PARLIAMENT OF UGANDA

REPORT OF THE COMMITTEE ON NATIONAL ECONOMY ON THE PROPOSAL BY GOVERNMENT TO BORROW UP TO SDR 145.9 MILLION (US$200 MILLION) FROM THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) OF THE WORLD BANK GROUP TO SUPPORT THE UGANDA INTERGOVERNMENTAL FISCAL TRANSFERS PROGRAM (UgIFT) FOR RESULTS IN THE EDUCATION AND HEALTH SECTORS

Office of the Clerk to Parliament

Parliament Building

Kampala

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1.0 INTRODUCTION

The Committee on National Economy considered the request by Government to borrow up to SDR 145.9 million (US$200 million) from the International Development Association (IDA) of the World Bank Group to support the Uganda Intergovernmental Fiscal Transfers Program (UgIFT) for results in the Education and Health Sector, in accordance with **Rule 175(2)(b)** of the Parliamentary Rules of Procedure.

The request was presented to the House by the Hon. Minister of Finance, Planning and Economic Development on 13th September 2018, and was accordingly referred to the Committee on National Economy for consideration.

The Committee considered and scrutinized the request and now begs to report.

2.0 METHODOLOGY

2.1 Meetings

The Committee held meetings with the following:

i. The Minister of Finance, Planning and Economic Development;
ii. The Minister of Health; and
iii. The Minister of Education.

2.2 Documentary Review

The Committee studied and made reference to the following documents:

i. The Minister of Finance, Planning and Economic Development's Brief on the loan request;
ii. The Draft Loan Agreement between the International Development Association (IDA) of the World Bank Group and the Republic of Uganda for financing the Project;
iii. The Program Appraisal Document (June 2017);
iv. The letter from H.E the President to the Minister of Finance, Planning and Economic Development on Pipeline Projects under Design: Request for Approval, dated 13th November 2017 (Ref: PO/10);
v. The action extract from Minute No.204 of the Meeting of the Cabinet on 16th April 2018 for action by Permanent Secretary/Secretary to the Treasury (PS/ST), Ministry of Finance, Planning and Economic

Development on the proposal to borrow up to SDR 145.9 million (US$200 million) from the International Development Association (IDA) of the World Bank Group to support the Uganda Intergovernmental Fiscal Transfers Program (UgIFT) for results;

vi. The Uganda Intergovernmental Fiscal Transfers Program (UgIFT) Operations Manual cleared by the Program Oversight Committee on 4th September 2018;

vii. The National Planning Authority Report on the Review of the Loan for the Intergovernmental Fiscal Transfers Program, dated 3rd October 2018;

viii. The letter from the Commission Secretary, Local Government Finance Commissions to the PS/ST , Ministry of Finance, Planning and Economic Development on the nomination of Mr. Gumisiriza Johnson as the contact person for implementation of the Intergovernmental Fiscal Transfers Program, dated 5th October 2018;

ix. The letter from the Permanent Secretary, Ministry of Local Government to the PS/ST, Ministry of Finance, Planning and Economic Development on the nomination of Mr. Gad Twesigye as the contact person for implementation of the Intergovernmental Fiscal Transfers Program, dated 5th October 2018;

x. The letter from the Permanent Secretary, Ministry of Education and Sports to the PS/ST, Ministry of Finance, Planning and Economic Development on discussion of the Intergovernmental Fiscal Transfers Program by Parliament, dated 8th October 2018;

xi. The letter from the Permanent Secretary, Ministry of Works and Transport to the PS/ST, Ministry of Finance, Planning and Economic Development on the nomination of Engineer Nabbosa as the contact person for implementation of the Intergovernmental Fiscal Transfers Program, dated 8th October 2018;

xii. The letter from the Permanent Secretary, Office of the Prime Minister to the PS/ST, Ministry of Finance, Planning and Economic Development on the on discussion of the Intergovernmental Fiscal Transfers Program by Parliament dated 10th October 2018;

xiii. The letter from the Auditor General, Office of the Auditor General to the PS/ST, Ministry of Finance, Planning and Economic Development on the nomination of Mr. Kateregga Stephen as the contact person for implementation of the Intergovernmental Fiscal Transfers Program dated 15th October 2018;

xiv. The letter from the Permanent Secretary, Ministry of Health to the PS/ST, Ministry of Finance, Planning and Economic Development on the discussion of the Intergovernmental Fiscal Transfers Program by Parliament dated 15th October 2018; and

xv. The Procurement Plan of the Uganda Intergovernmental Fiscal Transfers Program (UgIFT) for results in the Education and Health Sector Project.

