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Report No: PAD3499

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT
ON A
PROPOSED CREDIT

IN THE AMOUNT OF SDR 98.8 MILLION
(US$140 MILLION EQUIVALENT)

AND A
PROPOSED GRANT

IN THE AMOUNT OF SDR 42.4 MILLION
(US$60 MILLION EQUIVALENT)
OF WHICH SDR38.16 MILLION (US$54 MILLION EQUIVALENT) IS FROM THE WINDOW FOR HOST
COMMUNITIES AND REFUGEES (COVID SUB-WINDOW)

TO THE

REPUBLIC OF UGANDA

FOR A

UGANDA DIGITAL ACCELERATION PROJECT – GOVNET

May 11, 2021

Digital Development Global Practice
Eastern and Southern Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective March 31, 2021)

Currency Unit =	Uganda Shilling (UGX)
US$1.00 =	UGX 3,665
US$1.00 =	SDR 0.71

FISCAL YEAR
January 1 - December 31

Regional Vice President: Hafez M. H. Ghanem

Country Director: Keith E. Hansen

Regional Director: Boutheina Guermazi

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ABBREVIATIONS AND ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
CAN	Campus Area Network
CBA	Cost-Benefit Analysis
CCTV	Closed-Circuit Television
CE	Citizen Engagement
CERC	Contingent Emergency Response Component
CERT	Computer Emergency Response Team
CNII	Critical National Information Infrastructure
COP	Child Online Protection
COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Framework
CRRF	Comprehensive Refugee Response Framework
CSO	Civil Society Organization
DA	Designated Account
DAES	Digital Authentication and e-Signature
DE4A	Digital Economy for Africa
DFIL	Disbursement and Financial Information Letter
DoR	Department of Refugees
DPO	Data Protection Office
DTP	Digital Transformation Program
DUV	Digital Uganda Vision
E&S	Environmental and Social
ED	Executive Director
EHSG	Environmental Health and Safety Guideline
ESCP	Environmental and Social Commitment Plan
ESMF	Environmental and Social Management Framework
ESRS	Environmental and Social Review Summary
ESS	Environmental and Social Standard
EU	European Union
FCV	Fragility, Conflict and Violence
FDI	Foreign Direct Investment
FM	Financial Management
GBV	Gender-Based Violence
GEMS	Geo-Enabled Monitoring and Supervision
GHG	Greenhouse Gas
GoU	Government of Uganda
GovNet	Government Network Program
GDP	Gross Domestic Product
GIS	Geographic Information System
GNI	Gross National Income
GRS	Grievance Redress Service
GSMA	Global System for Mobile Communications Association
HIV	Human Immunodeficiency Virus

MoH	Ministry of Health
HPC	High-Performance Computing Center
ICT	Information and Communication Technology
ID4D	Identification for Development
IDA	International Development Association
IFC	International Finance Corporation
IFR	Interim Financial Report
IFRS	International Financial Reporting Standards
IPF	Investment Project Financing
IRR	Internal Rate of Return
ISP	Internet Service Provider
ISR	Implementation Status and Results Report
IT	Information Technology
ITU	International Telecommunication Union
JLIRP	Jobs and Livelihoods Integrated Response Plan
JLOS	The Justice, Law and Order Sector
LAN	Local Area Network
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MAN	Metropolitan Area Network
MoES	Ministry of Education
MoICT&NG	Ministry of Information and Communication Technology & National Guidance
MDAs	Ministries, Departments and Agencies
MFD	Maximizing Finance for Development
MoFPED	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MoU	Memorandum of Understanding
MSMEs	Micro, Small and Medium Enterprises
NBI	National Backbone Infrastructure
MTIC	Ministry of Trade, Industry and Cooperatives
MTWA	Ministry of Tourism, Wildlife and Antiquities
NDP	National Development Plan
NEMA	National Environment Management Authority
NGO	Nongovernmental Organization
NIRA	National Identification and Registration Authority
NISF	National Information Security Framework
NIST	National Institute of Standards and Technology
NISS	National Information Security Strategy
NITA-U	National Information Technology Authority of Uganda
NPV	Net Present Value
OP	Operational Policy
OPM	Office of the Prime Minister
OPRC	Operations Procurement Review Committee
PDO	Project Development Objective
PIU	Project Implementation Unit
PIT	Project Implementation Team

PIM	Project Implementation Manual
PPDA	Public Procurement and Disposal of Public Assets
PPSD	Project Procurement Strategy for Development
PS	Permanent Secretary
PSC	Project Steering Committee
PSES	Private Sector Engagement Strategy
PWD	Persons living with Disability
RAP	Resettlement Action Plan
RCIP-5	Regional Communications Infrastructure Program Phase 5
RHD	Refugee Hosting District
RPF	Resettlement Policy Framework
RSW	Regional Sub-Window for Refugees and Host Communities
SCD	Systematic Country Diagnostic
SDR	Special Drawing Right
SEA	Sexual Exploitation and Abuse
SOC	Security Operations Center
SORT	Systematic Operations Risk-Rating Tool
SPD	Standard Procurement Document
SIM	Subscriber Identification Module
SMEs	Small- and Medium-sized Enterprises
STA	Settlement Transformation Agenda
STEM	Science, Technology, Engineering, and Mathematics
STEP	Systematic Tracking of Exchanges in Procurement
TA	Technical Assistance
TC	Technical Committee
ToR	Terms of Reference
UBOS	Uganda Bureau of Statistics
UCC	Uganda Communications Commission
UDAP-GovNet	Uganda Digital Acceleration Project - GovNet
UN	United Nations
UNEP	United Nations Environment Programme
UNHCR	United Nations High Commissioner for Refugees
VMGF	Vulnerable and Marginalized Group Framework
WBG	World Bank Group
WB	World Bank
WHR	Window for Host Communities and Refugees

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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name
Uganda	Uganda Digital Acceleration Project - GovNet

Project ID	Financing Instrument	Environmental and Social Risk Classification
P171305	Investment Project Financing	Substantial

Financing & Implementation Modalities

[ ] Multiphase Programmatic Approach (MPA)	[✓] Contingent Emergency Response Component (CERC)
[ ] Series of Projects (SOP)	[ ] Fragile State(s)
[ ] Performance-Based Conditions (PBCs)	[ ] Small State(s)
[ ] Financial Intermediaries (FI)	[✓] Fragile within a non-fragile Country
[ ] Project-Based Guarantee	[ ] Conflict
[ ] Deferred Drawdown	[ ] Responding to Natural or Man-made Disaster
[ ] Alternate Procurement Arrangements (APA)	[ ] Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
02-Jun-2021	30-May-2026

Bank/IFC Collaboration

No

Proposed Development Objective(s)

The Project Development Objectives are to: (a) expand access to high-speed internet in selected areas, (b) improve efficiency of digital service delivery in selected public sectors, and (c) strengthen the digital inclusion of selected host communities and refugees.

Components

Component Name	Cost (US$, millions)

Expanding Digital Connectivity in selected areas	86.00
Enabling Digital Transformation of the Government	50.00
Promoting Digital Inclusion of Host Communities and Refugees	57.00
Project Management	7.00
Contingency Emergency Response Component	0.00

Organizations

Borrower:	Republic of Uganda
Implementing Agency:	National Information Technology Authority, Uganda (NITA-U)

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	200.00
Total Financing	200.00
of which IBRD/IDA	200.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	200.00
IDA Credit	140.00
IDA Grant	60.00

IDA Resources (in US$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Uganda	140.00	60.00	0.00	200.00
National PBA	140.00	6.00	0.00	146.00
Refugee	0.00	54.00	0.00	54.00

Total	140.00	60.00	0.00	200.00

Expected Disbursements (in US$, Millions)

WB Fiscal Year	2020	2021	2022	2023	2024	2025	2026	2027
Annual	0.00	12.22	23.33	34.83	36.52	37.84	37.99	17.28
Cumulative	0.00	12.22	35.55	70.37	106.89	144.73	182.72	200.00

INSTITUTIONAL DATA

Practice Area (Lead)

Digital Development

Contributing Practice Areas

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	● Moderate
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Moderate
6. Fiduciary	● Moderate
7. Environment and Social	● Substantial
8. Stakeholders	● Substantial
9. Other	● Moderate
10. Overall	● Substantial

COMPLIANCE

Policy

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

[ ] Yes   [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes   [✓] No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Not Currently Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description
Section I.A.2 of Schedule 2 to the Financing Agreement:

Recipient shall cause the Project Implementing Entity to, by no later than 30 (thirty) days after the Effective Date, recruit or assign (as appropriate) (i) a Project coordinator; (ii) a Project accountant; (iii) a procurement specialist; (iv) monitoring & evaluation specialist; (v) a social scientist; (vi) an environmental specialist; (vii) a legal expert and (viii) a procurement officer, all in accordance with the provisions of the Procurement Regulations.

Sections and Description
Section I.A.3 of Schedule 2 to the Financing Agreement:
The Recipient shall within 30 days of the Effective Date, establish and maintain throughout Project implementation a PSC within MoICT&NG, with adequate resources and facilitation, key staff holding such qualifications and under terms of reference acceptable to the Association.

Sections and Description
Section IV of Schedule 2 to the Financing Agreement:
The Recipient shall, no later than 12 months after the Effective Date, fund and carry out the following studies in form and substance satisfactory to the Association:
(i)   Last mile connectivity and rural mobile broadband study for ministries, departments, agencies and refugee hosting communities for Parts 1 and 3 of the Project; and
(ii)   A Data Center market study that will assess the governments data hosting requirements and will explore options on how to leverage private sector participation.

Sections and Description
Section I.D.3 of Schedule 2 to the Financing Agreement:
The Recipient shall cause the Project Implementing Entity to prepare and furnish to the Association the first Annual Work Plan and Budget required under the Project not later than thirty (30) days after the Effective Date.

Sections and Description
Section I.A.4 of Schedule 2 to the Financing Agreement:
The Recipient shall within 30 days of the Effective Date, establish and maintain throughout Project implementation an TC within MoICT&NG, with adequate resources and facilitation, key technical staff holding such qualifications and under terms of reference acceptable to the Association and as further specified in the PIM.

Conditions

Type	Financing source	Description
Effectiveness	IBRD/IDA	The Association is satisfied that the Recipient has an adequate refugee protection framework;
Type	Financing source	Description
Effectiveness	IBRD/IDA	The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity (PIE);
Type	Financing source	Description
Effectiveness	IBRD/IDA	The Project Implementation Manual ("PIM") has been prepared and

		adopted by the Recipient and the PIE in a form and substance acceptable to the Association;
Type Disbursement	Financing source IBRD/IDA	Description No withdrawal shall be made under Category (4) for Emergency Expenditures, unless and until all of the following conditions have been met in respect of said expenditures: (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category 4; and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.

I. STRATEGIC CONTEXT

A. Country Context

1.   **Uganda's population is fast-growing, predominantly young, and rural, with prevailing social and economic inequalities.** Driven by a high fertility rate of 5.59 births (2018), Uganda's population has doubled to 42.86 million over the last three decades and is expected to reach 80 million by 2040.[1] More than 48 percent of the population is under the age of 15 and nearly 50 percent of the population is between 15 and 65 years.[2] Such age demographics represent employment challenges as well as an opportunity to increase digital dividends. Overall, the population living in poverty is estimated at eight million (21 percent of the population).[3] Socioeconomic inequalities and regional gaps in living conditions persist, with a higher prevalence of poverty in rural areas than in urban areas. The distribution of poverty affects certain sub-groups adversely, especially among women. For instance, the poverty rate for households headed by widows is much higher than those headed by widowers, at 18 percent and 11 percent, respectively, although female-headed and male-headed households are both equally likely to be poor.[4] As of 2018, most Ugandans, 76 percent[5], live in rural areas and work in the agricultural sector, which accounts for 70 percent[6] of total employment (75 percent of all women in the labor force) and around a quarter of the country's gross domestic product (GDP).[7] This renders a significant portion of the workforce vulnerable to climate change and weather shocks and demonstrates the need for economic diversification and alternative sources of employment in higher productivity industries.

2.   **The Coronavirus Disease 2019 (COVID-19) pandemic is putting Uganda's growth trajectory at risk, exacerbating structural constraints and increasing pressure on the poor and vulnerable, including people living in Refugee Hosting Districts (RHDs).** Uganda's real GDP grew at 2.9 percent in FY20, less than half the 6.8 percent recorded in FY19,[8] due in large part to the effects of the COVID-19 pandemic. As of February 2021, there have been almost 40,000 cases of COVID-19 in the country. The expected revenue loss from COVID-19 measures is estimated at 0.18 percent of GDP in FY20 while tax revenues, more broadly, are expected to fall to 11.6 percent of GDP for FY20—1 percentage point less than FY19. Economic activity stalled during the latter part of the fiscal year due to a domestic lockdown that lasted over four months, border closures, and the spillover effects of disruption in global demand and supply chains. This resulted in a sharp contraction in public investment and deceleration in private consumption. The pandemic has also stalled telecommunications infrastructure investments and dampened consumer demand because of the falling purchasing power. For poor and vulnerable households in Uganda, the impact of COVID-19 is especially severe. Since the COVID-19 outbreak, 91 percent of

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[1] 2020. *Uganda Economic Update*, *Strengthening Social Protection to Reduce Vulnerability and Promote Inclusive Growth*, 2020. World Bank.

[2] Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat. 2015. *The*, *World Population Prospects: The 2015 Revision*.

[3] 2020. Uganda Economic Update, Strengthening Social Protection to Reduce Vulnerability and Promote Inclusive Growth, 2020. World Bank.

[4] World Bank. 2016. *The Uganda Poverty Assessment Report 2016*. Washington, DC: World Bank.

http://pubdocs.worldbank.org/en/381951474255092375/pdf/Uganda-Poverty-Assessment-Report-2016.pdf

[5] World Bank Data.

[6] World Bank Data.

[7] World Bank. 2020. *Uganda Economic Update*, *Strengthening Social Protection to Reduce Vulnerability and Promote Inclusive Growth*, 2020. World Bank.

[8] World Bank. 2020. *Uganda Economic Update, 16th Edition, December 2020:* Investing in Uganda's Youth. December 2020.

households have reported reduced income (or losses) from at least one of their sources of livelihood.[9] Preliminary estimates suggest that the pandemic could increase poverty incidence from 2.7 to 8.2 percentage points, resulting in an additional 1.07 to 3.15 million poor. In urban areas, closure of non-essential institutions and the ban on public and private transport are significantly affecting the incomes of those engaged in the services, manufacturing, and construction sectors (around 35 percent of the work force). Remittances are expected to drop by almost half in FY20 and FY21 from US$1.4 billion in FY19. Early indications show that socioeconomically depressed districts, including those hosting refugees, are among those affected the most. As such, COVID-19 amplifies existing income inequalities and puts decades of gains related to health, gender, and economic prosperity at risk.[10]

3.   **Uganda faces several challenges that could impede the country's progress toward middle-income status by 2025—a goal in its third National Development Plan (NDP III).** Uganda has identified 'digital transformation' as one of the key drivers that will enable the transition of its economy under NDP III and has continued to invest in GovNet and various aspects of digital capability, including through major investments made through the Regional Communications Infrastructure Program Phase 5 - Uganda (RCIP-5) and other sources. However, in addition to the impacts from COVID-19, various factors have affected the country's economy, including adverse weather conditions and meagre harvests, private sector credit constraints, conflict and unrest in neighboring countries, and underperformance in public sector project implementation.[11]

4.   **As a result of ongoing outbreaks of unrest, droughts, and socioeconomic crises across the neighboring Horn of Africa sub-region, Uganda currently hosts over 1.4 million refugees,[12] making Uganda the largest refugee-host country in Africa.** Despite many challenges, Uganda has maintained a strong policy and protection environment for refugees and asylum seekers. Most refugees come from the Republic of South Sudan and the Democratic Republic of Congo. Women and children constitute 81 percent of refugee population and youth constitute 23 percent.[13] Twelve of Uganda's 121 districts host a large share of the refugees, and most live in northern or western Uganda. Inflows of refugees have put pressure on natural resources, infrastructure, and services delivery to people living in RHDs. Self-employment is prevalent among refugees and this entrepreneurial drive also generates jobs for Ugandan nationals.[14] One in five refugee households own a non-agricultural enterprise.[15] Skills and job training opportunities are thus crucial to enhance self-reliance, but only 8 percent of refugees have received any type of skills or job training.[16] For refugees and host communities, digital support can facilitate self-reliance and promote Micro, Small and Medium Enterprises (MSMEs) solutions to foster a post-COVID-19 recovery.[17]

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[9] Uganda Bureau of Statistics and World Bank. (July 2020)). Uganda National COVID-19 Phone Survey Brief.

[10] World Bank. 2020. *Digital Solutions in a Time of Crisis: Uganda Economic Update, 15th Edition, July 2020*.

[11] World Bank. 2020. Uganda Economic Update, Strengthening Social Protection to Reduce Vulnerability and Promote Inclusive Growth, 2020. World Bank.

[12] United Nations High Commissioner for Refugees (UNHCR) and Government of Uganda (GoU), Uganda Comprehensive Refugee Response Portal, November 2020, https://data2.unhcr.org/en/country/uga

[13] UNHCR and GoU, Uganda - Refugee Statistics October 2020, https://data2.unhcr.org/en/documents/details/82807

[14] http://documents.worldbank.org/curated/en/571081569598919068/Informing-the-Refugee-Policy-Response-in-Uganda-Results-from-the-Uganda-Refugee-and-Host-Communities-2018-Household-Survey

[15] http://documents1.worldbank.org/curated/en/571081569598919068/pdf/Informing-the-Refugee-Policy-Response-in-Uganda-Results-from-the-Uganda-Refugee-and-Host-Communities-2018-Household-Survey.pdf

[16] http://documents.worldbank.org/curated/en/571081569598919068/Informing-the-Refugee-Policy-Response-in-Uganda-Results-from-the-Uganda-Refugee-and-Host-Communities-2018-Household-Survey

[17] http://documents.worldbank.org/curated/en/571081569598919068/Informing-the-Refugee-Policy-Response-in-Uganda-Results-from-the-Uganda-Refugee-and-Host-Communities-2018-Household-Survey

B. Sectoral and Institutional Context

5.   **The digital sector represents one of the fastest growing sectors in Uganda, with positive spillover effects on other sectors of the economy, the combination of which can play a key role in post-COVID-19 recovery.** Although the Information and Communication Technology (ICT) sector's contribution to the country's GDP has considerably increased, it remained minimal at two percent in 2019, according to the World Bank Group's (WBG's) 2020 Uganda Digital Economy for Africa (DE4A) report.[18] This growth was driven by: (a) a series of conducive government policies, some of which promoted increased public and private sector investments in fiber infrastructure[19] and (b) significant uptake of mobile phone subscribers. Recent analysis by the World Bank (WB) Africa Region Chief Economist's Office found that closing the digital infrastructure gap in the eastern and southern Africa regions could result in a 1.5 percentage point increase in economic growth per capita. If complemented by expansion in human capital development, the growth effect could increase to 3.87 percentage points.

6.   **Digital solutions can play a key role in addressing the economic growth and health challenges posed by COVID-19 and its aftermath.** Digital solutions can support delivery of essential services for firms (for example, utility and tax payments, access to markets via digital platforms and e-commerce, and digital small- and medium-sized enterprises [SMEs] finance); consumers (for example, mobile money, remittances, and e-commerce); and the most vulnerable (for example, expanded social safety nets or humanitarian payment schemes to refugees). Digital skills development can drive medium- and longer-term job creation. Introduction of innovative digital health solutions offers the opportunity to undertake holistic disease surveillance and monitoring (for example, through geo-tracking applications); leverage digital data and analytics from public systems to strategically allocate resources and preempt outbreaks; disseminate public health messages and cautionary guidelines (for example, through SMSs in a low-tech environment like Uganda); and improve inventory management of medical supplies.[20] The latter is especially relevant as regional and global production and supply chains have faced sustained interruptions and there will be further strain due to upcoming COVID-19 vaccine distribution. Enabling agile digital solutions for the education sector severely affected by pandemics further adds to the cross-sector potential to recover from COVID-19 with the help of digital solutions. In short, digital solutions will form the enabling backbone of critical COVID-19 resilience and recovery interventions across sectors, including through multiple WB-funded projects (see annex 7).

7.   **The substantial increase in mobile phone ownership is laying the foundation for Uganda's digital transformation and enabling the rapid take-up of digital services.** The country counts approximately 27 million mobile subscriptions, which is a penetration rate of 69.2 percent of the population, although phone ownership rates are higher among urban residents compared to rural residents.[21] The telecommunications market includes two major private operators (MTN and Airtel) that control market shares (in terms of mobile subscriptions) at 37 percent and 45 percent, respectively, and other mobile operators, such as Uganda Telecom and Africell, with market shares below 10 percent each.[22] The increased access to mobile phones and mobile services in Uganda has enabled the take-up of related services such as mobile banking, demonstrated by the latest available 2017

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[18] Uganda Digital Economy for Africa (DE4A) Report, Country Diagnostic, 2020.
[19] Uganda Digital Economy for Africa (DE4A) Report, Country Diagnostic, 2020.
[20] World Bank. 2020. Uganda Economic Update, 15th Edition *Digital Solutions in a Time of Crisis: Uganda Economic Update, 15th Edition, July 2020.*
[21] NITA-U (National Information Technology Authority of Uganda). 2018. National Information Technology Survey 2017/18 Report. NITA Uganda, March 2018
[22] NITA-U (National Information Technology Authority of Uganda). 2018. National Information Technology Survey 2017/18 Report. NITA Uganda, March 2018.

Global Findex data of 50 percent of adults owning mobile money accounts in Uganda.[23] The take-up of mobile services has also increased women's rates of financial inclusion over time.

8.   **The digital divide persists in Uganda and is driven by a range of socio-economic barriers.** To ensure that the transformative potential of digital services reaches all, including the most vulnerable population, there is a need to address barriers defined by gender, geography, residency status, disabilities, and income levels. Only 16 percent of the total number of mobile phone users have smartphones.[24] Geographically, the wide gap between the 19.5 percent Internet penetration rate in urban areas and the mere 7.1 percent in rural areas also raises concerns around the urban-rural divide.[25] A gender gap also persists. Only 53.7 percent of women own phones compared with 74.5 percent of men. In addition, women account for the largest share (66 percent) of people who do not use mobile phones.[26] The gender gap in Internet use is estimated at 25 percent between men and women, influenced by the lower socioeconomic position and education levels of women. Skills are also an issue as 75 percent of Ugandans who do not use the Internet report that they lack the skills to do so.[27] Skills gaps are particularly stark between men and women. Even among the employed population, fewer women than men possess a formal education: 4.4 percent versus 6.2 percent; and two-thirds of young women in employment lack a trade, technical skills, or specialization.

9.   **Affordability remains a key barrier to the take-up of mobile broadband, despite widespread adoption of mobile phones.**[25] Mobile devices are the main platform for Internet use (as opposed to fixed access). According to the International Telecommunication Union (ITU), the cost of basic mobile broadband services (1GB of mobile data) was at 16.61 percent of Gross National Income (GNI) per capita in 2017[28] in contrast with the United Nations (UN) Broadband Commission's target of two percent, making it prohibitively expensive for many Ugandans. Based on a survey by Research ICT Africa in 2018,[29] Internet use among individuals earning more than US$1,000 per month is very high (almost 100 percent), but it drops significantly in lower-income brackets; among people earning less than US$100 per month, only 11 percent use the Internet.[30] Affordability of mobile devices also appears to be a key barrier; 89 percent of respondents of a National Information Technology Authority of Uganda (NITA-U) survey who do not own a mobile phone cite its cost as the main barrier.[31]

10. **Network coverage is another serious constraint to higher adoption of mobile broadband, with sharp regional disparities.** While more than 95 percent of the population is covered by mobile telephony networks (2G),

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[23] World Bank Group. 2017. "Global Findex Database", World Bank Group, 2017
https://globalfindex.worldbank.org/sites/globalfindex/files/2018-04/2017%20Findex%20full%20report_0.pdf
[24] NITA-U (National Information Technology Authority of Uganda). 2018. National Information Technology Survey 2017/18 Report. NITA Uganda, March 2018.
[25] NITA-U (National Information Technology Authority of Uganda). 2018. National Information Technology Survey 2017/18 Report. NITA Uganda, March 2018.
[26] Economic Policy Research Centre. 2019. "Women's Economic Empowerment in Uganda: Inequalities and Implications" Policy Brief No. 110, Economic Policy Research Centre, November 2019. Kampala: Economic Policy Research Centre. Available at: https://eprcug.org/all-publications/614-women-s-economic-empowerment-in-uganda-inequalities-and-implications
[27] The State of ICT in Uganda. Research ICT Africa, 2019. "The State of ICT in Uganda." https://researchictafrica.net/publication/the-state-of-ict-in-uganda
[28] ITU.
[29] The State of ICT in Uganda. Research ICT Africa, 2019. "The State of ICT in Uganda." https://researchictafrica.net/publication/the-state-of-ict-in-uganda
[30] The State of ICT in Uganda. Research ICT Africa,2019. "The State of ICT in Uganda." https://researchictafrica.net/publication/the-state-of-ict-in-uganda
[31] NITA-U (National Information Technology Authority of Uganda). 2018. National Information Technology Survey 2017/18 Report. NITA Uganda, March 2018.

mobile broadband (3G and 4G) geographic coverage is only at 50 percent, with sharp regional disparities, particularly between the northern and western regions (which host most refugees) and the central region.[32] As a result of limited broadband access, the use of Internet by enterprises and the public sector remains very low. The quality of service also remains problematic; mobile download speeds in Uganda ranked only 115th in the world (June 2019). [33]

11. The situation among the refugee population is even more dire. To date, 68 percent of the refugee population have SIM cards, but often rely on cheap feature phones. For example, in the large Bidibidi settlement in the West Nile region of Uganda, 15 percent of men and only four percent of women own a smartphone. Furthermore, only 24 percent of refugees in the Bidibidi settlement have used the Internet and 17 percent are active Internet users. For 73 percent, the cost of an Internet-enabled device is a key barrier.[34] Consequently, refugees struggle to contact relatives, get timely market or business development information, access digital financial services, use digital learning options, and use Internet for other productive purposes.

