and contract	Procurement Specialist Municipal Engineer LED specialist	12 SWs 8 SWs 8 SWs	



management performance LED promotion activities		4 SWs
Environment/Social monitoring	Environment Specialist Social Specialist	6 SWs 6 SWs
Task Team Leadership	TTL	8 SWs

*SW – Staff Week*

**Task Team Skills Mix Requirements for Implementation Support**

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Task Team Leader	8 SWs annually	2-3	Country Office based
Procurement Specialist	5 SWs annually	Field trips required	Country Office based
Financial Management Specialist	2 SWs annually	Field trips required	Country Office based
Environment Specialist	2 SWs annually	Field trips required	Country Office based
Social Specialist	2 SWs annually	Field trips required	Country Office based
Municipal Engineer	4 SWs annually	Field trips required	Country Office based
LED specialist	2 SWs annually	Field trips required	Consultant