3.0 BACKGROUND

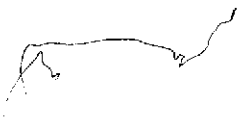
From the last three decades, Government of Uganda has been implementing the Decentralization Policy where, based on the 1995 Constitution and the Local Government Act Cap 243, functions, powers and responsibilities are devolved and transferred from the Central Government to Local Government units in a coordinated manner to ensure peoples' participation and democratic control in decision making.

In 2001, Government conducted a fiscal decentralization study that informed the Fiscal Decentralization Strategy (FDS), 2002. To deliver on the mandate of fiscal decentralization, Government is providing Local Governments (LGs) with Unconditional, Conditional and Equalization Grants as sources of financing that enable them to fulfill their service delivery mandates. Key objectives of the FDS were to strengthen the process of decentralization by increasing LGs' autonomy, widening the local participation in decision making, and streamlining the fiscal transfer modalities to the LGs. These measures were aimed at increasing the efficiency of LGs to achieve national development goals within a transparent and accountable framework. The implementation of the FDS succeeded in streamlining of budgeting and reporting processes, but it also demonstrated some shortcomings.

The shortcomings of the FDS triggered two studies that were undertaken by Local Government Finance Commission (Review of Local Government Financing, 2012) and the World Bank in partnership with the Ministry of Finance, Planning and Economic Development (Service Delivery with more Districts in Uganda-Fiscal Challenges and Opportunities for Reform - 2012).

The main findings of the studies were as follows:

i. The FDS was successful in streamlining of budgeting, accounting and reporting processes;



ii. LGs had limited discretion to decide on allocation of resources;
iii. Sizable inequalities in the allocation of resources;
iv. Lack of incentives for LGs to account adequately for resources; and
v. Reduced per capita value of transfers.

To implement the recommendations of the two aforementioned studies, a reform of Intergovernmental Fiscal Transfers was initiated in FY 2015/16 and led to the development of the Intergovernmental Fiscal Transfer Reform Program (IFTRP) by the Ministry of Finance, Planning and Economic Development. The IFTRP sought to address adequacy in the financing of service delivery by LGs, ensure equity in the allocation of resources to LGs and achieve efficiency in local government service delivery efforts.

The reform of the Intergovernmental Fiscal Transfers identified and agreed upon the following four phases:

i. Phase 1 - Consolidation of conditional transfers;
ii. Phase 2 - Revision of allocation formulae and budget requirements and consolidation of discretionary development transfers;
iii. Phase 3 - Reforming frameworks for accountability and strengthening incentives for performance; and
iv. Phase 4 - Fiscal Decentralization Architecture and Share Transfers.

In 2017, Government started to implement the Intergovernmental Fiscal Transfers Reform Program focusing on three main objectives, which particularly relate to Phase 2, 3 and 4, that is, restore adequacy in financing of decentralized service delivery, ensure equity in allocation of funds to LGs for service delivery and improve the efficiency of LGs in the delivery of services.

In order to restore adequacy and implement the allocation formulae to ensure equity without reducing any existing allocations to LGs, Government sourced for credit financial support (US$200 million) from the World Bank, through an Intergovernmental Fiscal Transfers Program for results in the education and health sectors.

4.0 PROJECT LINKAGE TO COUNTRY STRATEGIES

Uganda's medium term objectives are guided by the National Development Plan (NDP) II 2015/16 - 2019/20. The Intergovernmental Fiscal Transfer Reform Program (IFTRP) for results in the education and health sectors is in line with the National Development Plan (NDP) II 2015/16-2019/20, in particular strategic objective 4, which focuses on strengthening mechanisms for quality and effective service delivery. As a result, this program is fully linked to the National Development Plan (NDP).