12. COVID-19 has affected refugee livelihoods and increased income insecurity, sexual and gender-based violence (GBV), and anxiety. Women are more direly affected. Based on household surveys with over 1,500 refugees in Kampala and the settlements as well as interviews with 185 key informants, the United Nations High Commissioner for Refugees (UNHCR) and UN Women found that household income loss has contributed to an increased incidence of GBV and negative coping mechanisms such as survival sex and sale of alcohol. Fifty-three percent of girls and 46 percent of women aged 18 to 24 years reported an additional unpaid work burden, with school closures also affecting their ability to access learning opportunities.[35]

13. Limited connectivity also hampers humanitarian actors like the World Food Programme from providing cash-based solutions through mobile finance and increasing the efficiency of aid to refugees. Access to digital connectivity can enable refugees and their communities to access accurate and relevant information in appropriate languages, access business opportunities, and communicate with their families and host communities. As such, the Uganda Digital Acceleration Project (UDAP-GovNet) will be laying an important foundation needed to enable digital services delivery from key development actors serving refugees and RHDs. COVID-19 pressures have further highlighted the impact of this digital divide on refugees. The need for information on fluctuating market prices, accessing mobile learning platforms, and supporting MSMEs with information, finance, and learning support have all increased within refugee settlements which have seen periodic lockdowns.

14. The growing amount of e-waste also presents challenges to the ICT sector. A survey conducted by the United Nations Environment Programme (UNEP) in 2017[36] demonstrates that the amount and flow of e-waste is rising fast, with a stock of e-waste estimated at 1,900 MT and growing by 25,000 tons annually. A recent study has projected that between 2018 and 2022, an average of 4,500 tons per year of e-waste will be generated from communications end user equipment only (phones, televisions, computers, and radios).[37]

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[32] NITA-U (National Information Technology Authority of Uganda). 2018. National Information Technology Survey 2017/18 Report. NITA Uganda, March 2018.
[33] https://www.speedtest.net/global-index/uganda
[34] https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2019/07/The-Digital-Lives-of-Refugees.pdf
[35] Inter-agency report: refugee women and girls in Uganda disproportionately affected by COVID-19, https://www.unhcr.org/afr/news/press/2020/12/5fc7a6694/inter-agency-report-refugee-women-and-girls-in-uganda-disproportionately.html
[36] UNEP.
[37] UNEP.

15. Uganda has put in place the legal, policy, strategic, and technical foundations for cybersecurity resilience and is optimizing them, while shifting focus to next-stage good practices in governance, capacity building, and steady-state sustainability. With an increasing number of digital platforms and services being rolled out by Uganda's public and private sectors and investments made into networks and applications, Uganda has prioritized the strengthening of its cybersecurity, information security, and data protection frameworks. In 2018, cyberattacks cost the Ugandan economy an estimated US$52 million, up from US$42 million in 2017 and US$35 million in 2016. The most affected sectors are the government sector, financial institutions, services integrators, and microfinance and banking service providers, with 96 percent of cyberattacks being unreported or unresolved. As a legislative framework, the Government of Uganda (GoU) has enacted a suite of laws that include the Computer Misuse Act 2011, the Electronic Signatures Act 2011, and the Electronic Transactions Act 2011. A review of the existing cybersecurity and cybercrime legislation and an update to the Cybersecurity Strategy are being supported under the ongoing Regional Communications Infrastructure Program Phase 5 (RCIP-5) Project (P130871) and the government has stated its intentions to accede to the Council of Europe's Budapest Convention on Cybercrime. The Digital Uganda Vision (DUV) of 2019, the National Information Security Framework (NISF) of 2014, and the National Information Security Strategy (NISS) of 2011 round out the strategic and policy foundations for cybersecurity. To handle incidents and attacks, Uganda has both a national Computer Emergency Response Team (CERT) at NITA-U and a Communications Sector CERT at the Uganda Communications Commission (UCC). The country benefitted from the Cybersecurity Maturity Model assessment that was undertaken in 2016 and updated in 2020; the emanating recommendations, for instance on capacity building and awareness raising, are reflected in the present project's design. Uganda was nominated as the regional lead on cybersecurity under the East African Northern Corridor Infrastructure Regional Memorandum of Understanding (MoU). In 2018, Uganda ranked 7th in Africa in the ITU's Global Cybersecurity Index, and 65th globally.[38] The country's next challenges for cybersecurity are therefore to expand technical capacity, implement best practice governance, and move toward effective implementation and sustainability.

16. In the area of data protection, Uganda is in the early stages of operationalizing a recently adopted Data Protection Law. This landmark legislation, passed in 2019, made Uganda the first East African country to recognize privacy as a fundamental human right, as enshrined in Article 27 of the 1995 Uganda Constitution. It aims to protect individuals and their personal data by regulating processing of personal information by state and non-state actors, within and outside Uganda. The law expands the rights of individuals to control how their personal data are collected and processed, placing a range of obligations on those processing it, both public bodies and companies. A year since its enactment, the law remains in need of accelerated implementation and enforcement, with observers reporting that personal data continue to be collected in violation of the law's principles.[39] In response, a Data Protection Office (DPO)—whose mandate will be to lead the implementation of the law, issue codes and regulations, and provide for administrative, civil, or criminal sanctions and penalties—must be established, resourced, and enabled. Due to the present hold put on creating new government agencies, it is envisioned that this DPO will be established as an independent entity under NITA-U. While recruitment of personnel has started, the DPO will require substantial capacity building and logistical set-up. The project seeks to support some of those priority efforts.

17. The WB has partnered with the GoU in its efforts to address these bottlenecks and leverage opportunities through the RCIP-5 Project, currently under implementation and set to close in February 2022.

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[38] International Telecommunications Union, 2018., *Global Cybersecurity Index 2018*. https://www.itu.int/dms_pub/itu-d/opb/str/D-STR-GCI.01-2018-PDF-E.pdf

[39] https://privacyinternational.org/news-analysis/3385/one-year-what-has-ugandas-data-protection-law-changed

RCIP-5's PDO is to: "(a) Lower prices for international capacity and extend the geographic reach of broadband networks and (b) Improve the government's efficiency and transparency through e-Government applications." The project has provided support for developing or updating key laws and regulations with the view to increase competition and lower prices for broadband connectivity and digital services. It has also supported the expansion of the national fiber-optic backbone infrastructure and connected government facilities to high-speed broadband. Finally, RCIP-5 has helped improve the GoU's ability to deliver services to its citizens by putting in place shared e-Government infrastructure, digital platforms, and shared services. The project's main implementing agency is the NITA-U—an autonomous statutory body with the authority to coordinate and regulate Information Technology (IT) services in Uganda. A continuation of RCIP-5, the UDAP-GovNet seeks to accelerate the take-up of services, as Ministries, Departments and Agencies (MDAs), and increasingly secondary MDAs, are being progressively connected.

18. **The GoU's ability to deliver public services digitally has improved in recent years, helped by investments in shared IT facilities and service delivery platforms.** Uganda ranked 137 out of 193 countries on the 2020 UN e-Government Development Index,[40] up from 156 five years ago. The investments made through RCIP-5, including in government cloud-based data centers, data exchange and integration platform, SMS and e-payment gateways, as well as in digital authentication services, have played a key role in the improved ranking. To date, over 80 sectoral e-services have been introduced in collaboration with a variety of MDAs. However, much remains to be done to introduce citizen centric e-services that are digital end-to-end and can be delivered in a cashless and remote manner without requiring face-to-face interactions.

19. **Key policy and regulatory reforms to strengthen the ICT sector are being undertaken.** For example, the 2018 National Broadband Policy and the recent Data Protection Act both aim to build trust and provide a stronger policy direction for achieving universal Internet access in the country. Looking ahead, the GoU is finalizing the DUV, setting an overarching framework and direction for national ICT policies and utilization of digital services to advance inclusion, sustainable development, and poverty eradication. In addition to the DUV, the GoU is finalizing its Digital Transformation Program (DTP), one of the 18 key programs under NDP III. The DTP aims to increase ICT penetration and use of ICT services for social and economic development and is expected to contribute to: (a) increasing ICT penetration, (b) reducing cost of ICT devices and services, (c) creating more direct jobs in the sector, (d) increasing ICT incubation, and (e) increasing government services online.

C. Relevance to Higher Level Objectives

20. **The proposed project is well aligned with the objectives of Uganda's current NDP III,[41] whose successful achievements would greatly rely on the digital sector.** NDP III, which covers FY21–25, notes that digital technology can play a key role in catalyzing the nation's objectives, from raising agricultural productivity to improving broadband infrastructure, workforce competitiveness, and service delivery. The project will also contribute to the enhancement of refugee protection in accordance with NDP III's Governance and Security Program Implementation Action Plan. This project is being designed to support the implementation of the GovNet initiative, which is the government's flagship initiative that contributes to the objectives of Digital Uganda Vision and the Digital Transformation Program under NDP III. The project is also directly aligned with the Digital Transformation for Africa initiative of the African Union, which aims to have every African individual, business,

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[40] 2020 UN e-Government Development Index.
[41] Third National Development Plan (NDP III) 2020/21– – 2024/25, National Development Authority
https://www.fowode.org/publications/research/40-national-development-plan-3/file.html

and government digitally enabled by 2030. It is also informed by the DE4A, which was completed in 2020.

21. The project addresses the challenges outlined in the 2016 Systematic Country Diagnostic (SCD) and is aligned with Uganda Country Partnership Framework (CPF) FY16–21 discussed by the Board April 21, 2016 (Report No. 101173-UG). The digital sector can play a key role in addressing the challenges that Uganda faces, as identified by the SCD. It supports the CPF's strategic objective of "Promoting Shared Growth and Sustainable Economic Growth" and, specifically, CPF Goal 1.2 on "Improved connectivity for regional integration" through improved digital infrastructure and competitiveness of the digital sector. The CPF also notes that several other ongoing WB-funded projects rely on digital technology and services, such the Agriculture Cluster Development Project (P145037), the Uganda Intergovernmental Fiscal Transfers (P172868), the Competitiveness and Enterprise Development Project (P130471), and Identification for Development (ID4D) (P161458). The project also contributes to IDA19 policy commitments on Fragility, Conflict and Violence (FCV), Governance and Institutions, Jobs and Economic Transformation, and Gender and Development (see annex 2). The project seeks to follow an approach compatible with the 'Maximizing Finance for Development' (MFD) principles, with public financing to be employed to the extent necessary to reach areas where private sector interest is not sufficient to provide connectivity without additional intervention or incentives, to avoid displacement, but rather seek complementarity of private investment across all components.

22. The project is aligned with WBG's response to the COVID-19 pandemic by "securing foundations of the economy" and "strengthening policies and institutions for resilience," both key goals outlined in the WBG COVID-19 Crisis Response Approach Paper.[42] In particular, the project is supportive of the Approach Paper's Pillar III (ensuring sustainable business growth and job creation), as it provides policy advice and financial assistance to preserve jobs, and Pillar IV (strengthening policies, institutions, and investments), through its emphasis on governance and institutions. It is also fully in line with the IDA19 Building Back Better Paper,[43] which confirms that digital development will "be integral in the transformed world" and that IDA countries will need to embrace digital technology to grow and regain progress toward 2030 goals.

23. The project also supports the key objectives of the Window for Host Communities and Refugees (WHR) (COVID-19 Sub-Window). The WHR's objective is to create social and economic development opportunities for refugees and RHDs and facilitate sustainable solutions to protracted refugee situations including through sustainable socioeconomic inclusion of refugees in the host country and enhancing COVID-19 recovery efforts. This is in line with the WBG Strategy for the FCV engagement pillar of mitigating the spillover effects of conflict.

24. The project demonstrates substantial policy content by directly supporting the implementation of refugee digital policies linked to employment and private sector engagement. The project implements the policy planning objectives, outlined in NDP III and the Digital Transformation Program Implementation Action Plan, to deliver digital transformation, as well as to strengthen self-reliance and reduce income vulnerability of host communities and refugees. The project will support the implementation of the digital elements of the Private Sector Engagement Strategy (PSES) for Uganda's refugee response and the Jobs and Livelihoods Integrated Response Plan (JLIRP) for host communities and refugees, which both outline the policy and planning details under Uganda's Comprehensive Refugee Response Framework (CRRF). The project will specifically support the

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[42] World Bank Group. 2020. "Saving Lives, Scaling-up Impact and Getting Back on Track." – WBG COVID-19 Crisis Response Approach Paper, June 2020.

[43] IDA (International Development Association). 2020. Building Back Better: Pursuing a Greener, More Inclusive, and Resilient Recovery, IDA, November 2020.

implementation of the JLIRP strategic intervention on digital financial inclusion, which covers digital infrastructure, access to mobile networks to facilitate digital banking and access to finance and strengthened digital skills. The draft PSES[44] calls for greater focus on innovation and technology within RHDs. It has two policy recommendations which will be directly supported by the project: (a) investing in telecommunications infrastructure in RHDs and (b) encouraging digitization of the RHDs' economies to create efficiencies, decrease corruption, and encourage adoption of digital solutions by refugees.

25. The WB, following consultation with UNHCR, has determined that Uganda's refugee protection framework remains adequate for accessing financing from the IDA19 WHR. Uganda is recognized globally as having one of the national refugee policies most aligned with the Global Compact on Refugees. Not only is Uganda a state party to international or regional instruments protecting refugees but also its laws, policies, and practices are largely consistent with international refugee law, guaranteeing non-refoulement and adequate protection for refugees and asylum seekers. Uganda has ratified the 1951 Refugee Convention and the 1967 Protocol relating to the Status of Refugees, albeit with seven reservations to the former. The country has also ratified the 1969 Organization of African Unity Convention Governing the Specific Aspects of Refugee Problems in Africa as well as nine core international and regional human rights instruments relevant for refugee protection. These are domesticated into Uganda's legal system through the 2006 Refugee Act and its 2010 Refugee Regulations as well as other laws which accord protection to life and liberty of all persons, such as the Bill of Rights in the 1995 Constitution and the Penal Code Act. The Refugee Act guarantees refugees fundamental rights, including the right to work, enjoy freedom of movement, own property, and access social services. The Refugee Regulations stipulate the integration of refugee matters in NDPs and that refugee concerns be considered in the initiation and formulation of sustainable development and environmental plans. Uganda's asylum policies and protection framework advance the integration of refugees and foster an enabling environment for them to live in safety, with dignity, and in harmony with RHDs. Uganda is also implementing the CRRF in accordance with the New York Declaration for Refugees and Migrants that is guiding and framing all refugee-related activities. These combine with the aim to ensure that the refugee response provides support to both refugees and RHDs, putting them on a path to self-reliance and by bridging humanitarian and development ways of working. Uganda has reiterated its ongoing commitments to refugee protection in the context of COVID-19 in Uganda's Strategy Note on Support to Refugees and RHDs.

26. Uganda has remained committed to its refugee policy reforms despite the pressures of COVID-19 and this project will be key in strengthening an integrated policy approach to refugees and RHDs through supporting the implementation of the PSES and the JLIRP. To achieve this, the project builds on decades of the Office of the Prime Minister (OPM) Department of Refugees' (DoR) coordination of multi-sectoral support to refugees that is mirrored in the CRRF and ongoing policy engagements to help the GoU invest in the host communities and refugees as part of a long-term development approach. Specifically, the WB is supporting Uganda's implementation of its policy reforms through several projects reducing pressure on social services, infrastructure, and natural resources across refugees and RHDs. Uganda's Refugee Act (2006) and Refugee Regulations (2010) provide one of the strongest sets of policy measures globally to implement the Global Compact on Refugees, with the OPM DoR managing and coordinating the refugee response in Uganda. The GoU's progress since the 2017 Letter of Government Policy has been strong. Its renewed policy commitments are outlined in the Strategy Note on Support to Refugees and RHDs which accompanies this Project Appraisal Document. The GoU developed the Settlement Transformation Agenda (STA) integrating humanitarian and development aspects, and it has taken several concrete policy and operational steps since the IDA18 Regional Sub-Window (RSW) for refugees and RHDs

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[44] The JLIRP was endorsed at the December 2020 CRRF Steering Group, and the draft PSES is on the agenda for the June2021 Steering Group.

eligibility assessment in 2017. It has established functional CRRF coordination mechanisms, with a senior-level CRRF Steering Group consisting of the GoU and development and humanitarian partners (including the WB) meeting quarterly. Uganda has taken substantive policy steps to implement the CRRF through operational policy (OP) documents in the form of Refugee Sector Response Plans for education, health, water, environment, and jobs and livelihoods, with drafts being developed for energy (reflecting links to digital activities outlined under this project) and private sector engagement. These plans provide agreed priorities and activities for development partners to support the GoU in strengthening of services, employment opportunities, and safeguards to build the self-reliance of host communities and refugees, including through increased access to digital solutions. This project will be essential in supporting the implementation of both the PSES and JLIRP.

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

The Project Development Objectives are to: (a) expand access to high-speed internet in selected areas, (b) improve efficiency of digital service delivery in selected public sectors, and (c) strengthen the digital inclusion of selected host communities and refugees.

PDO Level Indicators

The following indicators will be used to measure the achievement of the PDO.

Table 1: Outcomes and Indicators

Outcome	Indicators (*PDO-level*)
Expanding access to high-speed Internet in selected areas	• Broadband penetration (fixed + mobile) in selected areas (Percentage)
Improving efficiency of digital government service delivery in selected public sectors	• Public services in selected public sectors that can be delivered digitally and securely without requiring physical presence (end-to-end) (Number)
Strengthening the digital inclusion of selected host communities and refugees	• Individuals in the selected refugee and host communities with access to broadband Internet connectivity (Number)

B. Project Components

27. The project is built around three central components that are designed to work synergistically to achieve the PDO. Component 1 will expand broadband connectivity in selected areas. Component 2 will deliver a wide array of digitally enabled public services to citizens and businesses throughout the country. Component 3 will extend broadband connectivity and improve digital inclusion aspects of refugees and host communities in 12 RHDs, addressing their specific needs. The COVID-19 relevance to all components is described in annex 7.

28. The project components are summarized in table 2.

Table 2: Project Components and Estimated Costs

Components	Estimated Cost (US$, millions)
Component 1: Expanding Digital Connectivity in Selected Areas	**86.0**
1.1. Expanding the digital infrastructure outreach	49.6
1.2 Strengthening of digital infrastructure "complements"	33.1
1.3 Strengthening the enabling environment, digital capabilities, and inclusiveness of digital services	3.3
Component 2: Enabling Digital Transformation of the Government	**50.0**
2.1 Accelerating Digital Transformation of Service Delivery	23.6
2.2 Mainstreaming Digital Services in Priority Sectors	11.5
2.3 Strengthening Cybersecurity and Data Protection	14.9
Component 3: Promoting Digital Inclusion of Host Communities and Refugees	**57.0**
3.1 Digital inclusion of host communities and refugees through enhanced connectivity	37.0
3.2 Digital inclusion of host communities and refugees through access enablers	20.0
Component 4: Project Management	7.0
Component 5: Contingent Emergency Response Component	0.0
Total	200.0

Component 1: Expanding Digital Connectivity in Selected Areas (US$86.0 million equivalent)

29. This component will seek to bridge the digital divide by improving access to high-speed Internet in unserved and selected communities in Uganda, through a combination of infrastructure investments and policy reforms, in support of the objectives set forth in the Government's DTP under NDP III, while facilitating Uganda's post COVID-19 economic recovery. Uganda's digital infrastructure will also be enhanced through the expansion of in-country data center hosting capacity and establishment of e-waste management capabilities expected to contribute to climate mitigation. Component 1 and relevant activities in component 3 will contribute to promoting universal access to high-speed, affordable Internet in Uganda by leveraging the MFD approach. Bringing last mile connectivity to remote and rural areas of Uganda is expected to translate into less travel and use of gas to receive government services or for doing business and less road congestion that will contribute to climate mitigation and adaptation. To avoid any displacement of private investment, public financing will only be used to the extent necessary to reach the areas where it is considered that private sector would not go without additional incentives from the government to invest in closing infrastructure gaps in unserved and underserved areas.[45]

Sub-component 1.1. Expanding the digital infrastructure outreach (US$49.6 million equivalent)

30. This will finance the gaps in national digital infrastructure coverage, to complement private sector and public sector-led investments. The sub-component will focus on the following:

a) **Extension of the National Backbone Infrastructure (NBI).** This will finance the expansion of 1,000 km of NBI backbone fiber infrastructure, an additional 500 km of fiber-optic network links between towns, and updates to the existing links between 20 towns across Uganda. The NBI is operated in line with 'open access' principles, enabling any licensed operator to purchase wholesale capacity on the network on equal

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[45] Project preparation has included consultations with the private sector and project implementation foresees additional consultations as part of preparation for the final designs.

and non-discriminatory terms. The investments to be made are a continuation of what has already been implemented under RCIP-5[46] and are designed to further promote private sector participation (through leasing of excess capacity) and incentivize investments of the private sector in underserved areas where the private sector would otherwise not go due to low commercial viability. While the NBI is owned by the GoU, it has since inception been operated through a management contract by a competitively selected private sector company responsible for maintenance of the network and sale of excess capacity to licensed operators and Internet service providers (ISPs). This management contract financed by the GoU has continued under RCIP-5 to help manage publicly financed infrastructure. A similar arrangement will be maintained under this project with respect to future phases of the NBI extension, ensuring a seamless and interoperable network (also see sub-component 1.3). The private sector is currently leveraging investments into the NBI to roll out complementary infrastructure and services in areas where there is strong demand and commercial viability. This has facilitated the expansion of networks by private operators who were buying backhaul capacity from the government to reach the areas which were previously unreachable. The project will support continuous industry soundings, to ensure alignment between areas proposed to be financed under the project and private sector rollout plans. Periodic technical and operational audits will be conducted to ensure satisfactory quality of service, open access of the NBI to avoid possible duplication of infrastructure by operators and prevent any type of monopoly in service provision.[47]

b) **Last Mile Connectivity.** In addition, 900 government administrative units and service centers will be connected through mobile broadband coverage to be deployed under c) below. A total of 828 Wi-Fi hotspots will be established in select last mile locations to support the access to secure online services by rural and peri-urban underserved and unserved communities. Expanding public Wi-Fi offering will primarily focus on locations where women and other marginalized communities can safely and securely access the Internet and allied digital services, such as public markets. This activity will ensure that MDAs are well connected, so that e-services can be used at the local level by citizens and businesses. This activity will also include the design and deployment of Local Area Networks (LANs)/Campus Area Networks (CANs) in each of the 2,900 last mile locations planned to be covered by this project. The GoU will conduct a technical study to evaluate the most suitable mix of technologies and to explore options on how to engage the private sector under this activity to increase the broadband coverage in Uganda.

c) **Pre-purchase of International Bandwidth.** This activity involves lowering the average cost of international bandwidth through a bulk pre-purchase of international bandwidth, through aggregation of the needs of public institutions which allows to capitalize on the economies of scale. This activity has been initiated through the RCIP-5 Project. An additional 20 Gbit/s per year for the duration of the project will be financed to cater to the growing bandwidth needs of government institutions in terms of additional number of MDAs connected, and growing usage per MDA.

d) **Mobile Broadband Deployment in Rural Areas.** This activity will finance the deployment of broadband in rural areas and provisioning of mobile broadband in selected areas. This activity will involve installation of 50 masts (tower type structures to support antennas and other telecom transmission equipment) to improve voice and data services in underserved areas. The masts will serve 900 MDAs. The proposed location of the masts will follow considerations of current gaps in service coverage, service demand, and projected viability of the infrastructure, to be able to target the investments while ensuring long term

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[46] Activities under this component build on the experience of RCIP-5 that extended the backbone underserved regions through buildout of 842 km (on the top of a network which was previously already extended to 1,500+km).

sustainability of the same. The study in subsection (b) above will confirm the best locations of the masts and explore options on how to engage the private sector in various capacities such as in the investment, deployment, operations, or management of mobile broadband connectivity.[48]

Sub-component 1.2: Strengthening digital infrastructure "complements" (US$33.1 million equivalent)

31. This sub-component will ensure that the connectivity infrastructure financed under sub-component 1.1 is fully leveraged for development, by establishing or strengthening key "complements" through the following activities.

a) **Data Center Infrastructure.** This activity will finance the expansion of the current data hosting capacity in the country and establishment and operationalization of a green Data Center to complement the existing data hosting capability already financed under RCIP-5. This will improve geographical redundancy and resilience, to prevent any government data loss, including in the face of climate-related shocks. The data center will be designed for maximum energy efficiency and minimum environmental impact. The GoU will carry out a technical assessment to estimate government's data requirements for data hosting. This will inform decisions on the best architectural and technological design for scalability, reliability, and high availability of hosting services, in respect to future demands of the government and explore options on how to leverage private sector participation[49].

b) **Metropolitan Area Network (MAN) Center.** This will support the renovation and upgrade of the MAN Center located at Statistics House to provide a standard environment for mission critical systems installed in the facility. This will include the upgrade of core routing equipment and provisioning of air-conditioning, fire suppression system, closed-circuit television (CCTV), access control, and cabling in the MAN. This activity will also finance the equipment to support the establishment of the national Internet Exchange Point that will be governed by multi-disciplinary stakeholders from private and public sectors, academia, and civil society organizations (CSOs).

c) **E-Waste Management.** This activity will support the establishment of two regional e-waste collection and management centers in different regions of Uganda to ensure that e-waste is collected, sorted, and stored at central locations for the ease of management, further refurbishing (when possible), and processing at recycling facilities. The e-waste facilities operations will be outsourced to the private sector under operational modalities that will be determined through a dedicated study that is financed through the RCIP. This activity will directly contribute to climate mitigation.

d) **National ICT Spatial Data Infrastructure Store and High-Performance Computing Center.** This activity will finance studies, equipment, software, Geographic Information System (GIS) mapping tool, as well as mapping of core ICT infrastructure that will guide the rollout of ICT spatial infrastructure in the country, in collaboration with the road, energy, railway, and water sectors, city councils, and municipalities countrywide. This will also include the creation of a unified spatial system for sharing data among the utility providers and sectors and support activities to inform major infrastructure investments and data-driven policy making in these sectors.

