



1. Project Data:		Date Posted : 08/10/2001	
PROJ ID: P002923		Appraisal	Actual
Project Name: Transport Rehabilitation	Project Costs (US\$M)	99	80
Country: Uganda	Loan/Credit (US\$M)	75	52.9
Sector(s): Board: TR - Roads and highways (95%), Central government administration (5%)	Cofinancing (US\$M)	4.6	4.5
L/C Number: C2587			
	Board Approval (FY)		94
Partners involved : Nordic Development Fund	Closing Date	12/31/2000	12/31/2000
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components

a. Objectives

The overall objective of the project was to assist the Government in providing the basic road and rail infrastructure to the economy, and ensuring that this infrastructure will be well maintained and efficiently managed, with private sector involvement wherever practicable. The specific objectives of the project were to:

- (a) protect the capital investment in, and increase the service life of, selected rehabilitated main roads;
- (b) improve maintenance planning and operation of the main road network;
- (c) improve Ministry of Works, Transport and Communications' (MOWTC) capability for project implementation;
- (d) introduce labor-based methods of road maintenance and feeder road rehabilitation whenever cost-effective;
- (e) improve Ministry of Local Government's (MOLG) and the Local Authorities' (Districts) capacity to plan, manage and monitor feeder road rehabilitation and maintenance;
- (f) improve feeder roads accessibility;
- (g) train, advise and employ domestic small and medium sized contractors for feeder roads works; and
- (h) re-orient Uganda Railways Corporation's (URC) management towards commercial operation and promote its financial autonomy.

b. Components

The above objectives were to be achieved through the following four components:

- (a) **Main Roads** - (i) maintenance of selected main roads, including routine maintenance of 1,746 km and periodic maintenance of 720 km; (ii) strengthening and improvement of 32.5 km of the Kampala-Entebbe road; (iii) upgrading, regravelling/rehabilitation of about 162 km of gravel roads including Mbarara-Ibanda Road; and (iv) institutional strengthening of MOWTC.
- (b) **Feeder Roads** - (i) rehabilitation of 680 km of feeder roads and maintenance of up to 880 km per annum of feeder roads in Mbale, Kapchorwa, Tororo and Palissa districts; (ii) establishment of feeder roads rehabilitation and maintenance capacity using labor based contractor executed works; and (iii) strengthening MOLG Engineering Departments' (MOLG/ED) planning and monitoring capacity.
- (c) **Railways** - (i) institutional and organizational strengthening of URC through technical assistance and training; (ii) training of URC marine services personnel; and (iii) procurement of ferry maintenance spare parts and oil spill containment equipment;
- (d) **Transport Sector Planning**- technical assistance for national transport database and container terminal study.

Revised components:

The contracts for strengthening and improvement of Kampala-Entebbe Road and the upgrading of Mbarara-Ibanda

Road experienced substantial cost increases. Project disbursement also lagged due to delays in procurement. Consequently, the Development Credit Agreement was amended and IDA and the Government agreed to drop all the road upgrading, regravelling /rehabilitation in the Kampala-Entebbe Road sub-component except for the Mbarara-Ibanda (66.5 km) section.

c. Comments on Project Cost, Financing and Dates

The actual cost of the project is US\$80 million compared to an appraisal estimate of US\$99 million. About US\$22.1 million of the credit was undisbursed at project closing. The project closed on schedule on December 31, 2000.

3. Achievement of Relevant Objectives:

The project achieved most of its physical and capacity building objectives:

1. The physical targets for routine maintenance of 1746 km of main roads were met. The project exceeded the maintenance targets for feeder roads, a total of 1014 km of feeder roads were maintained compared to the SAR target of 880 km. The revised targets for Kampala-Entebbe road improvement and Mbara-Ibanda road were fully achieved. However, 56% or 236 km of revised periodic maintenance targets were met. The rehabilitation, improvement and maintenance of the road infrastructure resulted in 30% reduction in travel time and vehicle operating costs.

2. The project successfully used labor-intensive methods for feeder roads rehabilitation and maintenance and supported the development of local contractors. The institute in Mbale was rehabilitated and is operating as a labor-based technology and contractor training center. The labor-based construction industry generated over 1,717,800 person-days of employment between April 1996 and December 2000.

3. The capacity of Ministry of Works, Housing and Communications' (MOWHC) for road maintenance planning and operations was substantially improved.

- Technical assistance and training to staff was provided for contract management and supervision. A Highway Management System and Road Database were developed to ensure the timely and effective planning, budgeting and prioritization of road maintenance.

- A Transport Sector Investment and Recurrent Expenditure Plan (TSIREP) was prepared to provide a framework for allocating adequate resources for a sustainable road network.

- A performance-based Road Agency Formation Unit (RAFU) was established to plan , procure and manage large contracts.

4. The capacity of Local Governments' and Local Authorities to manage and monitor feeder roads was considerably expanded. District engineers were trained in contract management through workshops and courses. To improve local training , the Kyambongo Public Works Training center was equipped with the necessary training equipment and visual aids.

5. Under the project, Uganda Railways Corporation (URC) has made extensive progress towards commercializing its operations and financial autonomy. URC has streamlined its loss making lines and covers all its operations (excluding depreciation). The productivity and workers remuneration has increased. URC computerized its wagon tracking system and bought marine spares for engine-overhaul of three wagon ferries. To improve efficiency in management and cost effectiveness, URC trained 12 officers and upgraded its "Operational Simplified Coasting Systems" for Africa Railways.

4. Significant Outcomes/Impacts:

- The rehabilitation, improvement and maintenance of road infrastructure has resulted in reduction in transportation costs and travel time and improved accessibility to the productive agricultural areas.
- The project successfully used labor-intensive methods for feeder roads rehabilitation which generated employment and supported development of local contractors. The labor-based approach is now being widely used by the donor community (ADB, DFID, and DANIDA) in 33 districts.
- With the adoption of Highway Management System, MOWHC can prepare, budget and monitor maintenance programs more effectively.
- Uganda Railways Corporation is operating on commercial basis without Government subsidies.
- The project promoted AIDS awareness along the feeder roads that were rehabilitated/maintained.

5. Significant Shortcomings (including non-compliance with safeguard policies):

The project experienced significant cost increases which were largely due to poor engineering designs of some roads and the extremely long time lag between appraisal and actual implementation. Due to this time lag, some of the roads that were identified for routine maintenance at appraisal needed rehabilitation during implementation. Also, there were significant procurement delays and procurement irregularities.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Substantial	Substantial	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

1. Continuity in Bank strategy through successive projects is essential for supporting institutional reforms and for consolidating the results achieved.
2. Labor-based approach for rehabilitation and maintenance of feeder roads is a viable option. However, if such capacity is weak, then the project has to allow for adequate resources in terms of time and money to build this capacity to avoid implementation delays.
3. Stronger attention needs to be given to cost estimation during project preparation. In Uganda, road designs and cost estimates were out-of-date when implementation started.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The quality of ICR is satisfactory. It is clearly written and provides strong evidence of project achievements. There are some inconsistencies in cost figures in Annex 2 tables "Project Cost by Component" and "Project Financing by Component".