The IFTRP furthers the implementation of GoU's Fiscal Decentralization Strategy (FDS). The FDS agenda was given renewed impetus by Uganda's Second National Development Plan (NDP) II 2015/16 - 2019/20. The FDS seeks to strengthen the process of decentralization in Uganda through increasing LGs' autonomy, widening local participation in decision making and streamlining fiscal transfer modalities to LGs in order to increase the efficiency and effectiveness of LGs in service delivery.

5.0 PERFORMANCE OF DEBT FINANCED PROJECTS IMPLEMENTED BY THE MINISTRY OF HEALTH AND THE MINISTRY OF EDUCATION AND SPORTS

There are 11 approved ongoing projects in the education sector being implemented by Ministry of Education and Sports amounting to US$386,900,000 of which US$126,138,630 million has been disbursed representing a disbursement rate of 32.7% as at 31st December 2018. The majority of loans in the Education Sector have disbursement rates that are still below 50% ***(Table 1)***.

There are also five approved ongoing projects in the health sector being implemented by Ministry of Health amounting to US$375,700,000 of which US$207,000,000 million has been disbursed, representing a disbursement rate of 55.1% as at 31st December 2017 ***(Table 2)***.

TABLE 1: FINANCIAL PERFORMANCE OF PROJECTS UNDER THE MINISTRY OF EDUCATION AND SPORTS AS AT 31ST DECEMBER 2017

LOAN TITLE/PURPOSE	CREDITOR	APPROVAL DATE	AMOUNT IN US$	DISBURSED AMOUNT IN US$	% DISBURSED
National Education Project (NTCs Devt & Expansion)	IDB	18/05/2010	14,100,000	8,360,000	59.3%
Construction and Equipping of 14 Technical Institutes in the TVET	Saudi Fund for Devt	18/05/2010	12,400,000	4,500,000	36.3%
Construction and Equipping of 14 technical Institutes in the TVET	OPEC	18/05/2010	23,000,000	22,000,000	95.7%
ADB Education IV PPET Expansion & Improvement Project (Supplementary)	Exim Bank-South Korea	02/12/2010	26,800,000	26,600,000	99.3%
Construction and Equipping of four (4) technical institutes in the technical, vocational education and training programme	KUWAIT FUND	31/10/2012	11,900,000	6,503,000	54.6%
Higher Educational Science and Technology Project	ADB	21/05/2013	103,900,000	44,677,000	43.0%
Albertine Region Sustainable Development Project	IDA	22/07/2015	25,000,000	3,423,530	13.7%
East African Centres of Excellence for Skills and Tertiary Education in Biomedical Sciences - Phase 1	ADB	20/08/2015	31,500,000	2,500,000	7.9%
Skills Development Project	IDA	20/4/2016	100,000,000	3,065,100	3.1%
Eastern and Southern Africa Higher Education Centres of Excellence Project	IDA	21/02/2017	24,000,000	4,400,000	18.3%
Vocational Education Project Phase II	OPEC	21/02/2017	14,300,000	110,000	0.8%
Total			**386,900,000**	**126,138,630**	**32.6%**

Source: MoES & MoFPED, December 2018

TABLE 2: FINANCIAL PERFORMANCE OF PROJECTS UNDER THE MINISTRY OF HEALTH AS AT 31ST DECEMBER 2017

LOAN TITLE/PURPOSE	CREDITOR	APPROVAL DATE	AMOUNT IN US$	DISBURSED AMOUNT IN US$	% DISBURSED
Health Systems Strengthening Project	IDA	10/11/2010	130,000,000	125,900,000	96.3%
Improvement of health service delivery at Mulago hospital and in the city of Kampala	NTF	15/02/2012	15,800,000	9,200,000	58.2%
Improvement of health service delivery at Mulago hospital and in the city of Kampala	ADB	15/02/2012	72,800,000	50,900,000	69.9%
Rehabilitation and expansion of Kayunga and Yumbe General Hospitals Project	BADEA	16/09/2014	7,000,000	5,000,000	71.4%
Rehabilitation and expansion of Kayunga and Yumbe General Hospitals Project	OFID/OPEC FUND	16/09/2014	15,000,000	0	0%
Rehabilitation and expansion of Kayunga and Yumbe General Hospitals Project	BADEA	16/09/2014	15,000,000	700,000	4.7%
East African Public Health Laboratories Network (Additional Financing)	IDA	24/12/2015	10,100,000	9,500,000	94.1%
Reproductive Maternal and Child Health Services Improvement Project	IDA	21/12/2016	110,000,000	5,800,000	5.3%
Total			**375,700,000**	**207,000,000**	**55.1%**