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[48] The project will leverage good experiences and successful practice models from other World Bank projects, notably from the Regional Communications Infrastructure Project (P094103). Given that the referenced study is needed to analyze options under the project on how to move forward, the said study, in form and substance satisfactory to the World Bank, would be carried out no later than 12 months after project effectiveness.

[49] Given that the referenced assessment is needed to analyze options under the project on how to move forward, the said study, in form and substance satisfactory to the World Bank, would be carried out no later than 12 months after project effectiveness.

Sub-component 1.3: Strengthening the enabling environment, digital capabilities, and inclusiveness of digital services (US$3.3 million equivalent)

32. This sub-component will finance the 'analogue' complements required to support the deployment and operations of the digital infrastructure and services, including strengthening the related policy and regulatory environment and promoting digital skills among project beneficiaries. Specifically, it will support the Ministry of Information and Communication Technology and National Guidance (MoICT&NG), UCC, and NITA-U in implementing the 2018 National Broadband Policy.

33. On the national regulatory front, sub-component 1.3 will help strengthen the regulatory framework to coordinate investments and ensure infrastructure sharing, open access, and complementarity through a variety of legal and regulatory instruments to provide incentives to sharing, thereby reducing duplication and better effective utilization of digital infrastructure.[50] Specifically, this sub-component will support the review and assessment of, but not limited to Computer Misuse Act 2011, Electronic Transaction Act 2011, Electronic Signature Act 2011, Cyber Security Law, E-government Law, National Critical Information Infrastructure Law, and Development of Data Sharing and Governance Act.

34. In addition, the following policies and strategies will be supported, Data Sharing and Governance Policy, development of the policy framework for coordination of public and private infrastructure deployment, Open Data Policy, National Critical Information Infrastructure Policy, and Spectrum Management Policy. The review and technical assistance (TA) may include developing appropriate guiding principles and regulations and cost models or performing periodic management and price and quality audits on publicly owned infrastructure, notably to ensure it continues to function on a non-discriminatory, open access basis. This sub-component will also support a TA to promote digital market integration through strengthening legal and regulatory frameworks.

35. The project will support digital inclusion capacity building activities, including initiatives to train public officials on policy and regulations, and will provide retooling and capacity building to the identified women SMEs and associations, youth groups, and the elderly. Public officials will be trained on digital leadership and offered professional certifications programs and technical training in key project areas, for example, spectrum management, cybersecurity, and others. Modes of delivery will include short courses in Uganda and abroad, benchmarking visits, and affiliations to professional organizations, among others. Evaluation of the existing incentives for private sector participation in promoting ICTs in the country will also be carried out under this sub-component.

Component 2. Enabling Digital Transformation of the Government (US$50 million equivalent)

36. The global COVID-19 pandemic has provided valuable insights into the future of service provision, where in-person, face-to-face service delivery may no longer be appropriate, practical, or the norm. This component will aim to boost the efficiency and effectiveness of digital government services and create foundations for better resilience, climate adaptation, and economic recovery. The goal is to transform the way people, governments, businesses, and civil society interact with each other, by supporting digital transactions and e-services that can be

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[50] Duplication may be the best alternative to an operator in certain circumstances (for example, if the only existing infrastructure is not priced correctly or does not have the appropriate quality). While mandating sharing does not follow best practice, the government can develop a range of instruments to provide incentives to sharing and therefore improve return on investment and ultimately affordability to the end user.

delivered in a paperless, cashless, and secure manner without the requirement for in-person interaction, which in turn also contributes to climate mitigation. Combined with expanded last-mile access in underserved areas, this component will particularly cater to women and marginalized communities who may struggle to balance family care responsibilities with accessing government services currently offered in-person. Developing the foundations needed to deliver services digitally will also allow the GoU to address some of the constraints imposed by the ongoing COVID-19 pandemic and mitigate possible future shocks by 'building back better' and investing in its capability to provide government services that do not require travel or in-person interaction. The supported activities are in line with Objective 2 of NDP III, which aims to enhance the development of digital services across the government.

Sub-component 2.1. Accelerating Digital Transformation of Service Delivery (US$23.6 million equivalent)

37. To streamline digital services development, there is a need to have a set of shared platforms and solutions to allow sectoral MDAs to launch sector-specific e-services in the most efficient and expedient manner. Supported activities, which will further contribute to the 'build once, re-use always' approach adopted under RCIP-5. This will further contribute to climate mitigation by providing an option to people in Uganda to receive government services without a need to travel (and use gas) and avoiding using paper. The activities supported will include:

a) **Scale-up of shared platforms developed under RCIP-5.** This will include scaling up digital authentication and e-signature (DAES) capability in the country, with the view to build a nationwide solution that will help issue more e-signatures by investing into Public Key Infrastructure to enable secure and trusted online transactions across different government services; roll out messaging and collaboration services to an additional 50,000 users in MDAs and local governments; expand the use of mobile gateway; increase the use of e-Payment mechanisms for e-services in support of cashless transactions; and onboard an additional 20 new government agencies into the integration platform designed to facilitate data exchange between ministries, on top of the eight expected to be onboarded under RCIP-5 Project.

b) This sub-component will also support the development of new shared solutions, designed to **promote innovation in digital service delivery,** such as the development of a front-end mobile platform; shared applications and microservices platform to avail new opportunities for e-services innovation; initiatives to give opportunities to local talent, including through connection of local innovators to digitalization opportunities in the government; partnerships with commercial partners for entrepreneurs to develop, test, and operate innovative digital government services; and establishment of innovative models to upskill youths to jumpstart digital career opportunities, including through a variety of internships and mentorships. Women's participation in activities related to digital innovation will be particularly encouraged.

c) Sub-component 2.1 will also support a variety of **e-services support and promotion mechanisms**, including the establishment of three regional eGovernment support service desks in Gulu, Mbarara, and Mbale, in partnership with the sectoral Ministries and Posta Uganda, an eDocument Management and Workflow System aimed at improving internal efficiency within MDAs and local governments, by providing capabilities for storage, retrieving, and preservation of documents expected to reduce the use of paper, thus also contributing to climate mitigation. This will also include training and awareness activities in support of digital inclusion for special interest groups, women SMEs and associations, youth groups, community centers, and centers for the elderly.

Sub-component 2.2. Mainstreaming Digital Services in Priority Sectors (US$11.5 million equivalent)

38. This sub-component will support specific sectoral digitalization of services in six priority sectors: four that have been the focus under RCIP-5 (agriculture, education, justice, and health) and two new sectors (tourism and trade) as well as the Ministry of Finance, Planning and Economic Development (MoFPED). Since priorities may change during the life of the project, NITA-U will be facilitating a formal annual e-services prioritization exercise, in close collaboration with a Technical Committee (TC) represented by priority ministries, to select sectoral e-services to be implemented under the project in a given year.

39. The selection criteria that will be used to prioritize sectoral e-services will be based on, but not limited to inclusion as a priority e-service under NDP III; potential impact in terms of number of people estimated to use that e-service and frequency of use; cost of implementation; technical capabilities and availability of human resources at the MDA level; potential of the e-service to make good use of the shared infrastructure and solutions (such as data hosting, DAES, data exchange and interoperability platform, SMS gateway, and microservices); and estimated time saving for both citizens and government and other priorities of the Government, such as the need to streamline government procurement processes though e-procurement system.

40. Therefore, the activities to be financed will include the deployment of new digital services, development of additional modules for existing e-services to make them digital end-to-end, technical advisory services in support of digitalization of business processes across the six priority sectors, and related training for personnel at these MDAs. Sub-component 2.2 will also support both external communications and outreach programs to ensure adoption of the newly introduced e-services. A gender lens will be applied to the design and implementation of all sectoral e-services and training activities, with a special attention to people living with disabilities. The project will encourage women to participate in activities related to digital innovation and e-services development by supporting communication to increase awareness of procurement opportunities among women-led businesses.

Sub-component 2.3. Strengthening Cybersecurity and Data Protection (US$14.9 million equivalent)

41. To reinforce cybersecurity, information security, and data protection for the safeguarding of the Ugandan digital economy and individuals' rights to safeguard personal data, this sub-component will finance the following TA activities.

a) **Supporting Cybersecurity, Cybercrime, and Critical Infrastructure Legislation**. This activity will provide technical capacity for the drafting of: (a) cybersecurity and cybercrime legislation; (b) Critical National Information Infrastructure (CNII) protection legislation; and (c) regional and international collaboration in cybersecurity, including signing and ratification of treaties and conventions.

b) **Strengthening the Cybersecurity Institutional and Governance Framework** to support: (a) an institutional and governance structure for cybersecurity/CERT with a cybersecurity work and action plan; (b) an evaluation and audit framework for audits of infrastructure, systems, and processes to ensure compliance with the NISF and training of auditors; (c) analyses of cybersecurity status in key sectors and development of customized cybersecurity guidelines; and (d) adoption of compliance standards and certification for SMEs, with training for auditors.

c) **Strengthening Threat Intelligence, Monitoring, Prevention, Mitigation, and Response.** This will include: (a) capacity building of the national CERT and the Security Operations Center (SOC); (b) upgrading of the national CERT's forensics lab with mobile kits and malware analysis capabilities; (c) capacity building for regular penetration tests, cyber risk analyses, and security assessments of relevant agencies; (d) provision of systems and software to enable threat intelligence, incident handling and response, as well as a threat sharing platform, incident response platforms for sub-sector CERTs, and a test lab and sensors on Critical Information Infrastructure Protection networks; (e) external audits, vulnerability, and penetration testing; (f) technical capacity building for priority institutions in key sectors to reach ISO 27001 Information Security Management System (ISMS) controls or similar certifications; (g) upgrading of cybersecurity infrastructure and systems in priority MDAs; (h) cyber drills for CNII and testing of Business and Disaster Continuity Plan with attack simulations; and (i) tools to support secure remote access by users, including on their personal devices, during the COVID-19 pandemic.

d) **Building Cybersecurity Capacity and Digital Skills of Government Officials and Decision Makers.** This will support: (a) capacity building for key stakeholders and decision makers; (b) cybersecurity digital skills in basic, secondary, and tertiary education, in collaboration with the Ministry of Education and Universities (Phase I); (c) Cybersecurity Training Centers in universities to boost capacity of government officials and private sector; (d) certifications for a critical mass of cybersecurity experts in government; and (g) capacity building for investigating, prosecuting, and judicial officers. Special focus will be on availing skills development opportunities to women.

e) **Strengthening Child Online Protection (COP)** to deliver: (a) a COP statistical framework; (b) COP guidelines, toolkits, and an awareness campaign; (c) training for children, parents, guardians, educators, and government; and (d) support for preventative actions by ISPs, schools, and parents.

f) **Strengthening Data Protection** by supporting the delivery of: (a) data protection guidelines, toolkits, codes of practice, and benchmarks; (b) DPO IT systems (for example, a registry of data processors and controllers, complaints and compliance management tools); (c) data protection assessments and compliance plans for key MDAs; (d) a customized training program for Data Protection Officers across priority MDAs; (e) TA and support to establish and operationalize the DPO as an independent entity under NITA-U; and (f) a data protection capacity building program for the justice, law and order sector, local ICT businesses, and the nongovernmental organization (NGO) sector.

g) **Supporting Change Management and Communications through** a public, external-facing and an internal, government-facing communications campaign on cybersecurity awareness.

Component 3. Promoting Digital Inclusion of Host Communities and Refugees (US$57.0 million equivalent [WHR])

42. This component will improve the availability of core digital infrastructure in 12 remote RHDs for the benefit of both host communities and refugees. In addition, digital demand-side barriers will be addressed, including the need for improving basic digital skills. Beyond short-term pandemic resilience, digital inclusion of host communities and refugees can accelerate post-COVID-19 recovery by reducing barriers that stand between these communities and opportunities. Through improved Internet access and digital skills, component 3 aims to stimulate job creation and other opportunities, which will lay the groundwork for broader long-term social and

economic benefits for these communities. While NITA-U will coordinate activities, the OPM and MoICT&NG will play an important technical role in resolving policy and operational issues.

Sub-component 3.1. Digital Inclusion of Host Communities and Refugees through Enhanced Connectivity (US$37.0 million equivalent)

43. This sub-component aims to improve Internet access in 12 RHDs, thereby enabling connectivity for public and humanitarian institutions serving refugees and RHDs and addressing the need to expand last-mile connectivity to refugees and host population. These infrastructure investments will complement those under component 1, but pointedly focus on RHDs, which are often underserved due to low purchasing power and remote locations and follow similar principles. Supported activities include:

a) **Expanding digital infrastructure and connectivity options in RHDs.** Component 1 will finance about 1,000 km of NBI extension to cover 12 RHDs. It will also finance 80 masts to enhance data and voice services in 6 RHDs across northern Uganda. Financing will also be allocated to pre-purchase 7 Gbps of international bandwidth to offset the cost of internet provided to schools, health facilities, and other public facilities located in RHDs. To maximize the positive effect of extending the NBI to RHDs, the project will finance 700 km of in-community fiber networks in the selected 12 RHDs, with the aim to connect 500 MDAs, including humanitarian and public institutions, such as health facilities, schools, and base camps (public coordination units in RHDs). An estimated 172 Wi-Fi hotspots will serve MDAs as well as community access points, including areas such as outdoor markets. To reach beyond these community access points, sub-component 3.1 will also help scale existing last-mile solutions in RHDs facilitated by private, humanitarian, or community organizations.

b) **Data center hosting.** This activity will seek to ensure compliance with the requirements for secure refugee data hosting in a reliable data center facility to provide for data backup and disaster recovery. To that effect, it will finance dedicated servers and other equipment (such as cooling) to be located in a new data center with controlled access (component 1), as well as support data backup requirements by making arrangements for refugee data hosting in the existing data center facilities.

c) **Digital communications tools.** To improve internal public communication and efficiency, teleconference equipment will be installed in the Settlement Administrative Headquarters. In addition, digital communication tools will be financed to improve external public communication and outreach in RHDs through, for example, bulk-SMS campaigns and other appropriate digital means.

Sub-component 3.2. Digital Inclusion of refugees and host communities through access enablers (US$20.0 million equivalent)

44. Sub-component 3.2 will support digital skills development for host population and refugees, with a focus on Persons living with Disabilities (PWDs), as well as for MSMEs, with a focus on jobs and post-COVID-19 recovery. To reduce e-waste, the sub-component will establish two e-waste management centers and complementary training on device repair and maintenance, to facilitate associated business opportunities. Finally, sub-component 3.2 will create linkages to programs in the energy and financial sectors to explore complementarities for power and finance of mobile devices. The following will be supported:

a) **Digital access program.** Even if RHDs are connected to the NBI, refugee hosting communities face multiple access barriers. To help mitigate these challenges, the project will support an assessment of digital access levels in selected locations with the aim to define the best modalities to improve the rollout and adoption of various digital access initiatives for hosting communities and refugees. The assessment will benefit from the ongoing research and completed projects financed by the WB and partners. Following the recommendations of this study, digital access schemes and complementary activities will be developed and implemented in close collaboration with various partners after approval by the World Bank and review of fiduciary implications. A gender lens and feedback from female users will be integrated into the design of the digital access program.

b) **Telecenters.** Recognizing that some refugees and host population will not have access to mobile devices for various reasons, this activity will support the establishment of 24 telecenters, for example, two centers with access to devices and internet per selected community.

c) **E-waste management.** Besides improving access to new devices, the UDAP-GovNet will work to extend the life cycle of used devices. Complementing sub-component 1.2, this activity will finance two e-waste facilities near RHDs. Besides safe disposal of devices, training will be offered to selected groups (ensuring appropriate gender targeting) on how to refurbish and resell refurbished mobile devices, as well as maintenance and repair of mobile devices and associated business opportunities.

d) **Skills.** To translate access into impact, digital skill training is an important part of component 3. While digital skills in Uganda are generally low, the 'digital divide' is even more pronounced amongst refugees. To enhance the digital skill level, this activity will support and scale successful digital skills programs targeting young adults and especially women among both host communities and refugees. In addition, it will refine and scale digital skills programs targeting MSMEs to enhance digital business models and digital business drivers such as access to financing and market information. Subcomponent 3.2 will play a key role in building the skills and business environment necessary to facilitate a digitally enabled COVID-19 socioeconomic recovery in RHDs and will be gender balanced. The scope and focus of training activities will be informed by a study.

e) **Digitization support for PWD.** Under this activity, special attention will be given to addressing the needs of PWD centers for connectivity and internet bandwidth, as well as digital capacity building. In addition, this activity will provide assistive technologies and support the development of related content for PWD centers in both host and refugee communities.

f) **Cybersecurity training.** In addition to basic digital literacy skills associated with financial literacy, training supported under this activity will also include sensitization to cybersecurity and online harassment and strategies to mitigate these risks. Furthermore, national initiatives such as the COP and cybersecurity awareness for school children (sub-component 2.3) will also be implemented in RHDs.

Component 4: Project Management (US$7.0 million equivalent [US$4.0 million IDA; US$3.0 million WHR])

45. Component 4 will include: (i) Institutional strengthening of NITA-U, the implementing agency, and the partner agencies, including MoICT&NG and NEMA, to enhance their capacity in supervision to support project implementation, procurement, financial management, monitoring and evaluation of the project; (ii) Logistics and

operating costs, including office rent, furniture, ICT equipment and transportation; (iii) Coordination with refugee management organizations such as OPM, UNHCR and other stakeholders; (iv) Recruitment of the technical experts and building internal capacity needed to support the development and delivery of sectoral digital services within MDAs; (v) Support for environment and social safeguards management; (vi) Support for data collection and analysis for M&E, including gender specific aspects of the project; (vii) Change management and communication as needed.

Component 5: Contingent Emergency Response Component (US$ 0.0 million)

46. Contingent Emergency Response Component (CERC). A CERC component, with a starting financing of zero dollars, is included in the project design in accordance with paragraphs 12 and 13 of the Investment Project Financing (IPF) OP 10.00, pertaining to Situations of Urgent Need of Assistance and Capacity Constraints. This will allow for rapid reallocation of uncommitted credit/grant funds in the event of an eligible emergency or crisis, as defined in OP 8.00. A CERC annex will be attached to the Project Implementation Manual (PIM) and prepared within three months of project effectiveness. The project's Environmental and Social Management Framework (ESMF) includes a CERC E&S assessment and initial requirements. For the CERC to be activated, and financing to be provided, the GoU will need to: (a) submit a request letter for CERC activation and the evidence required to determine eligibility of the emergency, as defined in the CERC annex; (b) produce an Emergency Action Plan, including the emergency expenditures to be financed; and (c) meet the E&S requirements as agreed in the Emergency Action Plan and Environmental and Social Commitment Plan (ESCP). WHR funds reallocated to the CERC will only be used to benefit refugees and host communities.

C. Project Beneficiaries

47. Given the project's scope and potential for improving connectivity, e-Services delivery, and the enabling environment, it is anticipated that there will be a wide spectrum of beneficiaries. Citizens and businesses will benefit through more affordable and accessible services and enhanced public service delivery. Rural, unserved, and underserved populations, both men and women, elderly, and PWDs in the northern, eastern, central, southern, and western parts of the country are specifically targeted by the expansion of the NBI, including the implementation of the last mile component. Lower-income citizens will benefit more broadly through access to new electronic services in sectors such as agriculture and health, which have a disproportionate impact on their livelihoods and well-being. ICT sector firms will benefit from an improved legal and regulatory environment and open access to the NBI. Within the government, nearly all MDAs will benefit from improved quality and lower cost of connectivity, improved efficiency of day-to-day operations through use of electronic platforms and communications, digital skills, cybersecurity reinforcement, cost savings by leveraging shared infrastructure for data storage and service delivery, and enhanced ICT skills.

48. The project beneficiaries also include host communities and refugees. The project aims to connect 500,000 host community members and refugees, to increase their direct internet access by 250,000, train 50,000 host community members and refugees on digital skills. Women will be a special focus for interventions (targeting 50 percent women as project beneficiaries across host communities and refugees). The project will be implemented nationally and will include all 12 of Uganda's RHDs outside of Kampala.

D. Results Chain

49. The results chain presented in figure 1 below illustrates the linkage between the project's key challenges and interventions and how they contribute to specific outcomes and the development objective. The results chain rests on a number of risk-based assumptions: the timely acquisition of project inputs, including consultancies, training, goods, and IT equipment; successful implementation of training and capacity building programs both within the government and for citizens and refugees; participation of private sector actors; stability of socio-political and economic factors; timely development and rollout of the digital platforms; organizational, legal, and human resource changes required to support the Digital Transformation of the Government and bringing services online; successful implementation of change management activities to overcome resistance to reforms; and continued high-level support for the project and reform agenda. Component 1 will bridge the digital divide in access and adoption and address the challenge of insufficient last-mile connectivity by expanding connectivity, strengthening digital infrastructure complements, and creating the right enabling environment. Component 2 will address the current inefficiencies in the delivery of public services by further investments in shared platforms and solutions to allow sectoral ministries launch e-services in a more efficient manner and strengthen cybersecurity resilience. Component 3 will promote the digital inclusion of RHDs and refugees through targeted service delivery and digital literacy programs.

Figure 1: Linkage between the project's key challenges and interventions and how they contribute to specific outcomes and the development objective
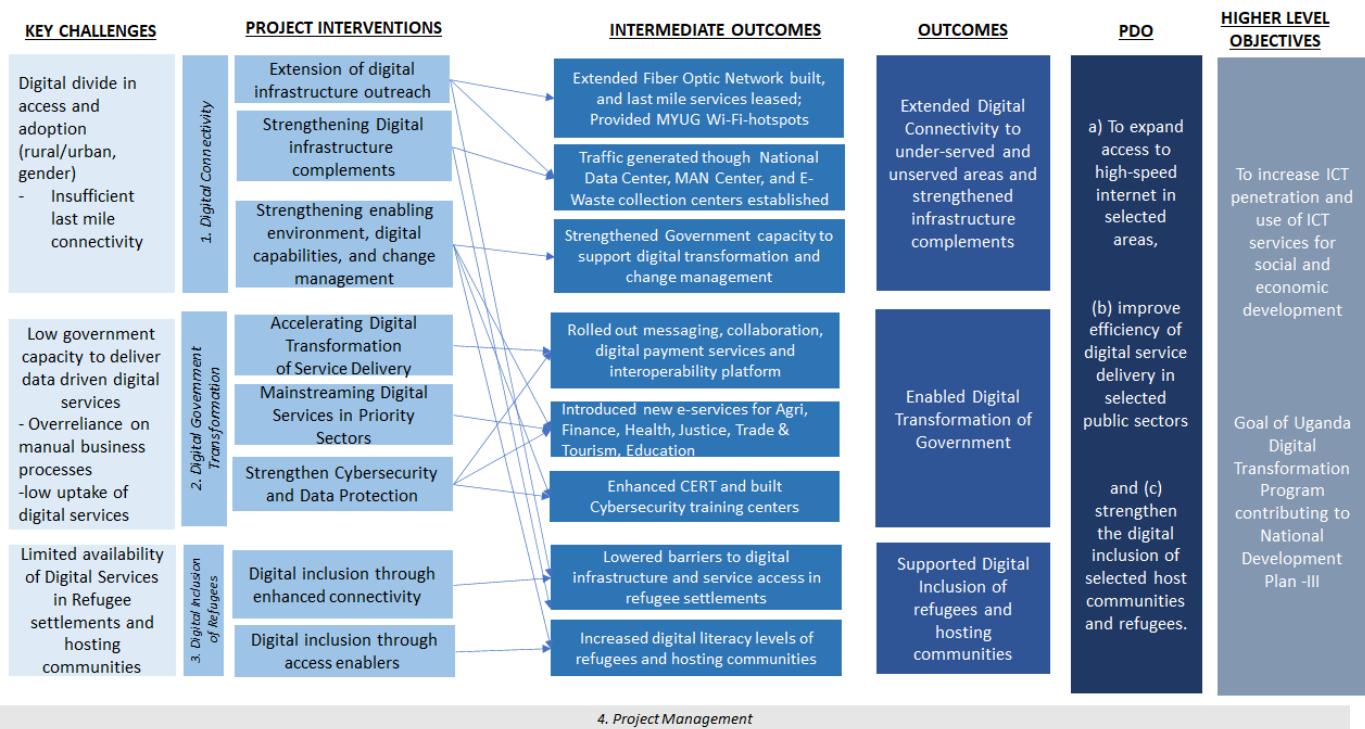
E.   Rationale for Bank Involvement and Role of Partners

50. There is a strong rationale for public financing of the project, given the public goods nature of the benefits derived from the project across social and economic sectors and the potential to increase overall inclusion. While access to digital infrastructure has been seen as important for a while, the emergence of the COVID-19 crisis has transformed it into a necessity and driven the need to accelerate network rollout in a major way and without further delays, partnering with the private sector as much as possible. The project will promote investments in digital service delivery in vital sectors such as health, education, agriculture, and trade. This will strengthen digital sectoral plans' implementation, including the ability to respond to COVID-19 within these sectors and provide enabling digital infrastructure for a post-COVID-19 recovery. In addition, the project will address inclusion concerns in terms of gender, PWDs, refugees and hosting communities, geography, and income levels, to compensate for market failures and ensure that the most vulnerable are not excluded from the social and economic benefits of the digital transformation of the country.

