



REPORT NO.: RES46059

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

SECOND KAMPALA INSTITUTIONAL AND INFRASTRUCTURE DEVELOPMENT PROJECT

APPROVED ON MARCH 20, 2014

TO

REPUBLIC OF UGANDA

URBAN, RESILIENCE AND LAND

AFRICA EAST

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I. BASIC DATA

Product Information

Project ID P133590	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 20-Mar-2014	Current Closing Date 30-Jun-2021

Organizations

Borrower Republic of Uganda	Responsible Agency Kampala Capital City Authority
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Project Development Objective (PDO)

Original PDO

The project development objective (PDO) is enhanced infrastructure and institutional capacity of KCCA to improve urban mobility in Kampala.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-53840	20-Mar-2014	16-Feb-2015	08-May-2015	30-Jun-2021	175.00	126.76	32.39

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES



1. The Progress towards achievement of the Project development Objective is satisfactory. The overall project implementation is rated Moderate Satisfactory due to delays caused due to Covid-19 lock down. All major procurement processes have been completed with contractors/consultants on board. Disbursements now stands at \$129.7 million (equivalent to XDR 90.8 million) representing 80% of the available credit.
2. The project has two components. Component 1 – City wide road infrastructure and associated investments, which covers the construction of roads (drainage, streetlights, walkways, street furniture, landscaping, etc.) and drainage channels. The work was implemented in two batches. Batch 1 roads were completed and handed over to the client and in use. The cumulative physical progress of batch 2 road works by the end of February 2021 was 74% and 62% for lots 1 and 2 respectively, and 71% for lot 3. The progress of work was generally slowed down due to covid pandemic and the need to adapt to strict Standard Operating Procedures (SOPS). The cumulative physical progress of work on batch 2 drainage work is 15% and 9% for Nakamiro secondary and Lubigi primary drainage channels respectively. The drainage works commenced late due to Covid-19 pandemic. The Contractors were not able to mobilize staff for some months due to travel restrictions. Furthermore, contractors’ materials were delayed at the boarder due to slow clearance processes arising out of Covid protocols. The client has been proactive in ensuring that the necessary SoPs are maintained, including adherence to the ESHS procedures put in place. Furthermore, World Bank team monitoring of the works in the field has been hindered by the current restrictions.
3. Substantial progress continues to be made under Component 2 - Institutional and Systems Development Support, which covers City Address Model (CAM), Computer Aide Mass Valuation (CAMV), and Citizen feedback through SMS. Most activities under Component 2 have been completed and the Component will meet its objective. However, Covid – 19 has had adverse impact on the ability of KCCA to raise its own source revenue (OSR) following the country lockdown from March 31 to June 2, 2020 and general closure of a number of businesses due to insolvency due to Covid lock down. OSR has declined by 17% compared to FY2019/20 performance.
4. In December 17, 2020, Government wrote requesting for the extension of the closing date of the project due to the Covid-19 lockdown, which resulted into delayed mobilization for the drainage channels works as well as delays in the completion of batch 2 roads works. The Bank responded on January 22, 2021 and advised Government that the request will be discussed during the March 2021 mission. The March 2021 mission discussed with the client the revised work plan and confirms that the remaining civil works will be completed within the new proposed project closing date of November 30, 2021. The team therefore recommends the project closing date to be extended from June 30, 2021 to November 30, 2021 to allow the remaining civil works to be completed. The proposed restructuring will bring the cumulative extension time for the project to twenty-three months and it will be the second and the last time for project extension.
5. The team confirms that the project audit status is up to date. The audit report was issued with a clean opinion but was submitted after the due date of 31/12/2020 due to Covid-19 lockdown.

### III. DETAILED CHANGES

#### LOAN CLOSING DATE(S)

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## The World Bank

Second Kampala Institutional and Infrastructure Development Project (P133590)

<b>Ln/Cr/Tf</b>	<b>Status</b>	<b>Original Closing</b>	<b>Revised Closing(s)</b>	<b>Proposed Closing</b>	<b>Proposed Deadline for Withdrawal Applications</b>
IDA-53840	Effective	31-Dec-2019	30-Jun-2021	30-Nov-2021	30-Mar-2022