Source: MFPED, December 2017

6.0 PROGRAM DESCRIPTION

i. The Fiscal Decentralization Strategy (FDS) was adopted by Cabinet in 2002 to address concerns about increased fragmentation and reduced discretion in LG financing. The implementation of the FDS required additional resources. However, the shift of budget priorities towards economic infrastructure since the mid-2000s meant that the FDS was implemented only to a limited extent, which in turn made it more difficult for the LGs to fulfill their mandates.

ii. The FDS agenda was given renewed impetus by Uganda's Second National Development Plan (NDP II) 2015/16-2019/20. In response to the declining trends in LG financing, the NDP II includes objectives to "increase financing and revenue mobilization of LGs to match the functions of LGs" which commits the Government to "redesign the fiscal decentralization architecture to provide for adequate and sustainable local government financing" and "review grants allocation formulae to promote adequacy in financing of decentralized services." (NDP II, p.235)

iii. The IFTRP covers all fiscal transfers to LGs, which together fund the bulk of local administrative costs and service delivery in six sectors, and account for 3.4 percent of GDP (as at June 2017). These sectors include; agricultural production and marketing, works and transport, education, health, water and environment, and social development. Within this, UgIFT will focus on health and education sector expenditures on conditional non-wage recurrent and development transfers.

7.0 PROGRAM OBJECTIVES

The overall goal of the Uganda Intergovernmental Fiscal Transfer Reform Program (UgIFTRP) is to improve the adequacy and equity of fiscal transfers and improve fiscal management of resources by LGs for health and education services.

7.1 Specific Program Objectives:

The Intergovernmental Fiscal Transfer Reform Program (IFTRP) has been developed to address the challenges in the functioning of the national government's financing of local government service delivery. The IFTRP has five specific objectives:

i. Increasing discretion over allocation decisions to enable LGs deliver services in line with local needs while ensuring that national policies are implemented.
ii. Restoring adequacy and equity in allocation of funds for service delivery.
iii. Shifting the focus away from fragmented input-based conditions toward accountability for budgetary allocation decisions, expenditure, and results.
iv. Using the transfer system to lever institutional and service delivery performance.
v. Allowing new national policies to be funded via the transfer system, whilst avoiding future fragmentation of transfers and reduction in discretion.

8.0 SELECTED PROGRAM RESULTS INDICATORS

TABLE 3: SELECTED KEY PROGRAM RESULT INDICATORS

Result Areas	Intermediate Results Indicators	Unit of Measure	Baseline	End Target (Year)
Enhancing Adequacy of Fiscal Transfers for Education and Health Services	Average Conditional non-wage recurrent grants for education and health services per beneficiary	Education, Ushs. per Child of Primary/Secondary School going age	Primary: 6,815 Sec.: 14,717 (2016/17)	Primary: 11,430 Sec.: 24,746 (2021/22)
		Health Ushs. per capita	1,295 (2016/17)	3,198 (2021/22)
	Average Conditional development grants for education and health services per beneficiary	Education, Ushs. per Child of school going age	2,260 (2016/17)	6,432 (2021/22)
		Health Ushs. per capita	321 (2016/17)	1,804 (2021/22)
	Number of Service Delivery Structures Constructed or rehabilitated	Number of Education Structures (Classrooms, Latrines, Teacher Houses, Admin blocks)	2,909 (2015/16)	5,275 (2021/22)
		Number of health structures (staff houses, wards and theatres)	780 (2015/16)	4,365 (2021/22)
Enhancing Equity of Fiscal Transfers for Education and Health Services	Average Conditional non-wage recurrent grants for education and health services per 20 least funded districts	Education, Ushs. per Child of school going age	8,303 (2016/17)	17,349 (2021/22)
		Health Ushs. per capita	692 (2016/17)	2,120 (2021/22)
	Number of Service Delivery Structures Constructed or rehabilitated in 30 least served districts	Number of classrooms in the 30 districts with lowest enrolment rates	574 (2015/16)	1,110 (2021/22)
		Number of health facility structures (staff houses, wards and theatres) in 30 districts with highest population per health facility	159 (2015/16)	786 (2021/22)
Improvement in Fiscal Management of Education and Health	Annual Performance Assessments of LGs Completed	Percent of LGs	0 (2016/17)	100 (2021/22)