51. The project will address policy and regulatory aspects of the digital transformation to maximize finance for development and finance infrastructures to reach populations not served by the private sector. With limited broadband access and access disparities across regions and vulnerable groups, large-scale private financing of digital infrastructure investments is uncommon. Private operators, which are the main providers of digital services, have little incentive to extend services to areas and populations for which the financial return prospects are limited or negative. By financing core infrastructure in underserved areas of the country, the proposed project would enable private sector entry in these geographies, bringing valuable economic and social benefits to a portion of the population that could otherwise remain excluded, given that this population is defined by a higher incidence of poverty with low per capita incomes and limited private infrastructure and service offerings. The private sector will be involved through service provision to the end users and management of networks.

52. The WB brings a significant local understanding developed through the RCIP-5 Project and other similar operations implemented in the region. The WB has been involved in the digital sector of Uganda for several years, through investment projects such as RCIP-5, and various TA and assessments. The WB has developed a clear strategy covering five key pillars to support digital transformation efforts in Africa. These include digital financial services, digital entrepreneurship, digital skills and literacy, digital platforms, and digital infrastructure. This ecosystem approach focused on the enabling foundations of the digital economy that have been developed and tested through the WBG programs in other regions. It is envisioned that this project will take these activities to the next level, significantly increasing the impact of footprint in terms of the number of beneficiaries and value-added of the interventions.

53. Many stakeholders are involved in Uganda across the refugee space, but few, if any, are working on core digital infrastructure at the scale of the WB. Across all stakeholders that were consulted, this role is often a missing link and a barrier for digital ambitions that require adequate connectivity. As stated in the multi-partner Global Broadband Plan for Refugee Inclusion, there is consensus on the need and relevance for connecting refugees. Component 3 is informed by the recommended key actions in the plan, which align very well with the competitive strengths of the WB. The project also supports the UNHCR's goal of providing universal connectivity for refugees with the mission of ending extreme poverty and building shared prosperity.

F. Climate Co-Benefits

54. The project has been screened for Climate and Disaster Risk, using the Risk Screening Assessment Tool. The project is expected to increase climate mitigation, adaptation, and resilience efforts in Uganda as well as in the region. The country's exposure to relevant climate and geophysical hazards is high given the country's high risk of frequent irregularities and variability in climate patterns which have multidimensional effects on the economy, affecting agricultural productivity, energy use, and water dynamics. Furthermore, increased rainfall because of climate change may lead to serious malfunctioning and disruptions of critical infrastructures, including communications facilities and data centers, through soil erosion, waterlogging, and flooding. The project aims to systematically improve climate resilience through a program of activities that cover both climate adaptation and mitigation.

55. Climate adaptation. The project will contribute toward the achievement of climate priorities through intentional design to enhance climate resilience of communications infrastructure (component 1). The extended coverage and services of broadband Internet (sub-component 1.1) to remote areas will enable the creation of climate early warning and emergency response systems through the uninterrupted network available in the aftermath of a disaster. The new data center to be established under the project will not only be designed, built, and operated with high energy efficiency, it will also serve as a geographically redundant center for the other two existing data centers, thereby enhancing the resiliency of digital infrastructure against the effects of climate changes (sub-component 1.2). The new data center will help prevent data loss in the event that one of the data centers is affected by a climate-related event (flood, storm, and so on). In addition, the new data center infrastructure will include energy-efficient hardware and the use of solar energy to the extent possible, in contrast to the common practice of using diesel-powered generators as an energy backup solution. The expansion and diversification of the telecommunications infrastructure as a result of the project will increase resilience of local communities to the impact of climate change, through ensuring uninterrupted service delivery, even during climate-related disasters and their aftermath (sub-component 1.3). Climate adaptation benefits will also result from proposed project interventions, including: (a) development of mobile-based e-services in key sectors; (b) capacity building of government officials to design and implement climate-resilient digital infrastructure and services; and (c) more climate-resilient communications infrastructure.

56. Climate mitigation. Major benefits stem from the increased use of digital technologies to substitute for physical movement of goods and people and minimize paper consumption as part of government bureaucracy, which is expected to subsequently contribute and promote the avoidance, reduction, limitation, or sequestration of greenhouse gas (GHG) emissions. Investments in connectivity infrastructure have the potential to revolutionize the ability of the country to respond to natural disasters, ensure continuous government operations, improve security of digital data, and establish emergency communications systems. Further, as seen from the experience of the COVID-19 pandemic, more profound use of digital services by citizens can significantly decrease the need to travel long distances (sub-component 2.1). This can be particularly useful in a place like Uganda where large populations of rural citizens may require traveling to urban centers to receive government services. Not having to travel is expected to reduce fuel consumption, thus minimizing CO_2 emissions. The deployment of solar charging stations as part of mobile affordability program for refugees and RHDs and e-waste management activities proposed in the project (component 3) will also mitigate climate impact. Proper recycling of electronics and dedicated efforts to refurbish mobile handsets for reuse is also expected to reduce overall energy consumption, avoiding direct GHG emissions, and reducing the environmental impact of natural resources extraction.[51]

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[51] 2020 United Nations Framework Convention on Climate Change. https://tinyurl.com/2f7j8f6e

According to the United Nations Framework Convention on Climate Change, recycling e-waste from landfills reduces methane emissions which are 25 times more potent than carbon dioxide at trapping heat in the atmosphere. Proper recycling of electronics and dedicated efforts to refurbish mobile handsets for reuse is also expected to reduce overall energy consumption, avoiding direct GHG emissions and reducing the environmental impact of natural resources extraction.[52]

57. The geographically balanced rollout of broadband networks will significantly contribute to reducing GHG as good Internet connectivity is key for supporting everyday life, including during and after the natural disaster strikes. According to Ericsson research, digital services such as videoconferencing, e-health, and e-learning made available through the improved availability of high-speed broadband services could help reduce GHG emission by up to 15 percent by 2030 worldwide,[53] amounting to around 10 gigatons of CO_2 emissions, more than the current carbon footprint of the European Union (EU) and the United States combined. During the first few months of the COVID-19 pandemic in 2020, an increase of 30–40 percent globally in the usage of international bandwidth was associated with a reduction in the growth rate of GHGs as remote working substituted for international travel. In addition, more affordable mobile prices expected to be achieved through the project could deliver huge reductions in power consumption by displacing the need for multiple single-purpose devices (from radios and TVs to music systems and cameras) with multi-functional Internet-linked devices.

G. Lessons Learned and Reflected in the Project Design

58. In addition to making investments into improving the supply, the UDAP-GovNet will increasingly place an emphasis on the demand-side factors: digital skills, affordability of mobile devices, and Internet access and accessibility of digital services that are offered in a paperless, cashless, and remote manner. While many e-services have been developed under RCIP-5, only a few have seen a significant uptake, mostly because some form of in-person interaction and submission of paperwork was still required to be done in person. In addition, limited feedback was gathered from citizens before developing a service and in many cases, user-centric design approaches were not paid enough attention. The UDAP-GovNet will be intentional about gathering citizens' feedback with respect to priority e-services to be developed, and while the project will be supporting next generation e-services that benefit from digital authentication and e-signatures capability to allow for complex transactions to happen without the need for physical presence, the project will also identify and develop digital solutions that are inclusive for people with low skills and literacy levels, to encourage their participation in the digital economy.

59. The project implementation arrangements of the UDAP-GovNet draw from lessons learned during RCIP-5 implementation. NITA-U will continue to host the Project Implementation Unit (PIU). While NITA-U will remain the main implementing agency, strategic guidance and oversight will be provided by the MoICT&NG and coordination mechanisms will be strengthened through instituting a TC that will be headed by a designated representative of the MoICT&NG. The project will be implemented in collaboration with other relevant agencies including the MoICT&NG, OPM, UCC, and line ministries involved in various aspects of project implementation (agriculture, education, and so on). As demonstrated by RCIP-5, NITA-U is well mandated to act as the main coordinating body in the ICT sector and is well positioned to share information and coordinate with all stakeholders in the ecosystem: mobile operators, service providers, regulators, and sectoral ministries, among

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[52] Ericsson Research, https://www.ericsson.com/en/about-us/sustainability-and-corporate-responsibility/environment/climate-action

others. This coordinating function will be further strengthened under the UDAP-GovNet, as the project will require increased cooperation between government MDAs, including the OPM on refugee issues. As a lesson learned from RCIP-5, the M&E arrangements, indicator definitions, and baseline data will be clearly defined from the outset.

60. **Leading practitioners, humanitarian agencies, development partners, and government stakeholders have been consulted to inform the activities and approach to refugees and host populations.** Extensive consultations have highlighted a number of key learnings, including the importance of digital solutions to address access to finance through a range of products and services; enabling trade networks and value chains outside of the settlement areas aimed at facilitating interactions with customers, suppliers, middlemen, and traders in neighboring cities; the need to build effective partnerships between the government, private sector, and RHDs; the importance of enabling the regulatory environment including related to Know Your Customer (eKYC) and presence of social norms that represent informal barriers to access and skills; vulnerability and high poverty levels affecting the sustainability of digital solutions for refugees and host population; and the importance of digital literacy support and relevant digital content for beneficiaries to drive adoption.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

61. **The institutional and implementation arrangements of this project will draw upon lessons learned and largely follow the implementation arrangements currently in place for the RCIP-5 Project, with a few modifications.** NITA-U will be responsible for the overall implementation of the project, on behalf of the government, and will host the PIU that will be headed by a project coordinator. Furthermore, most of the core positions of the existing PIU under RCIP-5 will be transitioned to the UDAP-GovNet to ensure continuity between projects and implementation readiness at the start of the project. The PIU will also include a communications and marketing specialist, procurement specialist, M&E specialist, change management specialist, social scientist, and environmental specialist. Depending on the project needs, the PIU will also be strengthened by several technical positions, as required.

62. **Strategic guidance and an oversight role will be provided by the MoICT&NG.** Representatives from the other critical stakeholders such as the NEMA, UCC, Public Procurement and Disposal of Public Assets (PPDA), OPM, and MoFPED will constitute both the Steering Committee and Technical Committee (TC).

Figure 2: Implementation Arrangements
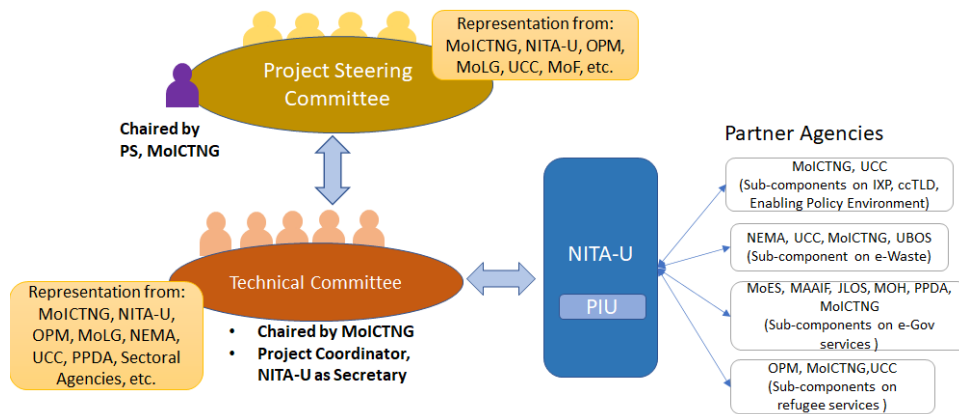
63.   A high-level Project Steering Committee (PSC) will oversee project implementation and will provide guidance at the strategic level. It will be chaired by the Permanent Secretary (PS) of the MoICT&NG and comprise PSs of the MoFPED, OPM, Ministry of Local Government (MoLG), and MoICT&NG and Executive Directors of NITA and PPDA. The PS of the MoICT&NG is also the National Coordinator of the DTP under NDP III, in which all other PSs are members, and this will further ensure full alignment of this project with NDP III objectives. The PSC is expected to be setup shortly after project effectiveness to serve during the entire project duration and meet as often as required but at least once a quarter to provide strategic guidance and oversight to the multi-institutional TC and the PIU, make policy decisions, and address project implementation issues.

64.   A multi-institutional TC will be established to provide technical guidance in scoping, design, and implementation of the project. In addition, the TC will monitor and track project implementation as well as apprise the PSC of project progress. The TC will be chaired by the designated representative from the MoICT&NG, while the Project Coordinator (from the PIU) will serve as the TC's secretary. The TC will comprise subject matter technical specialists from NITA-U, the MoICT&NG, MoLG, OPM, NEMA, UCC, PPDA, and other sectoral agencies such as the MoES, MAAIF, JLOS, MoH, MTIC, MTWA, NIRA, UBOS; the Ministry of Gender; and the working group of the CRRF for its role among refugees and RHDs. The TC will meet at least once a quarter to ensure timely and smooth implementation progress. The Project Coordinator will ensure inter-institutional collaboration and coordination among different agencies. Ad hoc project implementation teams (PITs) will be established for the purposes of implementing specific activities of the project. The PITs, represented by key stakeholders from partner agencies, will be guided by the decisions of the TC. The summary of the technical leads and partner agencies involved in the implementation of each sub-component is presented in annex 3.

B.   **Results Monitoring and Evaluation Arrangements**

65. The project results framework will form the basis of the results M&E arrangements. M&E of the UDAP-GovNet will be embedded in the various components of the project, and TA provided through the project will include support for M&E. The arrangements for results monitoring are detailed in Section VII and will be supported using the Geo-Enabled Monitoring and Supervision (GEMS) Initiative. NITA-U will collect, compile, and analyze the results data and prepare M&E reports. Where surveys are required to populate baseline or progress data for specific indicators, the M&E specialist on the PIU will be coordinating the implementation of such surveys and utilizing funds from component 4, Project Management, to procure the needed surveying services. NITA-U will

submit biannual progress reports detailing project implementation and progress against the identified indicators. The details of the M&E arrangements, including methodology for data collection, will be specified in the PIM. A midterm review will be carried out at the end of the third year of implementation to provide an in-depth review of the status of progress against the indicators and identify any adjustments needed in the results framework or overall project design. An Implementation Completion and Results Report will be prepared by the World Bank within six months of project closing, in consultation with NITA-U.

C. Sustainability

66. The project is designed with a sustainable focus. Through the activities of the enabling environment (sub-component 1.3), the project will encourage the GoU to adopt policies that will attract private sector participation in broadband and infrastructure sharing via open access rules. Such a policy should allow private service providers to utilize the excess capacity on the government owned NBI to offer value-added services, especially in remote and commercially unviable areas. The use of long-term pre-purchase agreements (typically 10 or more years) for bandwidth capacity will ensure that benefits from the program will continue after project completion. However, NITA-U is encouraged to implement a progressive cost-recovery scheme among MDA clients it provides with bandwidth to ensure sustainability and capacity on the national backbone network.

67. The project aims to sustain ownership of the digital transformation agenda by institutionalizing governance arrangements for its continued implementation beyond the project closing date. The change management and capacity building features built into project design are intended to generate widespread buy-in and increased demand from citizens and civil servants for the continuation of a culture of efficiency improvements in service delivery through digital interventions. The project will facilitate increased coordination across the whole-of-government to adopt and maintain a culture of an iterative, dynamic approach to selecting public services to be reengineered beyond the scope and duration of this project. In the future, the GoU will need to secure resources to cover operations and maintenance costs of the digital platforms and services deployed under the project.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis (if applicable)

Technical Analysis

68. The UDAP-GovNet aims to expand access to high-speed Internet, improve efficiency of digital government services, and strengthen the digital inclusion of host communities and refugees. The project components were designed as an integrated and interlinked program to maximize the development impact of the investments, which are being complemented by TA and regulatory reform. The project aims to: (a) expand access to high-speed Internet, (b) improve efficiency of digital government services development and delivery, and (c) strengthen the digital inclusion of RHDs and refugees. The technical approach to address these outcomes aligns closely with lessons learned from recent implementation of RCIP-5 in Uganda, other projects with similar scope from around the world, the findings of the World Development Report (WDR) 2016, which highlights the need for digital access, efficiency, and inclusion.

69. For component 1, the technical design is based on a model of competitive, private-sector delivery wherever possible. The project will utilize a 'cascade approach' to leverage private sector expertise and financing and

contribute to expanded access to high-speed Internet (Component 1). Following the experience from other countries, the development of infrastructure will follow the principles of infrastructure sharing and provision of the incentives for private sector to provide incentives for voluntary sharing, rather than duplication of the existing infrastructure. Duplication may be the best alternative to an operator in certain circumstances (for example, if the only existing infrastructure is not priced correctly or does not have the appropriate quality). While mandating sharing does not therefore follow the best practice, the government will develop a range of instruments to provide incentives for sharing, which will at the same time improve return on investment and ultimately affordability to the end user.

70. **For component 2**, the technical design is based on expanding the use of shared digital government infrastructure that was developed through RCIP-5 and investing in additional new shared services with the aim to further expand on the 'build once, reuse always' approach, with the aim to accelerate the launch and improve efficiency of priority e-services delivery in key sectors and to avoid building silo solutions. Special attention will be paid to getting the buy-in from MDAs, making good use of shared infrastructure and solutions and promoting privacy-by-design and cyber-resilient solutions. Special attention will be paid to meeting data privacy requirements and building by various consent and privacy-by-design principles.

71. **For component 3,** the technical design is structured to work in close collaboration with organizations providing services and assistance to refugees and RHDs. To increase digital inclusion of RHDs and refugees, the component will extend national backbone connectivity, with the needs of last-mile connectivity in refugee settlements and hosting communities determined in close collaboration with humanitarian agencies. This will address both supply-side and demand-side connectivity needs, with the work carried out in close implementation arrangements with humanitarian organizations.

Economic and Financial Analysis

72. **The project is expected to generate significant positive socioeconomic and financial impacts through long-term public cost savings, efficiency, and productivity gains, fueled by greater digital adoption, expansion of e-services, and digitally enabled innovation.** Improved accessibility and affordability of broadband services will result in a more dynamic digital sector and will fuel the ability of Uganda's innovator to develop new solutions to serve both local and international markets. Increased digitalization of government services that could be delivered in a cashless and paperless manner are expected to generate cost and time savings for both the general population and refugee host communities. By contributing to clean environmental practices, the improvements to e-waste management practices will further make Uganda an even more attractive destination for tourists. Support to refugee communities with enhanced skills and opportunity/job pathways are expected to generate employment and productivity gains.

73. **The economic and financial analysis undertaken follows a standard Cost-Benefit Analysis (CBA) methodology.** However, the novelty of several components (particularly those related to addressing the needs of refugee host communities) as well as data limitations in other areas, constrained an accurate estimation of the expected economic and financial returns of this project. The model relies on available secondary data and reasonable assumptions based on experience and additional evidence from consultations and interviews conducted during project preparation. The model includes adjustments for COVID-19-related shocks in GDP and overall digitalization of service delivery to run the cash flow and financial analysis. It features three scenarios: optimistic, pessimistic, and neutral. Where possible, the model also accounted for sensitivity assessments that

further quantified benefits and costs attributable to the project against current baseline indicators. Based on this CBA, the overall Net Present Value (NPV) for the entire project in the neutral scenario is estimated at US$100.84 million and is expected to demonstrate an Internal Rate of Return (IRR) of 50 percent over a 10-year period. The CBA for the optimistic and pessimistic scenarios result in an NPV of US$158.21 million and US$40.85 million, respectively, and an IRR of 66 percent and 33 percent, respectively. While the summary of economic impact of project components is presented below, a more detailed economic analysis is explored in annex 1.

74. **Many social and economic benefits stemming from wider broadband adoption are well-documented. This is expected to contribute to an accelerated increase in fixed and mobile broadband penetration amongst Uganda's general population and refugee host communities.** WB research suggests that a 10 percent increase in fixed broadband penetration in developing countries is associated with a 1.4 percent increase in GDP. A 10 percent increase in mobile broadband penetration on the other hand is associated with another 2.5 percent increase in GDP[54]. Likewise, the ITU estimates an increase in the number of jobs between 0.2 and 0.4 percent for every 1 percent increase in broadband penetration. Based on the CBA for broadband-related activities under the project, the NPV is estimated at US$86.95 million and is expected to demonstrate an IRR of 53 percent over a 10-year period in the neutral scenario. The financial model includes two additional scenarios, optimistic and pessimistic, with an NPV of US$121.66 million and US$47.33 million, respectively, and an IRR of 65 percent and 39 percent, respectively.

75. **Improved efficiency of digital government services will contribute to economic benefits through cost savings due to efficiency gains for the government, reduction in labor costs associated with manual handling of paperwork, reduction of losses owing to strengthened cybersecurity capability and cost saving for citizens due to reduced time, and productivity gains due to the ability to receive services in a paperless manner which does not require physical presence.** Increased use of digital technologies is expected to reduce transaction costs due to decreasing instances of manual entry errors and delays associated with paperwork processing, resulting in significant savings from digitalization. Based on the CBA, the NPV for component 2 is estimated at US$13.38 million and is expected to demonstrate an IRR of 55 percent over a 10-year period in the neutral scenario. The model includes two additional scenarios, optimistic and pessimistic, with an NPV of US$29.10 million and US$2.01 million, respectively, and an IRR of 120 percent and 24 percent, respectively.

76. **Strengthening digital inclusion of host communities and refugees through sub-component 3.2 activities will contribute to digital literacy and awareness, employment, innovation, and economic development of host communities.** The Global Compact on Refugees advocates efforts to close "the technology gap and building capacities (particularly of developing and least-developed refugee host countries), including to facilitate online livelihood opportunities"[55] and "to support access to affordable financial products and services for women and men in host and refugee communities, including by reducing associated risks and enabling low-cost mobile and internet access to these services."[56] Based on the CBA the overall NPV for refugee-related activities excluding broadband is estimated at US$0.51 million and is expected to demonstrate an IRR of 21.11 percent over a 10-year period in the neutral scenario. The model includes two additional scenarios, optimistic and pessimistic, with an NPV of US$7.44 million and US$-8.49 million, respectively, and an IRR of 35.08 percent and -12.27 percent, respectively.

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[54] WDR 2016.
[55] Final Compact at paragraph 71.
[56] Final Compact at paragraph 34.

B. Fiduciary

(i) Financial Management

77. An FM assessment was carried out for the proposed arrangements for the UDAP-GovNet to be implemented by NITA-U. The objective of the assessment was to determine whether the implementing entity has continuing adequate FM systems and related capacity in place which satisfy the WB's Policy and Directive on IPF. The FM assessment considers the degree to which: (a) the budgeted expenditures are realistic, prepared with due regard to relevant policies, and executed in an orderly and predictable manner; (b) reasonable records are maintained and financial reports produced and disseminated for decision making, management, and reporting; (c) adequate funds are available to finance the project; (d) there are reasonable controls over project funds; and (e) independent and competent audit arrangements are in place. The assessment also included the identification of key perceived FM risks that may affect project implementation and suggest mitigation measures against such risks. The WB has conducted the assessment, building on the lessons learnt on the current project, RCIP-5. To ensure that the project is effectively implemented, NITA-U will ensure that appropriate staffing arrangements are maintained throughout the life of the project.