Services	Number of Performance Improvement Plans prepared for Local Governments and thematic areas	Number of LGs and thematic areas	0 LGs & 0 Areas (2016/17)	20 LGs & 2 Areas (2021/22)
	Value for Money Audit Completed		No (2016/17)	Yes (2021/22)

Source: Program Operation Manual (September, 2018)

9.0 PROGRAM BENEFICIARIES

Beyond the development objectives of UgIFT, it is envisaged that more equitable, adequate and efficient financing of health and education services will ultimately lay the foundation for improved service delivery outcomes. In doing so, it will complement other sectoral programs, including World Bank operations in health and education, and planned governance operations. The impact of UgIFT on service delivery outcomes will depend on these operations, as well as other interventions. The final beneficiaries of UgIFT will be consumers of health and education services at the local level. Those who will benefit the most will be those living in the most underfunded districts and municipalities.

10.0 PROGRAM SCOPE

The Program will support the next stage of the reform (launched in 2016), that is, the new consolidated framework for the grants, development of formulae, grant conditions, budgeting and reporting guidelines for the new framework in three areas. UgIFT will:

i. support the implementation of new, simple and transparent formulae for education and health non-wage conditional grants;

ii. help restore the adequacy of funding to LGs, by providing additional resources to support the associated plan for uplifting transfers, which will also enable the phase in the new formulae; and

iii. help improve fiscal management of resources by LGs for health and education services.

TABLE 4: PROGRAM SEQUENTIAL STEPS

No.	Step	Description
1	UgIFT will support the implementation of new, simple and transparent formulae for education and health non-wage conditional grants	• The formulae will seek to strike a balance between reducing horizontal inequity (e.g., seeking to make per capita funding in the health and education sectors more equitable) and enhancing incentives to perform and accountability for the use of resources (e.g. rewarding the LGs which receive clean audits from the Auditor General, provide timely and accurate reporting on use of resources, and the results of the LG performance assessments).
2	Restoring the adequacy of funding to LGs, by providing additional resources to support the associated plan for uplifting transfers which will also enable the phase in the new formulae	• In order to facilitate adjustment by the LGs to the new rules for financing, the new formulae will be phased in gradually, over the course of several years. • Additional resources will be allocated to those LGs below formula levels, prioritizing those receiving least relative to their formula share. • Those local governments receiving more than their formula share will be kept constant ("held harmless"). • With the additional resources under the Program, LGs will be able to increase operational funding and finance small scale construction and rehabilitation of infrastructure in primary and secondary schools and health centers.
3	Improving fiscal management of resources by LGs for health and education services	• This will include revision of the guidelines and reporting arrangements for the new grants, development of institutional arrangements helping to ensure that the new formulae, guidelines and reporting arrangements are followed in practice, that release of funds by the central government to the LGs and by the LGs to the service unit. These efficiency improvements will be implemented according to the LG Performance Assessment Manual (published in January 2017).

Source: Program Appraisal Document (June, 2017)

11.0 PROGRAM FINANCING AND EXPENDITURE FRAMEWORK

The total cost of the program is estimated at US$787.59 million (Ushs.2,795.96 billion - ***Table 5***), of which 25.3 percent will be funded from IDA resources (***Table 6***). This includes the LG grants, management, assessment and support over the five years, which will be Ushs.2,795.96 billion. The Program will fund five years of enhanced fiscal transfers for health and education. The Program will leverage government resources far in excess of the value of IDA resources.

TABLE 5: PROGRAM SUMMARY EXPENDITURE FRAMEWORK (USHS. BILLION)

Grant Allocations	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Total Education	**263.88**	**349.75**	**431.63**	**481.25**	**526.64**	**2,053.15**
Education Sector Non-Wage Recurrent Grant	231.38	290.89	337.50	381.11	422.51	1,663.39
Education Sector Development Grant	32.51	58.86	94.14	100.14	104.14	389.79
Total Health	**47.07**	**118.69**	**147.87**	**176.04**	**203.14**	**692.81**
Health Non-Wage Recurrent Grant	47.07	68.43	86.61	107.78	129.88	439.77
Health Sector Development Grant	0.00	50.26	61.26	68.26	73.26	253.04
Total Management, Assessment & Support	**8.00**	**10.50**	**10.50**	**10.50**	**10.50**	**50.00**
GRAND TOTAL (UGX billions)	**318.95**	**478.94**	**590.00**	**667.79**	**740.28**	**2,795.96**
IDA Resources (UGX billions)	143.18	141.80	141.85	141.84	141.83	709.99
GoU Resources (UGX Billions)	175.77	337.14	448.15	525.95	598.45	2085.97
GRAND TOTAL (US$m)	**89.85**	**134.91**	**166.20**	**188.11**	**208.53**	**787.59**
IDA Resources (US$m)	40	40	40	40	40	200
GoU Resources (US$m)	49.1	95.1	126.39	148.3	168.72	587.59

Source: Program Appraisal Document (June, 2017)

Table 5 shows how IDA resources will be disbursed. The IDA resources, in effect, pay for the annual increase in sector grants each year from 2018/19 onwards. Cumulative increase in conditional transfers to LGs for health and education services in the course of the program implementation, compared to a scenario where their amounts would remain at their 2016/17 levels, is projected at US$475 million (US$315 million for education and US$160 million for health). This increase exceeds the amount of IDA credit by US$275 million.

TABLE 6: PROGRAM SOURCES OF FINANCING

Sources of Financing	**Amount (US$, millions)**	**% Total**
IDA	200.00	25.3%
Government of Uganda	587.59	74.7%
Total Program Cost	**787.59**	

Source: Program Appraisal Document (June 2017)

12.0 SECTOR UTILISATION OF THE IDA LOAN

In line with the Cabinet approval, the following guidance was provided:

12.1 Education Sector:

The education sector development component of the loan financing will be allocated **US$130 million** equivalent to Ushs.460 billion, and will be spent on construction of 242 Seed Secondary Schools in sub-counties where they are not *(Refer to Annex 1 attached, for the list of sub-counties/Seed Secondary Schools to benefit from the UgIFT program; this list was reduced from 322 to 242 to fit within the resources of the anticipated loan facility).*

12.2 Health Sector:

The health development component of the loan financing will be allocated **US$55 million** equivalent to Ushs.200 billion and will be spent on upgrading 124 HCIIs to HCIIIs in sub-counties that do not have a government HCIII and provision of funds for health infrastructure maintainance.

12.3 Program Management:

The program implementation component of the loan financing will be allocated **US$15 million** equivalent to Ushs.50 billion, and will be used to support the smooth implementation of the program. This will include;

i. Management and implementation of annual Local Government Performance Assessment **(Ushs.21.2 billion)** to be conducted by the Office of the Prime Minister;

ii. Targeted Technical Support **(Ushs.10 billion)** to poor performing LGs under the coordination of the Ministry of Local Government;

iii. Value for Money Audit **(Ushs.5.2 billion)** to be undertaken by the Office of the Auditor General; and

iv. Grant Management **(Ushs.13.6 billion)**, including verification protocols that will be undertaken by Local Government Finance Commission.

13.0 CONDITIONS FOR GOVERNMENT ACCESS TO THE IDA LOAN FUNDS

a) To access the loan funds, Government will have to achieve a number of results measured through the Disbursement Linked Indicators (DLIs), which are focused on adequacy, equity and efficiency improvement. These include the following for both the education and health sectors:

   i. Enhancing adequacy and equity of fiscal transfers and fiscal management of resources;

   ii. Increasing the annual budget allocation to sector conditional grants (wage, non-wage, recurrent and development);

   iii. Enhancing equitable formula for allocating both operational and development grants; and

   iv. Conducting performance assessments, value for money audits and fiscal management improvement planning.

b) After the World Bank disbursement, the funds become part of Government of Uganda budget and are indistinguishable from government resources.

c) The funds will be budgeted and directly disbursed to LGs as part of the health and education non-wage recurrent and development grants.

14.0 PROGRAM IMPLEMENTATION

The implementation of Uganda Intergovernmental Fiscal Transfer Program (UgIFT) will use existing GoU structures and no parallel implementation and oversight structures will be created.