78. The conclusion of the assessment is that the FM arrangements for the project have an overall Moderate residual risk rating. However, the proposed FM arrangements together with the proposed action plan satisfy the World Bank's minimum requirements under OP/BP 10.0 and are adequate to provide, with reasonable assurance, accurate and timely information on the status of project resources required by IDA.

79. The project's financial and other resources will be managed through the existing FM arrangements in NITA–U as established under the Directorate of Finance and Administration. During project execution, NITA–U shall coordinate project implementation and manage: (a) project monitoring, reporting, and evaluation; (b) contractual relationships with IDA and other co-financiers; (c) procurement; and (d) FM and record keeping, accounts, and payments.

80. The Executive Director of NITA–U will be the Accounting Officer for the project, assuming the overall responsibility for accounting for the project funds. A designated Project Manager will be assigned who will be responsible for the day-to-day coordination of project activities in close collaboration with the relevant NITA-U Technical Departments. The project accountant will be responsible for daily transactions and reporting.
A detailed assessment is in annex 4.

(ii) Procurement

81. NITA-U is the implementing agency for this proposed project. Procurement under the proposed project will be conducted in accordance with the WB's Procurement Regulations for IPF Borrowers (Procurement Regulations) dated July 2016 and revised August 2018 under the New Procurement Framework (NPF), and the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated July 1, 2016, and other provisions stipulated in the Financing Agreement.

82. Procurement Capacity Risk Assessment summary. A virtual procurement capacity and risk assessment was carried out by the WB in November 2020. (a) At the NITA-U level, it was established that the PIU has three staff, including the Procurement Specialist, who have a heavy workload. Of the budget of UGX 120 billion in FY20/21,

UGX 98 billion was expended through procurement. NITA-U staff have gained experience and familiarity in IDA procurement management having implemented the IDA-financed RCIP-5 subject to minimal turnover for the gains to be retained. PIU staff will need training in Procurement Regulations. Under RCIP-5, there was a noted capacity gap in preparing technical specifications for new/innovative IT solutions and in responding to Bidder's inquiries, resulting in prolonged bidding processes, a risk that remains. NITA-U has a staff vacancy rate of 58 percent. NITA-U will need to hire individual consultants to fill gaps in numbers and to enhance its technical capacity to ensure adequate in-house capacity to supervise the contractors and consultants. The cabinets and other furniture for storage of RCIP-5 records is full, thus additional furniture is required. The role of 'stores management' is currently being executed by the Accounts Office, resulting in conflict of interest. There have been changes in top management, resulting in a new learning curve with the expected accompanying delays. (b) At the national level, increased advocacy by the MoICT&NG for all IT systems to be developed only in Uganda without any studies or empirical evidence to establish the actual capability of the national market may discourage effective competition. Based on this assessment and in the context of the project, the project procurement risk rating is High. The residual risks after the implementation of the mitigation measures are Substantial.

83. **The key issues and risks.** The noted risks at NITA-U are: (a) limited domestic contracting capacity to conduct projects of this complexity and scope; (b) NITA-U staff and partner agencies not familiar with Procurement Regulations (July 2016, revised January 2020); (c) underestimation of the cost of contracts; (d) NITA-U has a vacancy rate of 58 percent, resulting in gaps in technical staff to support the project; (e) inadequate storage space for procurement records; (f) delays in commencement of procurement processing due to late preparation of E&S safeguards studies; (g) gaps in the bidding documents leading to many inquiries from bidders prolonging the bidding process; (h) heavy workload on Procurement Unit resulting in delays in procurement processing; (i) inadequate stakeholder engagements in project area resulting in delays in contract execution; (j) delayed site handover to contractors for construction due to delays in implementation of the Resettlement Action Plan (RAP); (k) bid tampering during project implementation; (l) forgery of documentation and misrepresentation of qualification requirements in the bids; and (m) delays in implementation at different stages of the procurement cycle.

84. **Preliminary risk mitigation measures:** These will include, (a) wider dissemination of bidding opportunities to reach international and regional markets to elicit participation from the capable providers; (b) trainings for staff on World Bank Procurement Regulations; (c) prepare and disseminate the Procurement Manual to all project implementation staff; (d) conduct a market survey before procurement processing and update the cost estimate in the Procurement Plan if needed; (e) hiring of individual consultants to fill staffing gaps to ensure sufficient in-house technical capacity (in skills and numbers); (f) purchase lockable cabinets and lockable cupboards for storage of both active and archived records; (g) E&S safeguards studies to commence timely; (h) an internal Quality Assurance Team shall review all UDAP-GovNet bidding documents to ensure completeness; (i) hire a Procurement Specialist and a Procurement Assistant with Terms of Reference (ToR) acceptable to the WB to support UDAP-GovNet implementation; (j) prepare and implement the Stakeholder Engagement Plan to ensure timely and appropriate stakeholder engagement and sensitization; (k) fast tracking the preparation of the RAP report and implementation of the RAP to avoid the impact of delays in the RAP; (l) original bids to be kept in the Executive Director's (ED) custody in a safe openable by three people, with access to the original copies granted through written request subject to ED's clearance, and there will be training in the expected ethical standards; (m) due diligence by the evaluation team at evaluation stage to verify information provided by bidders and sanctioning of bidders established to misrepresent qualification requirements and forgery; and (n) management to take action including holding staff accountable for delays by replacing non-performing team members.

C. Legal Operational Policies

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

D. Environmental and Social

85. The project has positive environmental and climate change interventions in sub-components 1.2 and 3.2 promoting innovative management of e-waste. Due to the poor waste management practices in the country, waste is unsorted, mixed waste is often burned and contributes to release of CO_2 during combustion and persistent organic pollutants, or at times e-waste have ended up at municipal dump sites. The design of the project recognizes the current challenges in managing e-waste and the likely increase in the volumes of e-waste generated and thus mitigating these risks through investments in e-waste collection and management centers. While aiming to improve e-services in the country, the project will contribute toward climate change mitigation by reducing GHG emissions that would have arisen from transportation. Additionally, environmentally sound management of e-waste reduces the potential release of methane gas from landfills.

86. The likely environmental, health, and safety effects of the program activities are expected to be localized and temporary in nature, limited to minimal vegetation clearances to enable pitting of poles/masts for antennae, construction of data centers infrastructures, occupational and community health and safety concerns during digging of trenches for laying of fiber optics, end-of-life power backup batteries, and e-waste that may be generated from institutions that will be connected to the network. There will also be noise pollution from backup generators, emissions from vehicle fleet and backup generators, risks of exposure to electromagnetic fields from proximity to transmitting antennas emitting radio waves and microwaves and other occupational health and safety risks from working at elevated places for overhead cables and antennae installation, confined space entry when trenching, and motor vehicle safety aspects. There are also occupational risks specific to optical fiber cables such as permanent eye damage due to exposure to laser light during cable connection and inspection activities, likely exposure of workers to microscopic glass fiber shards/glasses that can penetrate human skin or eye and can be inhaled, and associated hazards like fire risks due to presence of flammable materials in high-powered laser installation areas.

87. The other risk is exposure of the project to exogenous climate risks. Uganda faces various climate and natural disaster risks, largely related to variability in precipitation and temperatures. The fiber optics will be routed to avoid traversing ecologically sensitive and protected areas like wildlife reserve, national parks, forests, and wetlands. Additionally, the project will include measures to mitigate the impacts on vulnerable populations such as strengthening the adaptive capacity of rural communities, including against climate change shocks. For example, improving the affordability, reach, and use of digital technologies for rural residents will allow remote communities to leverage productivity-enhancing technologies in agriculture, thereby reducing their vulnerability to weather variations and climate shocks. The safeguards instruments developed under the project will provide mitigation measures for addressing these risks and impacts.

88. The project will be subject to the WB Environmental and Social Framework and its set of 10 Environmental

and Social Standards (ESSs). The Government has prepared E&S instruments that will guide the management of risks and impacts associated with the project, namely: (a) ESMF, including a Social Assessment; (b) Resettlement Policy Framework (RPF); (c) Vulnerable and Marginalized Group Framework; (d) Stakeholder Engagement Framework; (e) Labor Management Procedures; and (f) Environmental and Social Commitment Plan. Site-specific Environmental and Social Impact Assessments (ESIAs)/ Environmental and Social Management Plans (ESMPs) will be prepared for the subprojects during implementation. The project will also apply requirements of the WBG Environmental Health and Safety Guidelines (EHSGs) mainly to civil works activities and construction contractors to ensure compliance with ESMPs. The ESF instruments were disclosed on March 4, 2021 by NITA-U. These instruments were also internally and externally disclosed by the WB on March 11, 2021. The same will be re-disclosed following the change of the project name.

89. Project risks have been assessed in accordance with ESS1 and mitigation measures proposed through the project ESMF. Preparation of framework instruments has been adopted as the specific activities and actual sites will only be defined during project implementation. The project will benefit from several stakeholders including men and women/girls, the elderly, PWDs, RHDs, and youth through expansion of infrastructure and rural connectivity networks. To ensure stakeholder buy-in, a stakeholder engagement framework inclusive of a community **Grievance Redress Mechanism** has been prepared as prescribed under ESS10. The Social and Environmental Framework will facilitate comprehensive flow of information, influence project design through consultations, and resolve community grievances as well as facilitate partner coordination.

90. The project civil works activities like linear site-specific excavation of transit corridors for the fiber-optic network and construction of auxiliary infrastructure require employment of direct workers under NITA-U and the partner agencies, MDAs, and local governments; contracted workers to provide skilled labor; and primary supply workers and community workers who will provide unskilled labor. To manage the risks related to labor and working conditions under ESS2, the client has prepared Labor Management Procedures. The project will elect a worker's Grievance Management Committee to address workers complaints arising out of project activities/duty. The project GBV risk rating is low following the application of the GBV risk rating tool. GBV risk mitigation measures shall be operationalized under the **Labor Management Procedures**, including updating the Stakeholder Engagement Plan before launching calls for bids, and shall be implemented throughout project implementation. The project will prepare proportionate risk mitigation strategies to curb the spread of human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDs) and sexually transmitted infections.

91. Land acquisition arising out of civil works will be carried out in line with the requirement of ESS5 on land acquisition, restrictions on land use, and involuntary resettlement where there could be realignments. The implementing agency has disclosed project RPF to inform the land acquisition principles, eligibility, and methodology for the subsequent RAPs where necessary. The scope of the project is countrywide and therefore may impact and affect vulnerable and marginalized groups categorized under ESS7. In Uganda these are the Batwa in the Kisoro, Bundibugyo, Kasese, and Kanungu districts and the IK and Tepeth in the Karamoja region. Following a Social Assessment, the project has prepared a Vulnerable and Marginalized Group Framework (VMGF) and community-specific Vulnerable and Marginalized Group Plans will be prepared upon confirmation of the project sites. The VMGF outlines the processes and principles of determining the proposed investment impacts on vulnerable groups and the necessary steps of undertaking public consultations and a VMGF, and grievance handling mechanism.

92. Uganda has national laws and institutions for E&S risks management. There are, however, weaknesses in the national environmental system performance related to institutional linkages, staffing level, and budget allocation, as well as human resource skills. The capacity of NITA-U to supervise, implement, monitor, and report on E&S risks was assessed during project preparation and it was established that NITA-U does not have the required in-house E&S safeguards capacity. To strengthen the capacity for safeguards compliance, NITA-U will recruit one Environmental Specialist and one Social Specialist no later than 30 days after project effectiveness date, and capacity building activities on applicable ESSs will be supported by the WB. The two specialists will work closely to develop specific plans based on the framework documents prepared. NITA-U will track and report on the performance of E&S risks management as per the terms of the ESCP and financing agreement.

93. Despite the main project implementation agencies' experience in delivering similar operations, the E&S risk rating is Substantial due to the potentially complex implementation arrangement for the various sub-components and the wide geographical scope of the project that spreads across the country. Given the nature of the anticipated civil works, land acquisition, and involuntary displacement, the risks are expected to be minimal and addressed through the ESMF and RPF. Risks associated with influx of labor, particularly in RHDs and those that might affect members of Vulnerable and Marginalized Groups will be addressed through the elaboration of an ESMF and VMGF. Stakeholder engagement and effective grievance redress mechanisms will be crucial to ensure smooth project implementation.

94. Citizen Engagement. In addition to establishing a Grievance Redress Service (GRS), as discussed in Section V, the project will seek to establish a robust citizen engagement (CE) strategy that includes establishing a variety of interaction channels between beneficiaries/users, including RHDs and refugees, and the government, which may include real-time polling such as through U-report, proving polling mechanisms on the government websites. Special focus will also be paid to CE during the selection and design of the eservices prioritized for implementation. Additionally, the WB team will organize regular consultations with project beneficiaries and affected families for planning and implementation of the project in the form of community-based in-person consultations and as part of the end user research. The CE indicator (periodic publication of CE reports on grievance redress mechanisms and how issues were resolved) is defined in the results framework and will be measured annually and proactively to inform the project design.

V. GRIEVANCE REDRESS SERVICES

95. Communities and individuals who believe that they are adversely affected by a WB supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. In RHDs, the project will ensure interoperability of refugee grievances with the humanitarian inter-agency Feedback, Referral and Resolution Mechanism (FRRM). Complaints may be submitted to the GRS at any time after concerns have been brought directly to the WB's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the WB's corporate Grievance Redress Service (GRS), please visit http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. For information on how to submit complaints to the WB Inspection Panel, please visit www.inspectionpanel.org.

<table>
<tr><td>VI.</td><td>KEY RISKS</td></tr>
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96. **The overall risk to the project is rated as Substantial.** Although the project's potential rewards are considered high, there remain several challenges such as the overall political and governance risk, the E&S risks, the stakeholder risk, and the 'other' risks associated with refugee protection. The guiding principles in risk assessment and the application of the Systematic Operations Risk-Rating Tool (SORT) was applied for key risks, proposed mitigation measures, as well as residual risks.

97. **Political and governance risks are rated as Substantial**. The National elections in January 2021 resulted in some changes in political leadership, including Members of Parliament, and leaders at the District level, who will require time to learn about their new roles which may result in a delay of project approval and implementation. There were also past reports of serious allegations of fraud and corruption within the refugee response[57]. In the area of cybersecurity, risks relate to potential backdoor access to procured digital infrastructure goods or to the dual-use nature of some software, tools, and applications. These substantial political and governance risks will be mitigated through: (a) implementation of institutional strengthening activities, such as those in sub-components 1.2 and 1.3 and (b) dialogue and close collaboration with government entities, as well as proactive engagement by the WB as issues arise. For cybersecurity, mitigation approaches include capacity building of technical staff to identify backdoor access vulnerabilities, procedural adjustments to allow for procured goods to be evaluated for backdoor access before finalizing the purchase contract, technical adjustments of dual-use technologies, the strengthening of Data Privacy and Protection Act implementation, associated capacity building for a strong judiciary, as well as procedural checks for use of the concerned equipment. Despite these mitigation measures, the residual risk remains substantial.

98. **The E&S risk is rated as Substantial.** This is due to the potentially complex implementation arrangement for the various sub-components, the wide geographical scope of the project that spreads across the country, the accumulative risks and impacts associated with various project activities, and the weakness in the national E&S system performance related to enforcement of laws, staffing level, and budget allocation for environmental management**. The likely E&S risks will be mitigated through avoidance of some of the impacts by proper design of project activities. Framework instruments have been prepared to guide the preparation of site-specific plans aimed at addressing E&S risks as sub-projects are identified. Any residual risks and impacts will be compensated for during the implementation phase and the obligations for managing E&S risks and impacts will be incorporated into tender and contracts documents. Capacity-related risks will be mitigated by the recommended recruitment of E&S Specialists in the PIU. Even upon execution of the recommended mitigation measures, E&S risks will remain substantial during the project implementation phase.

99. **Stakeholder risk is rated as Substantial.** The project requires the commitment and involvement of multiple implementing partners, including NITA-U, the MoICT&NG, OPM, NEMA, and UCC, among others. The needs and expectation of each party must be considered, and they may at times be at odds with one another. Further, given the various activities supported under the project, stakeholders must be well aligned to coordinate efforts. The project will also require good understanding and collaboration between public and private sectors, especially in components 1 and 3, which can be impeded by disputes on regulation, taxation, licensing, overlapping interventions, and so on. Close coordination will be needed to mitigate this risk. The project has strong linkages

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[57] https://reporting.unhcr.org/

to the national development priorities and institutional mandates to ensure that the different activities are fully supported. Institutional strengthening of NITA-U has already taken place during implementation of RCIP-5 and the use of alternative delivery models involving partnerships with the private sector and NGOs to complement government efforts will also be applied under this project. Despite these mitigation measures, the residual stakeholder risk remains substantial for the time being.

100.   **Refugee protection is an 'other' risk that is rated as Moderate.** The WB, in consultation with UNHCR, has confirmed that Uganda's protection framework is adequate for accessing funding under the IDA19 WHR. Uganda is adopting comprehensive humanitarian and development programs aimed at mitigating protection risks faced by refugees, including the managed arrival of refugees despite COVID-19 border closures. However, there is a moderate risk that Uganda's asylum space and refugee policies could become more restrictive in response to the strain on services and the natural environment, continuing refugee population growth, and COVID-19-related and political pressure. Additional refugee-specific risks include the high proportion of women and girls and other vulnerable people within the refugee population, which poses specific protection challenges, including GBV; challenges to the ongoing allocation of land to refugees; and administrative and informal barriers for refugees to access productive employment, finance, and market opportunities. Another protection risk that this project will manage relates to ensuring the ongoing adequacy and management of refugee registration data. Over the three years, the WB has undertaken analytical studies in Uganda across refugees and RHDs such as on GBV, deforestation and environmental management, and socioeconomic status informing refugee policy. The findings of these are being operationalized through WHR-financed projects including this one. These risks are then being managed jointly through effective in-country coordination mechanisms which include the UNHCR, OPM, development and humanitarian partners, and other parts of the GoU, spearheaded by the CRRF Steering Group, which meets quarterly. The WB co-chairs the CRRF Development Partners Group which provides another effective platform to ensure joint management of the above risks, including on protection issues, with the GoU and other humanitarian and development organizations. The project will work through these coordination mechanisms. Refugee Sector Response Plans referenced earlier have been developed to institutionalize refugee support within national systems, and the JLIRP has strong digital components. The WB will work closely with the UNHCR to continually monitor the protection environment throughout project implementation, including on registration data management and access to digital services.

VII. RESULTS FRAMEWORK AND MONITORING

Results Framework
COUNTRY: Uganda
Uganda Digital Acceleration Project - GovNet

Project Development Objectives(s)

The Project Development Objectives are to: (a) expand access to high-speed internet in selected areas, (b) improve efficiency of digital service delivery in selected public sectors, and (c) strengthen the digital inclusion of selected host communities and refugees.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	**2**	
Expanding Access to High-Speed Internet in selected areas					
Broadband penetration (fixed + mobile) in selected areas (Percentage)		35.00	40.00	50.00	60.00
Improving efficiency of digital service delivery in selected public sectors					
Public services in target sectors that can be delivered digitally and securely without requiring physical presence (end-to-end) (Number)		20.00	25.00	30.00	40.00
Strengthening the digital inclusion of selected host communities and refugees.					
Individuals in host communities and refugee settlements with access to Broadband Connectivity (fixed and mobile) (Number)		0.00	1,000,000.00	2,000,000.00	3,512,000.00

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Of which Refugees (Number)		0.00			725,000.00
Of which Hosts (Number)		0.00			2,787,000.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Expanding access to high-speed internet in selected areas					
Wi-Fi Access Points connected to the National Backbone (Number)		300.00	500.00	700.00	1,000.00
Last-mile locations connected to National Backbone Infrastructure (Number)		700.00	1,200.00	2,000.00	2,900.00
Digital services hosted at the Data center (Number)		162.00	200.00	300.00	400.00
E-waste centers established (Number)		0.00	1.00	3.00	4.00
Enabling Digital Transformation of the Government					
People able to prove their identity digitally (Percentage)		0.00	10.00	15.00	25.00
User satisfaction with effectiveness of digital public services (gender disaggregated) (Percentage)		75.00	78.00	82.00	85.00
Public and private entities in compliance with National Information Security Framework (NISF) through audits (Number)		16.00	20.00	25.00	30.00
Periodic publication of citizen		0.00	10.00	15.00	20.00

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	**2**	
engagement reports on grievance redress mechanisms and how issues were resolved (Number)					
Promoting Digital Inclusion of host communities and refugees					
Individuals in host communities and refugee settlements obtaining new digital skills under the project (Number)		0.00	12,000.00	20,000.00	32,000.00
Of which host (Number)		0.00			16,000.00
Of which refugees (Number)		0.00			16,000.00
Individuals in the refugee host communities with direct access to internet in the household or at the community level (Number)		0.00	75,000.00	150,000.00	250,000.00
Of which host (Number)		0.00			125,000.00
Of which refugees (Number)		0.00			125,000.00
Women assessed as digitally literate post the completion of digital skills training (Percentage)		0.00	40.00	60.00	80.00

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Broadband penetration (fixed + mobile) in selected areas	Measures the penetration of national broadband connectivity using fixed and	Annually	Data from UCC	Annual surveys used by NITA-U and consistent with methodology used	NITA-U

	mobile broadband solutions.			to collect metrics for the Digital Transformation Program	
Public services in target sectors that can be delivered digitally and securely without requiring physical presence (end-to-end)	Number of public services in target sectors that can be delivered digitally and securely without requiring physical presence (end to end)	Annually	Project implementation report and e-service delivery platform	With six target sectors, the goal would be to scale up six already existing eservices and develop at least 10 e-services and 4 microservices(in year 2,3,4,5 of the project), so that by the end of UDAP 20 new sectoral e-services would be activated.	NITA-U
Individuals in host communities and refugee settlements with access to Broadband Connectivity (fixed and mobile)	Number of individuals in host communities and refugee settlements with access to broadband Internet connectivity (50% of total population).	Annually	Surveys/ Data from UCC	Surveys will be conducted in all 13 host communities and 14 refugee settlements to determine beneficiaries that can access internet through 1) Personal Subscriptions 2) Wi-Fi hotspot (within 1 km from home) 3) Internet	NITA-U, UCC & OPM

				kiosk (within 1 km from home)	
Of which Refugees	Number of individuals in host communities and refugee settlements with broadband penetration (50% of total population)	Annually	Surveys/ Data from UCC	Surveys will be conducted in all 13 host communities and 14 refugee settlements to determine beneficiaries that can access internet through 1) Personal Subscriptio ns 2) Wi-Fi hotspot (within 1 km from home) 3) Internet kiosk (within 1 km from home)	NITA-U, UCC & OPM
Of which Hosts	Number of individuals in host communities and refugee settlements with broadband penetration (50% of total population).	Annual	Surveys/ Data from UCC	Surveys will be conducted in all 13 host communities and 14 refugee settlements to determine beneficiaries that can access internet through 1) Personal Subscriptio ns 2) Wi-Fi hotspot (within 1 km from home) 3) Internet	NITA-U, UCC & OPM

			kiosk (within 1 km from home)		

| **Monitoring & Evaluation Plan: Intermediate Results Indicators**					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Wi-Fi Access Points connected to the National Backbone	Number of MYUG Wi-Fi hotspots deployed by the project	Annually	Project reports from the Vendor hired to deploy the Wi-Fi access points	Project reports from the Vendor hired to deploy the Wi-Fi access points	NITA-U
Last-mile locations connected to National Backbone Infrastructure	Number of last-mile locations including government facilities, public institutions like schools, hospitals, etc. connected to NBI	Annually	Data reports from the vendor that will be hired by the project to deploy the last-mile connections	Data reports from the vendor that will be hired by the project to deploy the last-mile connections will be used to count the number of facilities connected to the NBI	NITA-U
Digital services hosted at the Data center	Number of applications hosted at the already existing data center which will be scaled up and the additional applications	Annually	Project implementati on reports	The progress of the implementation will be monitored annually based on activity completion reports	NITA-U

	hosted at the new Data Center that will be established				
E-waste centers established	Number of new E-Waste centers established by the project in the refugee host communities (2) and nationally (2).	Annually	Project completion reports	The progress of the implementation will be monitored annually based on activity completion reports	NITA-U, NEMA, UBOS
People able to prove their identity digitally	Percentage of people who are 16 or older able to prove their identity digitally through a variety of digital authentication modalities offered by either government or private sector	Annually	The data will be sourced from the ID4D dataset and GoU	The data sourced from ID4D dataset and GoU, will be analyzed to measure how many people above 16 were able to prove their identity digitally while receiving e-Services	NITA-U
User satisfaction with effectiveness of digital public services (gender disaggregated)	Percentage of users of digital public services reporting satisfaction with the efficiency of the transaction (gender disaggregated)	Annually	online surveys, mobile and web apps, and surveys	U-report, online surveys, mobile and web apps, and surveys	NITA-U
Public and private entities in compliance with National Information Security Framework (NISF) through audits	Number of public and private entities in compliance with the National Information Security Framework (NISF) through audit program	Annually	Audit reports	NITA-U monthly reports	NITA-U
Periodic publication of citizen engagement reports on grievance redress	Periodic publication of citizen engagement reports	Annually	U-report, online	Four(4) reports will be published per year for a	NITA-U

mechanisms and how issues were resolved	on grievance redress mechanisms and how issues were resolved		surveys, mobile and web apps, and surveys	total of twenty(20) over the project period	
Individuals in host communities and refugee settlements obtaining new digital skills under the project	Number of individuals in host communities and refugee settlements (50% each) that obtained new digital skills and knowledge under the project - gender disaggregated	Annually	Data from training delivery platforms	The number of beneficiaries will be counted as and when training programs are delivered through training rosters	NITA-U & OPM
Of which host	Number of individuals in host communities and refugee settlements (50% each) that obtained new digital skills and knowledge under the project - gender disaggregated	Annually	Data from training delivery platforms	The number of beneficiaries will be counted as and when training programs are delivered through training rosters	NITA-U & OPM
Of which refugees	Number of individuals in host communities and refugee settlements (50% each) that obtained new digital skills and knowledge under the project - gender disaggregated	Annually	Data from training delivery platforms	The number of beneficiaries will be counted as and when training programs are delivered through training rosters	NITA-U & OPM
Individuals in the refugee host communities with direct access to internet in the household or at the community level	Individuals in the refugee host communities with direct access to internet in the household or at the community level	Annually	Survey of the refugee and hosting communities	This indicator will measure, through surveys, individuals in the refugee host communities with direct access to	NITA-U & OPM

				internet in the household or at the community level	
Of which host	Number of new individuals in the host communities and refugee settlements (50% of each) with access to internet-enabled devices in household or community Beneficiaries can access devices through 1) direct device ownership - 2/HH can meaningfully utilize device. 2) Internet kiosks (<1 km)	Annually	Survey of the refugee and hosting communities	This indicator will measure, through surveys, the individuals in the refugee and host communities that will have access to personal devices, shared devices, and internet kiosks/Tele-centers	NITA-U & OPM
Of which refugees					
Women assessed as digitally literate post the completion of digital skills training	Percentage of women assessed as digitally literate post the completion of digital skills training including awareness of cybersecurity and online safety.	Annually	Training records; pre and post training assessments	This indicator will measure percentage of women assessed as digitally literate post the completion of digital skills training including awareness of cybersecurity and online safety.	NITA-U and OPM
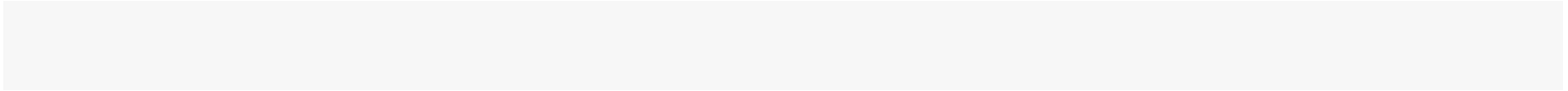
ANNEX 1: Economic and Financial Analysis

1. **The project is expected to contribute to accelerated GDP growth, digitally enabled innovation, long-term government cost savings due to transformation of service delivery agenda in key sectors, and revenue increases as well as augmented citizen well-being.** An enhanced telecom market regulation and improved accessibility and affordability of broadband services and devices will result in a more dynamic digital sector with expanded digital content and could be expected to bring tangible opportunities for digital services development and exports in the area of digital innovation. Increased digitalization of government services that could be delivered in a cashless and paperless manner is expected to generate cost and time savings for both the general population and refugee host communities. By contributing to clean environmental practices, the improvements to e-waste management practices will further make Uganda an even more attractive destination for tourists. The refugees host communities supported through enhanced skills programs and opportunity/job pathways in the digital era could generate employment and productivity gains reflected in increased revenues and wages.