The MoFPED will be responsible for coordinating the budget process with respect to LGs and for managing intergovernmental fiscal transfers, including those supported by UgIFT. The Department of Monitoring and Evaluation in the Office of the Prime Minister (OPM) will coordinate the LG performance assessment, and manage the assessment process.

The MoLG will be responsible for coordinating the process of targeted Local Government Performance Improvement, with the health and education ministries

and other relevant parties, and for ensuring clear communication to stakeholders, including LGs, of their roles in the context of the program.

The Ministries of Health and Education are responsible for sector policies and strategies, which govern local service delivery, for development of the grant formulae and guidelines, and medium term grant allocations within sector ceilings. They will also be responsible for overseeing the sectoral elements of the assessment process, and providing targeted performance improvement support to LGs in their sectors.

Two committees, chaired by MoFPED, to oversee the management of Fiscal Transfers will be established under the IFTRP. They will be made up of the representatives of the Ministries of Health, Education, OPM, MoLG, Local Government Finance Commission (LGFC), local authorities associations and other relevant parties. LGFC will advise these two committees on issues relating to local government financing, and also verify all Disbursement Linked Indicators (DLIs) except those relating to the LG performance assessment.

While all program activities will be implemented by the central government, the LGs will be responsible for:- preparation of LG budgets and work plans, which adhere to requirements set out in grant guidelines; generating accounting warrants to access releases; delivery of services and infrastructure; preparing quarterly budget performance reports; and capacity building. Poorly performing LGs will be required to also agree to and implement the performance improvement plans.

15.0 PROGRAM ECONOMIC IMPACT

The provision of basic health and education services benefits not only recipients of these services, but also others and the nation as a whole. The Program will increase value-for-money in education and health expenditures in the districts that are lagging behind, which will help to achieve better outcomes for any given level of spending. Bringing every district up to the outcome-to-spending ratio of the districts that perform very highly in both health and education sectors is estimated to save about 0.8 percent of GDP.

The financial resources from and the more equitable allocation formulae supported by the Program will support LGs' plans to improve delivery of health and education services, which will lead to improved outcomes.

The Program supports the principle that every child should have the same opportunities no matter where they live. Equality of opportunity embodies not only an equity benefit, but also can produce economic benefits for the reasons stated above. Shifting resources to those areas that currently offer less opportunity and less funding, will have a larger effect on education and health outcomes.

16.0 LOAN TERMS AND BUDGETARY IMPLICATIONS

The International Development Association (IDA) of the World Bank Group will make available SDR 145.9 million **(US$200 million)** to support the Uganda Intergovernmental Fiscal Transfers Program (UgIFT) under the terms indicated below.

The loan terms are as follows:

TABLE 7: IDA LOAN TERMS

Item	Terms
Loan Amount	SDR 145.9 million (US$ 200 million)
Maturity Period	38 years
Repayment period	32 years
Grace period	6 years
Service charge	0.75% p.a. on disbursed and outstanding loan
Commitment fee	0.5% p.a. on undisbursed

Source: Draft Loan Agreement (May 2017)

Table 7 shows that a service charge of 0.75% will be applied on the principal amount of the loan disbursed and outstanding throughout the availability period. Furthermore, the undisbursed amount of the loan will be subjected to a commitment charge of 0.5% per annum during the grace period. With the above terms, the cost of the loan is indicated in the ***Table 8.***

A commitment fee of 0.5% will be applied per annum on the undisbursed amount of the loan. This implies the conditions of disbursements should be met as per Article V of the Draft Agreement.

TABLE 8: LEVEL OF CONCESSIONALITY OF THE LOAN

Item	Value/ Rate
Maturity	38years
Grace period	6 years
Present value of the loan(PV)	US$95.21 Million
Total Debt Service of the loan	US$235.75 Million
Grant Element (%)	52%
Discount Rate	5%

Source: Draft Loan Agreement, DRS

From **Table 7**, the present discounted value of the loan (US$95.21 million) is smaller than the nominal value of the loan contracted (US$200 million). This implies that the total future payment of the loan is cheaper than the proposed amount to be borrowed in present terms. The total future payment of the loan will amount to US$235.75 million after the loan period of 38 years.

The loan is highly concessional since its grant element (52%) is higher than the PDMF, 2013 threshold of 35% for concessional loans.