2. **The novelty of several components (particularly those related to device affordability, digital authentication, advanced skills, and cybersecurity) as well as data limitations in other areas constrain an accurate estimation of expected economic and financial returns of the project.** The economic and financial analysis undertaken follows a standard CBA methodology. The model relies on available secondary data and reasonable assumptions[58] [59] [60], based on experience and additional evidence from consultations and interviews conducted by the task team to conduct a cash flow analysis and resulting financial analysis for three different scenarios: optimistic, pessimistic, and neutral. When possible, the model also ran sensitivity assessments that quantified the benefits and costs attributable to the project against current baseline indicators. The model also assumes a shock in Uganda's GDP due to the COVID-19 pandemic, assuming a decrease in Uganda's baseline GDP for the three different scenarios (1 percent decrease in the optimistic scenario, 2 percent decrease in the neutral scenario, and 3 percent decrease in the pessimistic scenario). Based on the CBA conducted, the overall NPV for the entire project in the neutral scenario is estimated at US$100.84 million and is expected to demonstrate an IRR of 50 percent over a 10-year period. The CBA for the optimistic and pessimistic scenarios result in an NPV of US$158.21 million and US$40.85 million, respectively, and an IRR of 66 percent and 33 percent, respectively.

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[58] For every 10 percent increase in Broadband Fixed 1.40 percent GDP Growth. Source: Kim, Y., T. Kelly, and S. Raja. 2010. *Building Broadband: Strategies and Policies for the Developing World*. (Pessimistic 0.90 percent; Optimistic 1.90 percent)

[59] For every 10 percent increase in Broadband Mobile 2.50 percent GDP Growth. Source: ITU (International Telecommunication Union). 2019. *Economic Contribution of Broadband, Digitization, and ICT Regulation: Econometric Modelling for Africa*. (Pessimistic 1.90 percent; Optimistic 3.00 percent)

[60] For every 1 percent increase in broadband penetration 0.30 percent increase in jobs. Source: Information Technology and Innovation Foundation (ITIF). 2013. *The Economic Benefits of ICT*. (Pessimistic 0.20 percent; Optimistic 0.40 percent).

Figure 1. Organic versus Accelerated trend in fixed and mobile broadband penetration
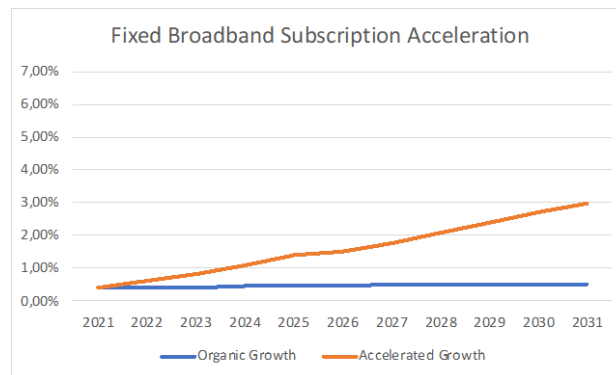
3. **Improving the efficiency of digital government services is expected to result in cost and time savings.** Component 2 benefits are derived through gains in productivity and efficiency as well as through reduction in leakages. Gains have been quantified based on WB's experiences in similar projects involving digitalization of service delivery through government-wide digital transformation efforts in countries like Estonia and Moldova. Based on the CBA, the NPV for component 2 is estimated at US$13.38 million and is expected to demonstrate an IRR of 55 percent over a 10-year period in the neutral scenario. The model includes two additional scenarios, optimistic and pessimistic, with an NPV of US$29.10 million and US$2.01 million, respectively, and an IRR of 120 percent and 24 percent, respectively. These estimates leverage the following assumptions:

- **GDP Multiplier.** Using Estonia as a proxy for its whole-of-government digital efforts that included putting in place shared services such as X-Road (data exchange platform) and digital identification verification and authentication services, in support of seamless e-service delivery across multiple sectors, a similar GDP multiplier has been adopted. Using official figures from the Government of Estonia as a proxy, an increase of 0.45 percent in GDP per year was used to account for future e-transformation of service delivery. This multiplier is used for the optimistic scenario, while in the neutral scenario, a more conservative figure is used: 0.30 percent (Pessimistic 0.10 percent; Optimistic 0.45 percent). An assumption was made that due to the COVID-19 pandemic and its aftermath, much more people would prefer to use remote services that don't require in-person interaction by leveraging digital authentication capability, especially in the first few years of the project.

- **Savings from digitization of public sector service delivery.** To estimate the savings that arise because of transitioning from a paper-based to a digital service delivery, the model leverages the savings figures observed in Moldova, which embarked on the digital transformation journey back in 2010. An in-depth assessment done in Moldova concluded that before digitization, the cost of handling, storing, and processing a document reached US$3.50 per document. After digitization, this cost went down to US$0.75 per document, a 79 percent unitary cost reduction. This reduction is used for the optimistic scenario. A more conservative reduction of 60 percent is used for the neutral scenario (Pessimistic 40 percent; Optimistic 79 percent). The model also assumes savings from the beneficiary perspective because of improvements in productivity and savings in transportation. Finally, the model differentiates government and productivity savings between the general population and refugee community beneficiaries.

- **Savings from improving cybersecurity readiness and resilience.** Estimating economic and financial impact for cybersecurity is a difficult task due to the lack of existing studies and assessments evaluating the impact in economic terms of cybersecurity investments. To conduct the cybersecurity calculations, the following assumption was used. According to the paper 'Integrating cost–benefit analysis into the National Institute of Standards and Technology (NIST) Cybersecurity Framework via the Gordon–Loeb Model', an investment of US$7 million to reach NIST Tier 4 results in at least US$0.64 million in additional benefits. This means that for each dollar invested, a return of approximately 9.1 percent on top of the investment made is yielded. This yield has been integrated in the model as a proxy.

4. **Strengthening the digital inclusion of refugees and hosting communities through sub-component 3.2 activities will contribute to digital literacy and awareness, better chances for employment, innovation, and GDP growth.** According to the Broadband Plan for Refugees, the UNHCR Connectivity Goal, and the Global Compact on Refugees,[61] which was adopted by the United Nations General Assembly on December 17, 2018, broadband connectivity is a core objective for enhancing refugee self-reliance. The Global Compact on Refugees advocates efforts to close "the technology gap and building capacities (particularly of developing and least-developed refugee host countries), including to facilitate online livelihood opportunities"[62] and "to support services for women and men in host and refugee communities, including by reducing associated risks and enabling low-cost mobile and Internet access to these services."[63]

5. **Investments in digital skills, improved services, and e-waste management facilities located next to or in the refugee host communities are expected to result in employment opportunities, higher salaries due to skills program, and enhanced innovation opportunities.** The impacts considered in the refugee-related activities excluding broadband are: (a) the monetized value of jobs created with a substantial increase in salaries, (b) innovation and entrepreneurship as a result of the skills upgrade, and (c) overall positive effect on cleaner environment which will have a positive effect on clean tourism development. Based on the CBA the overall NPV for component 3 activities excluding sub-component 3.1 is estimated at US$0.51 million and is expected to demonstrate an IRR of 21.11 percent over a 10-year period in the neutral scenario. The model includes two additional scenarios, optimistic and pessimistic, with an NPV of US$7.44 million and minus US$8.49 million, and an IRR of 35.08 percent and -12.27 percent, respectively. These estimates leverage the following assumptions:

- **Increase in employment:** The model assumes that trainees will have greater employability. The percentage of advanced skilled workers starts at 5 percent for the neutral scenario (15 percent for optimistic and 2 percent for pessimistic) and grows steadily until year 5.

- **Entrepreneurship:** In addition to e-waste-investments-related entrepreneurship, the model assumes that some of the trainees that go through the program activities will apply the acquired skills to innovation and entrepreneurship. The model expects five startups to be developed in year 2 neutral scenario, 7 in the optimistic scenario, and three in the pessimistic scenario. By the end of year 5, 30 startups are expected to be created in the neutral scenario. For the optimistic scenario, the number of startups is expected to reach 45; and in the pessimistic scenario, the model expects that nine startups will be created.

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[61] The global compact on refugees FINAL DRAFT (as of 26 June 26, 2018), https://www.unhcr.org/5b3295167.pdf
[62] Final Compact at paragraph 71.
[63] Final Compact at paragraph 34.

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ANNEX 2: Gender Assessment

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1.   This assessment seeks to elaborate on gender considerations for the UDAP-GovNet. The assessment, (a) identifies the gaps between the experiences and status of women and men relevant to this project, (b) identifies activities to address these gaps, and (c) suggests suitable indicators to track progress.

2.   This assessment is based on information from: (a) desk-based document review including gender literature, national-level gender analytics, regional policy and guidance notes, and international good practice guidelines; and (b) stakeholder/client consultations to identify the most relevant and targeted ways to address these gaps and design measurable indicators to track progress. The assessment accounted for data collection constraints in refugee and host communities. A survey will be conducted to inform the baseline on device ownership/digital skills during project implementation, with the aim to improve sex-disaggregated data collection that is currently unavailable, and help measure outcomes on digital literacy targeted through digital skills and online safety training.

3.   The table below identifies how the project will contribute to closing gender gaps through project interventions. It highlights the biggest gaps that are being addressed by project actions and assigns a relevant and measurable indicator to each. The project design also incorporates other strategic directions and actions to address gender gaps, such as around addressing norms and behaviors of both men and women around harmful digital communications and around placement of Wi-Fi hotspots in areas where women are more likely to use them. The training components will focus, beyond equipping communities with basic digital skills, on addressing concerns around online safety and cybersecurity, a key concern for women and girls in Uganda.

4.   The project will also incorporate efforts to include women-owned firms in procurement calls by engaging in targeted outreach to such firms, and work to ensure gender parity within the project implementation units. In addition, the project will train government officials within component 2 in advanced technical skills—cybersecurity, data analysis, and other coding and software maintenance, and will strive to include equal numbers of men and women within these higher-level trainings to ensure inclusion of women in science, technology, engineering, and mathematics (STEM) fields and within the sectoral government ministries.

Table 1. Analysis of Gender Gaps in Uganda

ANALYSIS: Gender Gaps in Uganda	ACTIONS: Proposed Actions under the Project	INDICATORS: Included in the Results Framework to monitor progress
Low ownership of mobile devices and access to Internet • Gender gaps in ownership and access to Internet-enabled devices. In Uganda there is a 4 percent urban gender gap in mobile ownership while in rural areas it is over five times that, at 22 percent. Overall percentage of women Internet users is a mere 13 percent compared to men who access the Internet at 24 percent (Global System for Mobile Communications Association [GSMA] 2020[64]). • Gender gap in Internet use, estimated at 25 percent between men and women (RIA 2019[65]). A key barrier to access of the Internet is lack of affordable points of access and high costs of devices. An estimated 42 percent of women in Uganda cite the cost of handsets as a barrier to mobile Internet use versus 29 percent of men (GSMA 2015[66]). • While Internet access has become more affordable, particularly on mobile phones, costs are still expensive for many Ugandans, especially the women who have no significant sources of income (Freedom House 2018[67]). Figures from the 2014 Uganda National Population and Housing Survey indicate that 32 percent of women were not involved in any economic activities, compared to only 26 percent of men (National Housing and Population Census 2014).	• Sub-component 3.2 includes Digital Access program that will support various access affordability initiatives to increase direct access to internet, particularly for women. • The program will integrate feedback by women beneficiaries in the design and target households in refugees and host districts that are among the most vulnerable and left behind in terms of access to mobile devices. • Public Internet access points (Wi-Fi hotspots) and community Internet access schemes (telecenters) with women-friendly opening hours and in women-friendly locations such as markets, informal women's group meeting locations, water collection points, and public food distribution centers (Sub-components 1.2, 3.1, and 3.2).	
Low level of digital skills and high incidence of online violence especially within refugee and host communities • While digital skills in Uganda are generally low, the 'digital	• Design digital skills/literacy training under sub-component 3.2 to promote women's participation and	• Percentage of women assessed as digitally literate post the

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[64] GSMA Mobile Gender Gap Report 2020.
[65] After Access Surveys 2019.
[66] GSMA (Global System for Mobile Communications Association). The Mobile Gender Gap Report. 2015.
[67] Freedom on the Net 2018, Freedom House.

ANALYSIS: Gender Gaps in Uganda	ACTIONS: Proposed Actions under the Project	INDICATORS: Included in the Results Framework to monitor progress
divide' is even more pronounced among women and among refugees (82 percent of whom are women and children). An estimated 75 percent of Ugandans who do not use the Internet report that they lack the skills to do so (GSMA 2019[68]). Skills gaps are particularly stark between men and women. Even among the employed population, fewer women than men possess a formal education: 4.4 percent versus 6.2 percent; and two-thirds of young women in employment lack a trade, technical skills, or specialization. This reflects in their lower levels of digital skills as well, exacerbated by traditional literacy gaps. • Further, cyber-harassment and cyberbullying are a key issue in Uganda. The number of women whose nude pictures or videos have been shared online without their consent has been increasing over the years. • Where some reports of cyber harassment are available, the extent to which it affects women in marginalized communities is also not well known. In many instances, cases of cyber harassment go unreported and victims have limited legal recourse or resources to seek justice. Women refugees are often under threat of physical and sexual violence not only at the hands of fellow refugees and human traffickers but also the national immigration administration, security forces, and humanitarian staff. In these situations, access to justice and reparation for women refugees is limited (CIPESA 2019). • Interviews conducted in August 2019 with 35 women refugees from the Democratic Republic of Congo, Eritrea, Republic of South Sudan, and Sudan who are living in Uganda showed that three in four of the respondents had experienced some form of cyber harassment including abuse, stalking, unwarranted sexual advances, and hacking of social media accounts. The perpetrators included anonymous individuals, security agents in their home countries, known friends, and ex-partners (CIPESA 2019[69]).	address women's concerns/needs • Organize training in a manner not excluding or hindering women's participation (in some cases possibly for women only). • Make trainings as practical and hands-on as possible to build confidence among women trainees • Engage female mentors and female role models. • Track the involvement of women benefitting from the digital skills training provided. • Integrate a module on online safety specifically targeting women and girls online and addressing norms and behaviors among both men and women that can help change these behaviors and make the digital ecosystem a safer space for women to participate within.	completion of digital skills training (Target= 80 percent)

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[68] GSMA (Global System for Mobile Communications Association). 2019. The Mobile Gender Gap Report. 2019
[69] https://cipesa.org/2019/12/building-digital-literacy-and-security-capacity-of-women-refugees-in-uganda/

ANNEX 3: Technical leads and partner agencies involved in implementation

Component	Sub-component	Technical Lead	Key partner Ministries/Agencies
Component 1: Expanding Digital Connectivity in Selected Areas	1.1 Expanding the digital infrastructure outreach	NITA-U	• MoICT&NG • UCC • NEMA • Ministry of Gender (social) • MoLG
	1.2 Strengthening of digital infrastructure "complements"	NITA-U/MoICT&NG	• NEMA • UCC • Ministry of Gender (social) • UBOS • MoLG
	1.3 Strengthening of the enabling environment, digital capabilities, and inclusiveness of digital services	MoICT&NG/NITA-U	• UCC • Ministry of Gender (social)
Component 2: Enabling Digital Transformation of the Government	2.1 Accelerating Digital Transformation of Service Delivery	NITA-U	• MoICT&NG
	2.2 Mainstreaming Digital Services in Priority Sectors	NITA-U	• MoICT&NG • NIRA • JLOS • MoH • MoES • MAAIF • MTWA • MTIC • Ministry of Finance/PPDA • Ministry of Gender (social) • MoLG
	2.3 Strengthening Cybersecurity and Data Protection	MoICT&NG/NITA-U	• Various MDAs
Component 3: Promoting Digital Inclusion of host communities and refugees	3.1 Digital inclusion of host communities and refugees through enhanced connectivity	OPM/NITA-U	• MoICT&NG • UCC • Ministry of Gender (social) • Development partners
	3.2 Digital inclusion of host communities and refugees through access enablers	OPM/NITA-U	• MoICT&NG • UCC • NEMA (e-Waste) • MoES • UNHCR • Ministry of Gender (social)
4. Project Management	**Project implementation support**	NITA-U/MoICT&NG/OPM	• Ministry of Finance

ANNEX 4: Procurement and Financial Management

1.   The NITA-U is the implementing agency for the proposed UDAP-GovNet. A Project Procurement Strategy for Development (PPSD) was finalized during appraisal. NITA-U held a market sounding conference on February 8, 2021 to seek the input/views of the private sector in the project design and in packaging of the contracts under the UDAP-GovNet. A Procurement Plan for the first 18 months of project implementation was developed based on the PPSD.

Box 1: Summary of PPSD

Procurement under the UDAP-GovNet will be processed by NITA-U, which has gained experience in IDA-funded project management from the ongoing US$75 million RCIP-5 Project. The PIT received training on the New Procurement Framework in 2019 to provide them with basic knowledge of the procedures to be followed but will require further training for the different categories and stages of procurement.

The private sector: (a) inquired about the type of the planned interventions under the UDAP-GovNet, the locations, the possibility of private sector investment, and whether small start-ups or big enterprises or both could participate; (b) showed readiness to participate in the delivery of equipment, and in the build aspect in case the 'design and build' approach is adopted for the backbone and last mile under one contract though a CBA was also recommended; and (c) recommended a study of the consumers of Uganda's digital services, such as citizens, businesses, government, to aid decision making and ensure commercial viability and subsequent incorporation in the project design.

The activities under the UDAP-GovNet are like those under RCIP-5, except the scope is much larger though the staff skills requirements are the same. There is limited domestic consulting/contracting IT capacity to conduct projects of this nature, complexity, and scope. Individual consultants will be hired to enhance the technical in-house capacity of NITA-U to support effective project implementation.

2.   The project will use the **Systematic Tracking of Exchanges in Procurement (STEP), the World Bank's online** planning and tracking system, which will provide data on procurement activities and delays and measure procurement performance. Some NITA-U staff are already familiar with STEP, which is being used under RCIP-5.

3.   **Use of National Procurement System.** National procurement procedures shall only apply if the requirements as required by the paragraph 5.3 Procurement Regulations[70] are met. In March 2017 (updated February 2018) the PPDA issued a guideline titled "reservations to promote local content in public procurement"

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[70] (a) open advertising of the procurement opportunity at the national level; (b) the procurement is open to eligible firms from any country; (c) the request for bids/request for proposals document shall require that Bidders/Proposers submitting Bids/Proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank's Anti-Corruption Guidelines, including without limitation the World Bank's right to sanction and the World Bank's inspection and audit rights; (d) Procurement Documents include provisions, as agreed with the World Bank, intended to adequately mitigate against environmental, social (including sexual exploitation and abuse (SEA) and gender-based violence(GBV), health and safety ("ESHS") risks and impacts; (e) contracts with an appropriate allocation of responsibilities, risks, and liabilities; (f) publication of contract award information; (g) rights for the World Bank to review procurement documentation and activities; (h) an effective complaints mechanism; and (i)maintenance of records of the Procurement Process.

which specifies thresholds[71] below which only Ugandan or Ugandan-registered companies are eligible to participate, which is inconsiderate with the universal eligibility requirement under paragraph 3.21[72] of the Procurement Regulations. National procedures will only be used subject to permitting universal eligibility, otherwise the PPDA Guideline and the national procedures will not apply. Similarly, National Bidding documents[73] may be used under Open National Competitive and for the Request for Quotation methods subject to permitting universal eligibility, otherwise the National Bidding Documents shall not be used. Selection of consultant firms shall use the WB's Standard Procurement Documents (SPDs).

4.   The government has issued a directive that furniture for MDAs will only be purchased from national and domestic providers, which is not consistent with the WB requirement for universal eligibility. To be eligible for funding from the Credit, procurement under the project shall follow the WB Procurement Regulations.

5.   **Standard Procurement Documents.** The WB's SPDs shall be used for procurement of goods, works, and non-consulting services under Open International Competitive Procedures. National Bidding Documents as set forth in the Public Procurement and Disposal Act, 2003 may be used under Open National Competitive as well as for the Request for Quotation methods subject to the permitting universal eligibility and including ESHS provisions. The agency shall use the World Bank's SPDs in the selection of consultant firms in line with procedures described in the Procurement Regulations.

6.   In accordance with paragraph 5.3 of the Procurement Regulations, the request for bids/request for proposals document shall require that Bidders/Proposers submitting Bids/Proposals to present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the WB's Anti-Corruption Guidelines, including without limitation the WB's right to sanction and the World Bank's inspection and audit rights.

7.   **Record keeping and management.** The NITA-U head of the Procurement and Disposal Unit (PDU) working closely with Procurement Specialists will be responsible for record keeping and shall open a procurement file for each contract processed and upload the same information in the STEP. NITA-U will ensure that there is adequate lockable storage space for active files and for archiving.

8.   **Disclosure of procurement information** shall follow the requirements of the Procurement Regulations subject to the market approach and selection method. In addition, the Project Implementation Entity (PIE) shall publish an action report on any complaints received on a quarterly basis.

9.   **Fiduciary oversight by the WB (frequency of procurement supervision).** The WB shall prior review contracts as per prior review thresholds set in the PPSD/Procurement Plan and participate in one supervision

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[71] Supplies - UGX 1 billion (US$ 266,667); Road works - UGX 45 billion (45bn= US$12 million); 12m; Public work- – UGX 10 billion (-UGX10b=US$ 2,666,667);667m; Consultancy services - UGX 1 billion (US$ 266,667); and Non-consultancy services - UGX 200 million - (US$ 53,000)).)

[72] Eligibility - 3.21: The World Bank permits eligible firms and individuals from all countries to offer goods, works, non-Goods, Works, Non-consulting Services, and Consulting Services for World Bank-financed projects.
3.22 In connection with any procurement to be financed in whole or in part by the World Bank, the Borrower shall not deny participation of, or award to, an Applicant/ Bidder/Proposer/Consultant for reasons unrelated to:
(a) its capability and resources to successfully perform the contract; or (b). conflict of interest situations covered under Paragraphs 3.14 to 3.17 (Conflict of Interest) of the World Bank Procurement Regulations (July 2016 revised November 2020).

[73] As set forth in the Public Procurement and Disposal Act, 2003.

mission annually to carry out a procurement post-review to assess consistency and compliance with the agreed procedures. However, the WB may conduct independent procurement reviews of all the contracts financed under the credit at any time.

10. **Beneficial Ownership Pilot**. The project procurement involves no procurements within Operations Procurement Review Committee (OPRC) thresholds, hence beneficial ownership pilot may not be applicable.

11. **Operating costs.** These will be procured using the Borrower's procurement, financial, and other administrative procedures acceptable to the WB. These include costs associated with travel, accommodation, per diems, office consumables and maintenance, motor vehicle maintenance, and implementation support personnel, and so on. Salary top-ups, meeting allowances, sitting allowances, and honoraria to civil/public servants and contracted consultants shall not be financed by the project.

12. **Training and workshops.** The project will finance training and workshops, if required, based on an annual training plan and budget which shall be submitted to the WB for its prior review and approval. The annual training plan will identify, among other things: (a) the training envisaged, (b) the justification for the training, (c) the personnel to be trained, (d) the duration for such training, and (e) the estimated cost of the training. At the time of the actual training, the request shall be submitted to the WB for review and approval. Upon completion of the training, the trainees shall be required to prepare and submit a report on the training received.

13. **Risks due to COVID-19 include:** (a) limited competition due to some competent bidders refraining from participating in the bidding process due to fear of the disease; (b) challenges of bid submission due to COVID-19 movement restrictions imposed by many countries worldwide; and (c) constraints in institutional and implementing capacity due to restrictions on congregating, social distancing, and so on that impact public administration. These will be mitigated by enhanced engagement of bidders through (a) using online platforms for stakeholder engagement and meetings; (b) organizing travel clearances for contractors to visit the site; (c) permitting alternative submission of bids and proposals by third-party agents, through embassies, or with passwords through email, all at the Contractor/Supplier/Consultant's risk; and (d) contract duration shall be specified taking into account the challenges and resulting delays due to social distancing hence less workers at site, and other measures to curb spread of COVID-19.

14. **Procurement risk assessment:** Based on the assessment, the project procurement risk rating is High. The residual risks after the implementation of the mitigation measures proposed in table 1 below will be reduced to Substantial.

Table1: Risk Mitigation Action Plan Matrix

Noted Risk	Agreed mitigation measure	Timeline	Responsibility
Limited domestic contracting capacity to conduct projects of this complexity and scope	Wider dissemination of bidding opportunities to reach international and regional markets to elicit participation from the capable providers	Throughout project implementation	NITA-U
NITA-U staff and partner agencies not familiar with Procurement Regulations (July 2016, revised January 2020)	Trainings for staff on the World Bank Procurement Regulations		NITA-U
	Prepare and disseminate the Procurement Manual to all project implementation staff	Before project effectiveness	
Underestimation of the cost of	Conduct a market survey before procurement	Throughout	NITA-U

Noted Risk	Agreed mitigation measure	Timeline	Responsibility
contracts	processing and update the cost estimate in the Procurement Plan if needed	Project implementation	
NITA-U has a vacancy rate of 68 percent resulting in gaps in technical staff to support project	Hiring of individual consultants to fill staffing gaps to ensure sufficient in-house technical capacity (in skills and numbers)	Throughout project implementation	NITA-U
inadequate storage space for procurement records	Purchase lockable cabinets and lockable cupboards for storage of both active and archived records	Within three months of effectiveness	NITA-U
Delays in commencement of procurement processing due to late preparation of E&S safeguard studies	E&S safeguards studies to commence timely	Throughout project implementation	NITA-U, partner agencies
Gaps in the bidding documents leading to many inquiries from bidders prolonging the bidding process	An internal Quality Assurance Team shall review all UDAP-GovNet bidding documents to ensure completeness	Throughout project implementation	NITA-U, partner agencies
Heavy workload on Procurement Unit resulting in delays in procurement processing	Hire a Procurement Specialist and a Procurement Assistant with ToR acceptable to the Bank to support UDAP-GovNet implementation	Within 30 days of project effectiveness	NITA-U
Inadequate stakeholder engagements in project area resulting in delays in contract execution	Prepare and implement Stakeholder Engagement Plan to ensure timely and appropriate stakeholder engagement and sensitization;	Throughout project implementation	NITA-U, partner agencies
Delayed site handover to contractors for construction due to delays in implementation of the RAP.	Fast tracking the preparation of RAP report and implementation of the RAP to avoid the impact of delays in RAP	Throughout project implementation	NITA-U
Bid tampering during project implementation	(a) Original Bids to be kept in the ED's custody in a safe openable by three people; (b) access to original copies through written request subject to ED clearance; and (c) training in the expected ethical standards	Throughout project implementation	NITA-U
Forgery of documentation and misrepresentation of qualification requirements in the bids	Due diligence by the evaluation team at evaluation stage to verify information provided by bidders and sanctioning of bidders established to misrepresent qualification requirements and forgery	Throughout project implementation	NITA-U, partner agencies
Delays in implementation at different stages of the procurement cycle	Management to take action, including holding staff accountable for delays by replacing non-performing team members	Throughout project implementation	NITA-U, partner agencies

FINANCIAL MANAGEMENT

15.   An FM assessment was carried out for the proposed arrangements for the UDAP-GovNet to be implemented by the NITA-U. The assessment is in accordance with the Financial Management Manual issued by the Financial Management Sector Board on March 2010 and reissued in February 2015. The objective of the assessment was to determine whether the implementing entity has adequate FM systems and related capacity in place which satisfy the WB's Policy and Bank Directive on IPF. The FM assessment considers the degree to which: (a) the budgeted expenditures are realistic, prepared with due regard to relevant policies, and executed in an orderly and predictable manner; (b) reasonable records are maintained and financial reports produced and disseminated for decision making, management, and reporting; (c) adequate funds are available to finance the project; (d) there are reasonable controls over project funds; and (e) independent and competent audit arrangements are in place. The assessment also included the identification of key perceived FM risks that may affect project implementation and suggest mitigation measures against such risks. The WB has conducted the assessment building on the lessons learnt on the current project, RCIP-5.

16.   Actions outlined in the Financial Management Action Plan will be undertaken by NITA-U to strengthen the FM system. The Interim Financial Report (IFR) formats and ToRs for external audit were agreed before negotiations. There are no conditions of effectiveness.

17.   To ensure that the project is effectively implemented, NITA-U will ensure that appropriate staffing arrangements are maintained throughout the life of the project.

18.   The conclusion of the assessment is that the FM arrangements for the project have an overall Moderate residual risk rating. However, the proposed FM arrangements together with proposed action plan satisfy the WB's minimum requirements under OP/BP 10.0 and are adequate to provide, with reasonable assurance, accurate and timely information on the status of the project resources required by IDA.

Institutional and Implementation arrangements

19.   The project financial and other resources will be managed through the existing FM arrangements in NITA–U as established under the Directorate of Finance and Administration. During project execution, NITA–U shall coordinate project implementation and manage: (a) project monitoring, reporting, and evaluation; (b) contractual relationships with IDA and other co-financiers; (c) procurement; and (d) FM and record keeping, accounts, and payments.

20.   The Executive Director of NITA–U will be the Accounting Officer for the project, assuming the overall responsibility for accounting for the project funds.

21.   A designated Project Manager will be assigned who will be responsible for the day-to-day co-coordination of project activities in close collaboration with the relevant NITA-U Technical Departments. The project accountant will be responsible for daily transactions and reporting.

Budgeting arrangements

22.   The project will follow the government planning and budgeting procedures documented in the government's Public Finance Management Act and the attendant Treasury Accounting Instructions. These arrangements have been found to be adequate. Under the project, this will be coordinated by the project coordinator assisted by the Directorate of Finance and Administration who will align the project estimates as provided in the cost tables in the GoU's budget.

Accounting Arrangements

23.   **Books of Accounts:** The books of accounts to be maintained specifically for the project should thus be set up and should include a cash book, ledgers, journal vouchers, fixed asset register, advances ledger, and a contract register.

24.   **Staffing Arrangements:** The designated project accountant under RCIP-5 will assume roles to maintain transactions of the new project as the old one comes to closure to complement the existing staffing levels and activities at NITA-U. The project accountant will be supervised by the Director, Finance and Administration, who will be assisted by the Finance Manager on the day-to-day operations.

25.   **Information system:** The Authority uses Integrated Financial Management System for budgetary control and payments purposes. The project module is fully developed and therefore financial reporting for projects will be eased.

Funds Flow and Disbursement Arrangements

26.   **Bank Accounts:** The following bank accounts authorized by the MoFPED will be maintained by NITA-U in the Bank of Uganda for purposes of implementing the project: (a) Designated Account (DA) denominated in U.S. dollars where disbursements from IDA will be deposited and payment in U.S. dollars will be made from and (b) Project Account: This will be denominated in local currency. Transfers from the DA (for payment of transactions in local currency) will be deposited on this account in accordance with project objectives.

27.   The signatories for the project accounts will be in accordance with the Public Finance Management Act, Treasury Accounting Instructions, and the National Information Technology Authority Act 2009.

Disbursement Arrangements

28.   The project will be on a Report Based Disbursement Method. An initial disbursement will be deposited in the project DA based on a six-month cash flow forecast for the project based on the approved work plan. Subsequent disbursement will be based on the semi-annual IFRs submitted to the World Bank together with the relevant applications. The IFRs will be submitted for disbursement every six months as a minimum but can submit more requests as need arises. In compliance with the report-based guidelines, the project will be expected to: (a) sustain satisfactory FM rating during project supervision, (b) submit IFRs consistent with the agreed form and content within 45 days of the end of each reporting period, and (c) submit a Project Audit Report by the due date.

29.   Direct payment method may be used for payments to contractors or service providers upon recommendations of their satisfactory performance by the project authorized officials. Payments may also be made for expenditures against special commitments. The project may also use the reimbursement method. The Accountant General in the MoFPED together with his delegated officials shall be co-signatories for disbursement/withdrawal applications. IDA's Disbursement and Financial Information Letter (DFIL) will stipulate a minimum application value for direct payment and special commitment procedures.

30.   If ineligible expenditures are found to have been made from the DA, the Client will be obligated to refund the same. If the DA remains inactive for more than six months, the Client may be requested to refund to IDA amounts advanced to the DA. IDA will have the right, as reflected in the Financing Agreement, to suspend disbursement of the funds if reporting requirements are not complied with.

31.   Funds Flow Chart
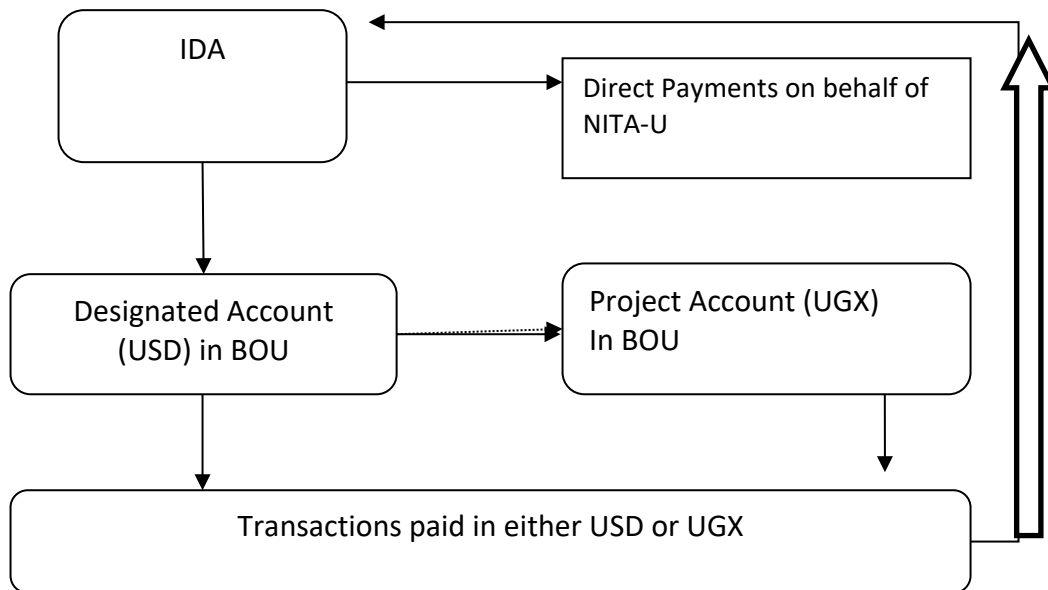
Financial Reporting Arrangements

32.   The regular financial reports will include (a) a statement of sources and Uses of Funds and (b) A statement of uses of funds by project activity/component.

33.   In addition to the above reports, NITA-U will submit to the WB, (a) DA Activity Statement, (b) DA and Project Account Bank Statements, (c) Summary Statement of DA Expenditures for Contracts subject to prior review, And (d) Summary Statement of DA Expenditures for contracts not subject to prior review. The annual financial statements will be prepared in accordance with the International Financial Reporting Standards (IFRS).

34.   **Internal Controls:** The internal controls as documented in the Public Finance Management Act, Treasury Accounting Instructions, and the Financial Management Manual of May 2013 are adequate for the purposes of the project.

35.   **Internal Audit:** NITA-U has an internal audit department. There are the approved Audit Committee Charter, Internal Audit Charter, and Internal Audit Manual. There is a board audit committee in place. The internal

audit at NITA-U is headed by an Audit Manager with one other staff. With increasing levels of activities, the Authority might be required to recruit an additional staff to cover annual audit workplans. The department also lacks the capacity to carry out technical audits and will be supported in the short term by use of consultants as it plans to recruit its own technical audit staff. The project will be incorporated in the internal audit work plan and semi-annual reports submitted to the WB within 45 days after end of semester.

External Auditing Arrangements

36.   The Auditor General is primarily responsible for the auditing of the project. Occasionally, the audit may be subcontracted to a firm of private auditors acceptable to the WB, with the final report being issued by the Auditor General. In case the audit is subcontracted to a firm of private auditors, IDA funding may be used to pay the cost of the audit. The audits are done in accordance with International Standards on Auditing. The ToRs for the external audit have been agreed between the WB and the NITA-U. The project-specific audit report will be required to be submitted by the NITA-U within six (6) months after the end of each financial year, that is, December 31st given that the accounts will be prepared for the year ended June 30th.

Financial Management Action Plan

37.   The action plan below indicates the actions to be taken for the project to strengthen its FM system and the due dates for completion.

	Action	Date Due	Responsibility
1	Agreement on audit ToR and format of IFR	Agreed/done	NITA/Bank
2	Submission of semi-annual IFRs	Within 45 days after the end of each semester	NITA
3	Submission of annual audited reports	December 31, annually	NITA

Supervision Plan

38.   A supervision mission will be conducted at least once every year based on the risk assessment of the project. The mission's objectives will include that of ensuring strong FM systems are maintained for the project throughout its life. Reviews will be carried out regularly to ensure that expenditures incurred by the project remain eligible for IDA funding. The Implementation Status and Results Report (ISR) will include an FM rating for the project.

Conclusion of the Assessment

39.   A description of the FM arrangements above assesses the residual FM risk as Moderate with the proposed actions and improvements satisfying the WB's minimum requirements under OP/BP10.00 for the system to be adequate to provide, with reasonable assurance, accurate and timely accounts/information on the status of the project as required by the WB.

Table1: IDA 19 Commitments applicable to project

IDA19 Theme	Area	Policy Commitments related to digital development	Relevant project component
Climate change		(i) Average Climate co-benefit and (ii) Development and piloting of new resilience metrics designed to give increased incentives for more effective climate adaptation actions, incl. through enhanced disaster resilience of INF dev)	Components 1, 2 and 3 contribute to both climate mitigation and adaptation by ensuring that equipment procured is energy efficient and allows for use of solar energy (datacenters and masts). Better Internet connectivity coupled with ability to receive services in a remote manner which does not require face-to-face interactions would minimize the need for travel by citizens to government offices. This would result in less traffic congestion, less use of gas translating in lower CO_2 emissions. The expected reduced use of paper due to digitalization of document management within the government and improved delivery of services via mobile phone or Internet will contribute to climate mitigation through forest preservation e-Waste program is aimed at minimizing impact on environment through responsible recycling and refurbishment of electronics.
Fragility, Conflict & Violence		Support building client capacity in 50 percent of IDA FCS countries to use field appropriate digital tools for collection and analysis of geo-tagged data; and apply this technology to enhance project implementation and coordination.	The project will explore the use of the WB's Geo-Enabled Monitoring and Supervision Initiative (GEMS) for project reporting, particularly for FCV areas or remote RHDs.
Governance and Institutions	*Public service delivery*	Support at least 12 IDA countries to adopt	Component 2 (Enabling Digital Transformation of the government. Activities) will support the development and roll out of various e-services in six priority sectors.

IDA19 Theme	Area	Policy Commitments related to digital development	Relevant project component
		universally accessible[74] GovTech solutions[75].	
Jobs and Economic Transformation	*Creating and connecting to markets*	To help close the digital infrastructure gap, IDA will support 25 IDA countries to double their broadband penetration (16 on the African continent), including eight in landlocked countries, by 2023.	Activities in component 1 (Expanding Digital Connectivity) will expand the digital infrastructure to serve the unserved and selected populations thereby closing the digital infrastructure gap.
	Building capacities and connecting workers to jobs	About 50 percent of entrepreneurship and Micro, Small and Medium Enterprises (MSME) projects will incorporate digital financial services and/or digital entrepreneurship elements – and ensure they address constraints facing women and people with disabilities.	Under components 1 and 3, e-waste management activities will have job creation and skills development aspects. A dedicated skills development program will contribute to the needs of MSME and will address constraints facing women and people with disabilities as the e-waste centers provide trailing on skills development.
Gender and Development	*Removing constraints for more and better jobs*	At least 60 percent of IDA19 financing operations for digital skills development will support women's access to higher productivity jobs, including online work.	Project activities under component 3 will include both basic and advanced digital skills development are designed to help women qualify for higher productivity jobs.
	Removing barriers to women's ownership of and control over assets	All IDA19 financing operations for Digital Development will support women's increased access to and usage of digital services.	All components are designed with an explicit objective to increase women's access to Internet connectivity, e-services, affordable devices, and skills development programs. The project will measure the progress through gender-disaggregated indicators.

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[74]Universally accessible' means that GovTech services are designed so that they can be accessed, understood and used by all people, regardless of disability, age, use of assistive devices, location or means of Internet access. It applies to hardware and software.

[75]GovTech solutions include hardware, software, applications, and other technology to improve access and quality of public services; facilitate citizen engagement (CivicTech); and improve core government operations. These include enabling analog complements to strengthen institutions for GovTech implementation, including devising related strategies, building capacity, passing related laws on e-government, data access and use; and developing regulatory frameworks to facilitate interoperability.

ANNEX 6: Project synergies with other WB projects

Table1: Project synergies with other WB projects including those with finance for host communities and refugees

Project	Total (US$ million)	Development objectives and geographic scope	UDAP-GovNet Synergies
Regional Communications Infrastructure Program Phase 5 project (RCIP-5; P130871) *Status: Implementation*		(i) Lower prices for international capacity and extend the geographic reach of broadband networks (the connectivity development objective); and (ii) Improve the Government's efficiency and transparency through e-Government applications (the transparency development objective)	1. All e-Government services developed through RCIP-5 will be made available for a marginal cost to the newly connected MDAs, driving the update and the value of these services. 2. Increasing Internet access will increase the usage, which in turn will further drive down costs to all users 3. Accelerating the digital transformation of public services will build momentum
The Development Response to Displacement Impacts Project in the Horn of Africa – Additional Financing (DRDIP - P164101) *Status: Implementation*	Total 150 RSW/ WHR 125	Cross-sectoral community driven planning for development projects to improve access to basic services, expand economic opportunities, and enhance environmental management in 11 RHDs (Arua, Adjumani, Isingiro, Kiryandongo, Koboko, Moyo, Yumbe, Lamwo, Hoima, Kamwenge, and Kyegegwa).	Learning from DRDIP's livelihood activities and district livelihood officers to inform successful digital skills interventions for individuals and MSMEs in RHDs. UDAP-GovNet will also facilitate access to mobile money financing for DRDIP livelihood activities and address connectivity barriers identified as barrier by DRDIP's PIU. Utilizing DRDIP value chain analyses to inform digital skill contributions to livelihoods.
The Uganda Secondary Education Expansion Project (USEEP- P166570) *Status: Pending effectiveness*	Total 150 RSW/ WHR 50	Construction of 170 new lower secondary schools in targeted districts (Adjumani, Arua, Koboko, Yumbe, Moyo, Lamwo, Kiryandongo, Holma, Kyegegwa, Kamwenge, Kampala, and Isingiro), including RHDs.	UDAP-GovNet will connect public institutions and consider these schools for connectivity. It will also enable COVID-19 digital education solutions, including in RHDs and support the Ministry of Education's digital agenda including its "Can't Wait To Learn" digital learning platforms.
Integrated Water Management and Development Project (P163782)	Total 280 RSW/ WHR 58	Improve sustainable provision of water supply and sanitation service delivery and support long-term investments in infrastructure development, in RHDs in the West Nile and Northern region. Locations targeted for solar based water pumping have already been identified in Arua, Yumbe, Moyo, Adjumani, Lamwo, and Kiryandongo	Provide digital enabling environment for remove water monitoring and strengthen efficiencies and effectiveness of water management systems.
Gender Based Violence and Violence Against Children Prevention and Response Services in Uganda's Refugee-Hosting Districts Report *Status: Analysis completed,*	Total 0.5 RSW/ WHR N/A	To mitigate GBV and prevent violence against children through engagement in productive activities in 4 RHDs.	Increased access to more affordable connectivity will also increase likelihood of GB online risks. Project will support the project objective indirectly by including awareness and mitigation measures in digital skills training. Digital connectivity will strengthen case management for GBV and violence against

Project	Total (US$ million)	Development objectives and geographic scope	UDAP-GovNet Synergies
implementation commencing			children and the interoperability of these systems between humanitarian managed and national systems,
Uganda Intergovernmental Fiscal Transfer (UgiFT) - Additional Financing (P172868) *Status: Pending effectiveness*	Total 250 RSW/ WHR 50	Improve the adequacy and equity of fiscal transfers and fiscal management of resources by Local Governments for health, education, community irrigation and water services across all RHDs The UgIFT operation includes integrated digitization of service delivery in education, health, water, and micro-irrigation. This includes developing strategies for digitization of sector services, results management/dashboard linked to Online Transfer Information Management System (OTIMS) and Online Performance Management System (OPAMS), electronic medical records system and so on.	UDAP-GovNet will play a key role by providing the enabling infrastructure to support the digitization of health, education, and water services to strengthen management, efficiency, reporting and planning systems outlined under UgIFT at the district level, including in RHDs. UDAP-GovNet will collaborate to ensure interoperability between the activities in UDAP-GovNet and UgIFT.
Roads and Bridges in Refugee Hosting Districts Project AF (P171339) *Status: Pending effectiveness*		To enhance: (a) road transport connectivity in select RHDs of Uganda (Koboko, Yumbe, and Moyo); and (b) the capacity of Uganda National Roads Authority to manage environmental, social and road safety risks.	UDAP-GovNet will explore possibilities of leveraging the existing transport infrastructure planned in the West Nile to enable joint NBI contracting providing efficiencies across procurement for both projects.
Pipeline Project	**Total (US$ million)**	**Development objectives and geographic scope**	**UDAP-GovNet Synergies**
Uganda Electricity Access Scale-Up Project (EASP - P166685) *Status: Pending appraisal*	Total 400 RSW/ WHR 54	Increase access to energy for households, commercial enterprises, industrial parks, and public institutions, including refugees and host communities in all RHDs.	The projects will seek linkages to allow refugees and host population to power devices, ensure the sustainability of digital infrastructure and reduce running costs, like for telecommunication masts in RHDs
Financial and Market-based Opportunities for Host Communities and Refugees in Uganda (P172385) *Status: Analysis completed, under preparation*	Total 2 RSW/ WHR N/A	Improve the World Bank's knowledge base and assess market based interventions and access to finance to support the generation of market based economic opportunities for refugees and hosting communities in Nakivale and Rhino districts.	Project will inform UDAP-GovNet MSME digital skill interventions and barriers in KYC and access to mobile finance within refugee settlements. UDAP-GovNet will also work with the FCI team under this project on strengthening the enabling environment to provide access to finance, including mobile money in RHDs.
Strengthening Social Protection Systems in Uganda (P175018) *Status: Under preparation*	Total 0.24	Support development of a national shock-responsive social protection system to enhance the resilience of poor and vulnerable households in Uganda including in host and refugee communities.	UDAP-GovNet will address the last mile connectivity needs in 12 RHDs, which is key for improved service delivery including in the area of social protection

ANNEX 7: WBG Uganda COVID-19 Country Program and Project Response Note

1.   This note summarizes how the evolving, interim WBG country program aims to respond to Uganda's immediate economic, social, and financing needs in line with the broader WBG COVID-19 crisis response.

2.   **Pandemic response measures and health impact.** Building on its prior experience and regional leadership on epidemic response[76], Uganda has put in place early strict restrictions and health measures to prepare for COVID-19 pandemic, even before the first case was identified in March 2020. Restrictions included controls on cross-border travel, public and private transport, and public gatherings, closing of schools and other non-essential institutions. After a sustained period characterised by various lockdown measures during March to August 2020, when the infection rates and fatalities were subdued (Uganda's first fatality was reported in August, 2020), cases have begun to rise from September reaching the peak of the first wave on December 13, 2020 with a seven-day average of 719 cases. Thereafter, the seven-day average cases gradually reduced to a below 100 per day until early May 2021 when Uganda started recording higher number of new cases pointing to the beginning of the second wave. As of May 5, 2021, the country had registered a total of 42,355 COVID-19 cases, 346 deaths and vaccinated 395,805 people following the launch of the vaccination exercise on March 10, 2021 when Uganda had 964,000 doses of the AstraZeneca Vaccine in stock by then[77][78]. The country plans to vaccinate 22.9 million people by the end of calendar year 2021, which is equivalent to 49.6% of the total population.

3.   **Economic impact.** Uganda's growth contracted in the wake of COVID-19 but is now recovering. Uganda's real GDP grew at 2.9 percent in FY20, less than half the 6.8 percent recorded in FY19, because of the COVID-19 crisis and is expected to grow at about a similar level in FY21. Economic activity has stalled during the latter part of FY20 due to a domestic lockdown that lasted over four months, border closures for everything but essential cargo, and the spill over effects of disruption in the global demand and global supply chains due to the COVID-19 pandemic. This resulted in a sharp contraction in public investment and deceleration in private consumption, which hit the industrial and service sectors hard, particularly the informal service sector. On a calendar year basis, real GDP growth contracted by 1.1 percent in 2020, compared to 7.5 percent growth in 2019, and, as a result, real per capita GDP growth contracted by about 4.5 percent. If sustained, the recovery recorded since the last quarter of 2020 is expected to continue. The economy projected to grow between 4 and 5 percent in FY22, an acceleration from the estimate of between 2 and 3 percent for FY21. The projected economic recovery could be slower if the COVID-19 outbreak resurgence is accompanied by new restrictions and policy reversals that could weigh on the global and regional economy into the second half of 2021 and early 2022, and/or if Uganda faces a more widespread pandemic that requires extended periods of mobility restrictions.

4.   The COVID-19 related demand shock, together with tax and spending measures to manage the crisis, reduced revenues, increased current spending and led to a significant widening of the fiscal deficit. At 11.7 percent in FY21, tax revenues have barely changed compared to levels collected in FY20, and hence remains below pre-crisis levels. The fiscal deficit rose to 7.2 percent of GDP in FY20 (relative to a pre-COVID-19 estimate of 5.8 percent of GDP) and is estimated to be between 8 and 9.5 percent of GDP in FY21 – although the FY21 deficit hinges on the available financing and external capital spending execution. Despite the reduction in tourism inflows and remittances, the economic slowdown has narrowed the current account deficit to 6.5 percent of GDP in FY20,

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[76] Uganda has significant prior experience with epidemic response having faced incidences of Crimean Congo hemorrhagic fever, Marburg virus disease, Rift Valley fever, Anthrax, Meningitis, Measles, Cholera and Ebola in the past and as recent as December 2019.
[77] Ministry of Health. https://www.health.go.ug/covid/
[78] https://coronavirus.jhu.edu/region/uganda

from 7.1 percent in FY19. For FY21, the strong recovery in imports to support the recovery outweighed growth in exports and remittances, hence widening of the current account deficit to 10 percent of GDP by the end of December 2020. Inflationary pressures have remained subdued to date, and correspondingly an easy monetary policy maintained to support liquidity.

5.   The high fiscal deficits have resulted into a rapid expansion in public debt, Uganda is expected to move into moderate risk of debt distress in the next joint WB-IMF debt sustainability analysis expected in June 2021. This is on the back of rising debt service (interest and principal due) expected to average over 60 percent of government revenues over the next three years, which heightens the country's liquidity vulnerabilities. Although Ugandan authorities have a good track record of sound macroeconomic management and have committed efforts to maintain macroeconomic stability, spending pressures have increased, particular to finance the large infrastructure program and mute government focus on these matters.

6.   **Distributional impact.** The impacts of the COVID-19 pandemic could have added as many as 3 million poor in Uganda. It was estimated that the pandemic could increase poverty incidence by between 2.7 to 8.2 percentage points, resulting in an additional 1.07 to 3.15 million poor. In urban areas, closure of non-essential institutions and the ban on public and private transport significantly affected the incomes of those engaged in the services, manufacturing, and construction sectors (around 35 percent of the work force). Remittances from abroad dropped by almost US$ 400 million between 2019 and 2020. The impact in rural areas was attenuated by the large (43 percent of rural Ugandans) dependence on subsistence agriculture and the good performance of the sector during this period. However, rural incomes were depressed by lower demand for food and agricultural products.

7.   Uganda has particularly high levels of vulnerability among women and girls, and it's large refugee population of around 1.4 million people. Women, particularly in the 25 percent of households headed by them, are disproportionately affected through the increased care burden from school closures and negative coping strategies that results in sexual exploitation and abuse (SEA) and gender-based violence (GBV). School closures present a special risk to girls in particular, whose dropout rates are higher and falling permanently behind, while refugees, with their high dependence on humanitarian assistance, insecure livelihoods are acutely exposed.

8.   **Government response.** In addition to the restrictions discussed above, the Government focused on maintaining critical health services, protecting the most vulnerable household against disruptions, and tax and other measures to support the private sector. The authorities are also currently reviewing the Debt Service Suspension Initiative (DSSI) and conducting discussions with relevant bilateral creditors.

WBG response. The Uganda program has been adjusted in line with the selective WBG crisis response to COVID-19, but also to other ongoing crises facing the country. In the relief stage, the World Bank's immediate response to COVID-19 in Uganda was to trigger a $15 million Contingent Emergency Response Component (CERC) in the Uganda Reproductive, Maternal, and Child Health Services Improvement Project (URMCHIP, P155186) in March 2020, to approve the Uganda COVID-19 Emergency Response Project (US$15.2 million, P174041) under the COVID-19 Fast Track Facility (FTF) and a US$14.7 million COVID-19 Response Education Project (P174033) under the Global Partnership for Education, to facilitate remote learning and preparations for school re-opening. In response to the Desert Locust invasion, the World Bank reallocated US$1 million in the Agriculture Cluster Development Program (P145037) and approved a US$48 million Emergency Desert Locust Response Project (P173702) in May 2020. The World Bank also postponed a significant portion of the FY20 pipeline to create space

for a US$300 million Emergency COVID-19 Economic Crisis and Recovery Development Policy Financing (P173906), focusing both on response through expanding some safety nets and measures to cushion the impact on businesses, but also addressing longstanding reform issues, including increased debt transparency, improved targeting of agricultural subsidies and measures to address GBV and SEA. The World Bank has also made a provision of US$250 million in credit from IDA19 PBA and US$30 million grant from IDA19 WHR to support the vaccine program for COVID-19. Following receipt of the request for support from the Government of Uganda, the Bank team is in discussions with Ministry of Health to define the scope and nature of the vaccine program support.

9.   In the *Restructuring* phase, the World Bank frontloaded US$800 million of Uganda's IDA19 US$1.9 billion country allocation for delivery early in FY21 in advance of the election period, accessed US$209 million remaining in the country's IDA18 Refugee Window allocation and programmed US$180 million of the country's allocation under the IDA19 Window for Host Communities and Refugee (IDA19 WHR) in FY21 and a further US$150 million in FY22. These resources will be used to deliver support for improving connectivity in refugee hosting communities (P171339, US$131 million), maintaining fiscal transfers for local social service delivery (P172868, US$300 million), expanding access to finance for enterprise and employment recovery (P171607, US$200 million), accelerating digital innovations (P171305, US$200 million), and scaling up access to electricity (P166685, US$400 million).

10.   The Resilient Recovery phase already benefits from the ongoing implementation of operations approved in FY20 that focus on strengthening climate resilience, including Irrigation for Climate Resilience Project (P163836, US$169.2 million) and Investing in Forests and Protected Areas for Climate-Smart Development Project (P170466, US$148.2 million). Potential operations in FY22 include the Greater Kampala Metropolitan Development Program (P175660) to strengthen resilience in the urban landscape, Climate Smart Agriculture and Agribusiness Development (P173296) and Generating Livelihoods and Opportunities for Women (GLOW) (P176747).

11.   **Development partners.** The World Bank continues to co-chair the Local Development Partners' Group in Uganda which has been an increasingly important vehicle for coordinating strategic responses to national development priorities and more recently addressing the impacts of the COVID-19 pandemic.

ANNEX 8: COVID-19-related activities under modified UDAP-GovNet project design

Component 1: Digital Connectivity
a.   Connected Government. Rapid expansion of the last-mile connectivity under the NBI plan could be fast-tracked. NITA-U could leverage existing contracts with vendors for rapid deployment of fiber and Wi-Fi hotspots to the unserved and selected areas. Within this activity, more attention can be given to activities that address business continuity. This can include an activity to temporarily provide resources for government officials to access Internet (that is vouchers for paying Internet connection to enable remote working), both in terms of required equipment and broadband connectivity. Also, this could include support for additional video conferencing equipment to equip key ministries, universities, or hospitals to enable telemedicine. Purchase of additional wholesale broadband capacity in bulk could be envisaged to distribute to critical services: hospitals, schools, and other critical government services.
b.   Rural Broadband for Development. Support quick deployment of e-learning connectivity to enable students to study from home. This can include providing devices with connections to Internet, support quick deployment of public Wi-Fi networks, support access to external e-learning platforms.
c.   Data Center Infrastructure. Increasing digital data hosting and storage capacity and removing bottlenecks in the Government Service delivery Platforms to ensure the ability to quickly launch e-services during COVID-19 and any future health pandemics.

Component 2: Enabling Digital Transformation of the Government
The project will expedite the scale up of the existing shared digital government infrastructure to allow for speedy roll-out of new e-services in priority sectors, such as health, education, agriculture, justice, tourism, and trade.
a.   With more and more activities and interactions happening on-line, and with cyber threads on the rise around the world, the project will also support Strengthening of Uganda's Cybersecurity Resilience and capabilities.
b.   Special attention will be paid to digital solutions to be developed in close collaboration with Ministry of Health, including Health Information Management System to support the logistics of vaccine distribution/tracking/reporting tools.
c.   Digital Literacy and Capacity Building activities are designed to quickly provide support for capacity building of employees on business continuity and remote working.

Component3: Digital Inclusion of Refugees and Host communities
a.   Component 3 will through NBI extension and last mile connectivity programs connect refugees, host communities, public facilities, humanitarian organizations and private sector servicing refugees and host communities. Special attention will be paid to facilities that enhance pandemic measurement, prevention, and response.
b.   Component 3 will also enhance direct internet access at household and community levels, digital skills, digitization of MSMEs and enable e-services targeting refugees and host communities. Sub-components focused on skills and e-services are also contributing to better resilience and post-COVID-19 economic recovery.

ANNEX 9: Uganda's Strategy Note on Support to Refugees and Host Communities

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2ⁿᵈ July 2020

The Country Manager
World Bank Country Office
KAMPALA

STRATEGY NOTE ON SUPPORT TO REFUGEES AND HOST COMMUNITIES

I am writing requesting under the IDA 19 Window for Host Communities and Refugees, the World Bank's support to the Government of Uganda (GoU). Uganda remains committed to enhancing refugee self-reliance, better meeting the needs of host communities and ensuring a robust protection environment for refugees consistent with Uganda's international commitments. This note provides an update on the progress made against the priority areas identified in the *'Letter of Government Policy on Support to Refugees and Host Communities in Uganda'* Ref ALD141/259/01 of 30 August 2017 by the Minister of Finance to the World Bank Country Manager of Uganda. This 2017 letter underpinned the initial World Bank IDA18 Sub-Window for Refugees and Host Communities (RSW) eligibility. This note also outlines the Government's priorities for responding to the refugee situation, whilst noting the impact of the COVID pandemic on refugees and host communities, and presents the actions that the Government will undertake over the medium term with support from its partners to address the challenges faced by refugees and host communities.

Context

Uganda is currently hosting the highest numbers of refugees in Africa and holds the third largest global refugee population. The total number of refugees in Uganda is 1,424,373, as of May 2020. Uganda became eligible to access resources under the IDA 18 RSW in September 2017 with total allocation of $500 million, of which $291 million has now been utilized and $209 million programmed. Financing under the IDA18 RSW has provided critical resources to support the implementation of Uganda's Comprehensive Refugee Response Framework (CRRF) and delivery of the Refugee and Host Population Empowerment (ReHoPE) strategic framework, which provides the structure upon which the refugee response is meant to support the capacity-building of local institutions delivering appropriate and cost-effective services to both refugees and host communities. To date there are four ongoing World Bank operations and three in the RSW pipeline supporting both the local host

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community and refugees in refugee hosting districts to implement the GoU's policies and strategic planning commitments for refugees and host communities. Further support under IDA 19 will continue these gains and enable the operationalization of Uganda's refugee and host community empowerment commitments.

Uganda remains committed to deliver better services, economic opportunities and infrastructure to refugees and host communities despite the impact of the COVID-19 pandemic. Real GDP growth is projected to fall from 6.5 percent in FY19 to 4.0 percent in FY20, and to 3.5 percent in FY21 as COVID-19-related domestic and external supply and demand shocks hit the country, aggravated further by the locust invasion. COVID-19 related shocks also build on a sizable slowdown in real output growth in early FY20 due to heavy rains and the locust invasion. The decline in Uganda's real GDP growth and corresponding loss of jobs could be even larger, if the country were to face a more widespread pandemic, requiring extended periods of mobility restrictions and/or overwhelming the health sector response, and further limiting economic activity. Vulnerable communities in Uganda, including refugees are most adversely affected by the impacts of the pandemic. Despite the challenging economic context, Uganda remains committed to its supporting refugees and host communities through its multifaceted systematic whole-of-government Comprehensive Refugee Response Framework.

Progress against the 2017 Letter of Government Policy on Support to Refugees and Host Communities in Uganda

Uganda has made significant progress against the commitments in the 2017 'Letter of Government Policy' outlined below under the headings of the original commitments and delivered through effective coordination. The policy architecture outlined in the 'Letter of Government Policy' remains in place and has been integrated into the National Development Plan III and further expanded into sector response plans for refugees and host communities. A robust whole-of-government coordination architecture including development partners and refugee representatives has been established in the CRRF Steering Group which meets quarterly and has now had 10 meetings served by a dedicated Government led CRRF Secretariat. The Steering Group is delivering Uganda's National Plan of Action to implement the Global Compact on Refugees and CRRF Road Map 2018-2020. This key document provides guidance for CRRF implementation until 2020 by clearly defining common milestones and deliverables to advance key expected results. Commitment to CRRF structures and a Strategic Roadmap for 2021-2025 will be reviewed at the next CRRF Steering Group meeting.

Ensure access for refugees and host population to quality, efficient and integrated basic social services: Uganda employs an integrated service delivery approach where refugees access the same social services as the local

host community. The Government of Uganda's costed and comprehensive "integrated sector response plans" include refugees in overall sector development strategies. The Education Response Plan (ERP) was launched in September 2018 and is currently in the third year of implementation delivering Uganda's commitments under the IGAD Djibouti Declaration on Refugee Education. The ERP sets out how to provide refugee and host community children with quality education through: improved equitable access; improved quality; and strengthened systems at national and district level. Under this plan more children are now in school (56.5% of school-age children compared to 43% when the ERP was launched) and there are more facilities, with 530 classrooms having been constructed and 936 teachers recruited since ERP's commencement.

Uganda's Health Sector Integrated Refugee Response Plan (HSIRRP) was launched in January 2019. The Plan was developed under the leadership of the Ministry of Health, with the support of development and humanitarian partners, to include refugees into Uganda's Health Sector Development Plan. The Plan is managed by the Ministry of Health (MoH) and the HSIRRP Steering Committee and addresses improvements for refugees and host communities in: service delivery; human resources for health; health commodities and technology; health information systems; health financing; and governance. The World Bank financed Development Response to Displacement Impact Project (DRDIP) has significantly contributed to the costed social sector infrastructure needs identified under both of these plans.

Enhance economic and social infrastructure in refugee hosting areas: In line with the Settlement Transformation Agenda (STA), the Government committed to progressively enhance economic and social infrastructure in refugee hosting areas in accordance with local government plans and systems. Utilizing financing under the IDA18 RSW critical support has been provided to the implementation of these reforms building on the existing Refugee and Host Population Empowerment (ReHoPE) strategic framework, which outlines the decentralization of support and capacity-building of local institutions to deliver appropriate and cost-effective services. The Uganda Support to Municipal Infrastructure Development Project (USMID) and DRDIP are contributing to the provision of key social and economic infrastructure in refugee hosting areas including: community and market access roads; markets; building and maintaining of water systems and water for production; and the establishment of solid waste management infrastructure. Under the Government's DRDIP project more than 2.4 million refugees and host communities reported access to improved social services, economic opportunities and infrastructure.

Improve economic opportunities for refugees and host communities, especially women and youth: Two draft response plans have been produced for refugees and host communities: the Jobs and Livelihood Integrated

Response Plan; and the Private Sector Engagement Strategy for Uganda's Refugee Response. These are in the stages of finalization to provide a costed framework to delivery strengthened economic opportunities. Uganda remains committed to building the self-reliance of refugees and host communities, including women and youth, by strengthening the economic enabling environment, engaging the private sector and delivering these Plans to create jobs.

Strengthen natural resources management and energy access in refugee hosting areas: The Water and Environment Response Plan for Refugees and Host Communities was launched in March 2020. The Plan is a multi-year costed plan and an integral part of the Water and Environment Sector Development Plan (SDP) to further refugee inclusion into the Ministry of Water and Environment's planning process and advance the Ministry's mission to "promote and secure the rational and sustainable utilization and development and effective management of water and environment resources for social economic development" in refugee-hosting districts. The Integrated Water Management and Development Project is addressing the transition of humanitarian managed water schemes to utilities managed through national systems under regional umbrellas as outlined in this Plan. Government in consultation with Development Partners is designing interventions to improve sustainable management of forests and protected areas with a view of increasing benefits to forest-dependent communities, including refugees and their host communities.

The Sustainable Energy Refugee Response Plan for Refugees and Host Communities is under development and will strengthen the humanitarian-development coordination of interventions and investments to enable access to affordable, reliable and sustainable energy for refugees and host communities. This Plan's direct implementation is due to be supported by Development partners. The World Bank has already confirmed supporting the Electricity Access Scale-Up Project which is under design.

Implement a shelter strategy and enhance settlement land planning: Government remains committed to delivering a comprehensive physical planning and shelter strategy and approach to refugee settlements using the Settlement Transformation Agenda (STA). Physical Planning Frameworks have been developed at the district level in refugee hosting districts and in selected sub counties. Physical Development Plans implementing these frameworks have also been developed in selected parishes hosting refugee settlements by the Ministry of Lands, Housing and Urban Development. These were presented to the CRRF Steering Group in March 2020. Further, the CRRF Steering Group endorsed the Guidelines to Strengthen District Coordination in July 2018 a Road Map on District Coordination in February 2019 to strengthen subnational coordination with refugees and refugee programs.

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Strengthen access to justice and rule of law in refugee hosting areas:
Recognizing the importance of equitable access to justice, the CRRF Steering
Group adopted the proposal to expand membership to include the Justice, Law
and Order Sector at the March 2020 CRRF Steering Group. The Justice Law
and Order Sector is a sector wide approach adopted by the Government of
Uganda bringing together 18 institutions with closely linked mandates of
administering justice and maintaining law and order as well as the promotion
and protection of human rights. The sector wide approach focuses on a holistic
approach to improving access to and administration of justice through
improved: planning; budgeting; programme implementation; monitoring; and
evaluation. The Government remains committed to strengthening access to
justice and rule of law for refugees and host communities.

**Sustain asylum space for refugees, strengthen protection and enhance
emergency assistance:** The Government remains committed to ensure dignity
and access to asylum, meeting the immediate humanitarian needs in a gender
responsive way while safeguarding national interests. The management of
refugee affairs through registration, security screening, health screening,
biometric registration as well as transportation of new arrivals has been
strengthened. The Office of the Prime Minister (OPM) and UNHCR concluded
the countrywide biometric verification exercise of all asylum-seekers and
refugees in Uganda in October 2018. In response to the impacts of the COVID-
19 pandemic, the government expanded cash assistance to urban refugee
populations for a limited duration to enable them cope with lockdown related
challenges. Despite the need to close Uganda's borders in response to the
COVID-19 pandemic as a public health precaution, Uganda remains committed
to granting refugee status to asylum seekers who meet the International
Convention requirements and will recommence registration of new refugees as
soon as appropriate COVID-19 mitigation measures can be put in place to
manage the risks associated with cross-border movements.

Ensure peaceful co-existence between refugees and host communities:
Uganda remains committed to strengthening co-existence between refugees
and host communities and the fully functional Government led CRRF
Secretariat plays a key role in facilitating multi-sector coordination between the
central government, local district governments hosting refugees, humanitarian
and development agencies, and the private sector, among other stakeholders.
Implementation of CRRF in Uganda ensures that support is provided to
communities that are hosting refugees. A CRRF Communications and Outreach
Strategy has addressed important messaging to strengthen co-existence and
guide the Secretariat's work. The OPM is working closely with UNHCR and
other partners on countering potential stigmatization associated with COVID-
19 and building social cohesion among refugees and between refugees and host
communities.

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Commitment to the integration of refugee services into national service delivery systems

This strategy note outlines Uganda's ongoing commitments to improve the quality and coordination of planning for refugee response; promoting sustainable solutions for integrated service delivery; strengthening emergency preparedness; expanding economic opportunities for refugees and host community; improving settlement physical planning and land management; enhancing environmental management; building resilience and enhancing the coordination of, and bridging the gap between, humanitarian and development actor activities. World Bank support through IDA 19 WHR is critical to sustaining Uganda's implementation of refugee and host community policies plans and programs.

The Government of Uganda made a series of commitments and concrete pledges at the Global Refugee Forum (GRF) in December 2019 which I reaffirm now. These pledges confirmed the strong commitment and political will to maintain the asylum space and refugee policy whilst recognizing the need to shift to development-oriented planning where refugee plans and programs are integrated in government and sectorial development planning and ensure accountability to affected communities. These pledges are: (i) maintain a progressive, refugee management policy; (ii) include refugee plans and programs in national planning framework and statistical systems; (iii) promote access, quality and inclusiveness in education and health delivery systems for refugees and host communities; (iv) promote inclusive and sustainable management of natural resources and ecosystems; and (v) ensure the integrity and transparency of the asylum system.

To deliver on Uganda's commitments to include refugees into national service delivery systems, the third National Development Plan (NDP III) further integrates refugee issues into sector and agency planning frameworks as well as in District Development Plans. The NDP III acknowledges that refugee inflows must be planned for and highlights:(i) integrating refugee planning and all other cross cutting issues in national, sectoral and local government plans; (ii) ensuring environmental management into all refugee response interventions; (iii) capturing off budget support to refugees and host communities; (iv) ensuring provision of additional support to develop human capital to refugee hosting communities; (v) developing targeted agricultural led interventions for both refugees and host community; and (vi) strengthening compilation of statistics of refugees by the Uganda Bureau of Statistics. This comprehensive inclusion of refugees into NDP III demonstrates Uganda's comprehensive policy approach. NDP III is well aligned to IDA 19 WHR objectives of supporting projects that create medium to long term development opportunities for both refugees and host community.

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In the context of COVID, the Government remains committed to working with partners in the short-term to provide emergency response focusing on life-saving assistance to refugees. In parallel to this the Government will continue integrating refugee plans and programs into all levels of planning, service delivery, provision of infrastructure and strengthening human capital to build self-reliance and ensure a strong enabling environment for employment creation for refugees and host communities. World Bank WHR finance will be key in supporting this agenda. In particular, investments in refugee hosting district enabling a more rapid economic recovery to drive employment for both host communities and refugees. The areas of roads, energy, settlement physical planning, the settlement shelter strategy for refugees and host communities are among the gaps identified in NDPIII which World Bank support can assist to ensure the socio-economic recovery of these communities impacted by COVID are addressed. World Bank finance to build human capital, to drive employment generation and strengthen self-reliance is essential to build the prosperity of these communities following the impacts of COVID.

On behalf of the Government of Uganda, I wish to extend my appreciation to the World Bank for its continued support of the Country's national development agenda and policies to strengthen support to refugees and host communities through IDA19 and the WHR.

Matia Kasaija
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Copy to:
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- Ministers of State of Finance, Planning and Economic Development, **KAMPALA**
- Minister for Relief, Disaster Preparedness and Refugees, **KAMPALA**
- Head of Public Service and Secretary to Cabinet, Office of the President, **KAMPALA**
- Permanent Secretary/Secretary to the Treasury

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