16.1 Conditions for Disbursements:

The following conditions are attached to the Loan:

i. Issuance of a legal opinion of the Attorney General of Uganda on the legal validity of the loan; and

ii. Preparation and adoption of the Program Operational Manual.

16.2 Budgetary Implications:

- For FY 2018/19 budget, Ushs.96 billion was provided to start construction of 127 seed secondary schools.
- For FY 2018/19 budget, Ushs.69.36 billion was provided to upgrade 124 HCIIs to HCIIIs.

17.0 THE LOAN AND THE CURRENT DEBT SITUATION OF THE COUNTRY

This loan will increase the country's public debt that has been on the rise over the years. The total public debt stock (at nominal value) as at end of June 2018 stood at Ushs.42,070.47 billion (42 % of GDP), of which Ushs.28,514.48 billion was external debt and Ushs.13,555.99 billion was domestic debt. This is an increase of 22 percent relative to June 2017.

18.0 COMPLIANCE WITH PARLIAMENTARY APPROVAL GUIDELINES

The Committee on National Economy developed guidelines to be considered when scrutinizing all loans that require approval of Parliament. The guidelines require performance information and impact assessment for previous projects by a ministry or government agency; evidence of project appraisal; consistency with the national planning framework; institutional framework for project implementation; procurement plan; evidence of implementation of the Resettlement Action Plan; provision of counterpart funding; evidence of project readiness for implementation; and the financing mechanism.

Below are the combined scores Ministry of Health (MoH) and Ministry of Education and Sports (MoES) received based on submitted documents:

TABLE 9: COMPLIANCE WITH PARLIAMENTARY APPROVAL GUIDELINES

Indicator	Target score	Institutional score	Performance (%)
Performance of previous debt financed projects	5	2.5	50%
Consistency with the National Planning Framework	3	3	100%
Institutional framework	2	2	100%
Procurement	1	0.5	50%
Resettlement Action Plan	4	4	100%
Budgetary Implications	3	1	33.3%
Implementation Readiness	8	4	50%
Financing	6	4	66.7%
Total	**32**	**18.3**	**65.6%**

Source: DRS

19.0 OBSERVATIONS AND RECOMMENDATIONS

19.1 Strategic Relevance of the Program:

The Committee noted that the Intergovernmental Fiscal Transfers Program is part of Government of Uganda's response to the declining trends in local government financing. The Program is highly relevant as it will address the binding constraint of low and inequitable levels of funding for health and education at the local level. Funding levels for health and education in most LGs are too low to achieve improvements in outcomes.

The Committee recommends that;

- **All the social service delivery components of this Program should be mainstreamed into the budgets of all relevant sectors, MDAs and LGs, to ensure greater involvement of all key stakeholders in determining the quantity, quality and location of social service delivery investments in the disadvantaged regions.**

- **The National Planning Authority should review the integration of this Program into the various sector budgets at the issuance of the certificates of compliance of the annual budget for the subsequent years.**

19.2 Local Economic Development:

The Committee noted that the NDP II identifies majority of the Special Programs having a highly disproportionate investment in social service delivery to the disadvantage of investments aimed at revitalizing the local economies and increasing the incomes of the local people. Even with these significant investments in social service delivery, the regions benefiting from Special Programs continue to post poor socio-economic indicators. Income poverty limits people from seeking health and education services, and is synonymous with high rates of child labour and high school drop-outs. This requires that all Programs include a component for local economy.

The Committee recommends that future Government service delivery Programs aimed at increasing adequacy and equity in social service delivery should include a component on local economic development.

19.3 <u>Study on the Review of Local Government Financing</u>:

The Committee noted that in order to deal with the challenges of financing local government service delivery and implementing the fiscal decentralisation strategy, Government in January 2012 commissioned a study on the design of fiscal decentralisation architecture and determining the share of local government transfers under the leadership of the Local Government Finance Commission. The study was to review the existing Fiscal Decentralization Strategy and make recommendations for improvement. The Intergovernmental Fiscal Transfers Program tackles two of the parameters of this study - the intergovernmental fiscal transfer system and the institutions for implementing fiscal decentralization.

The Committee recommends that Government scales up plans for deliberately building the capacities of MDAs and local governments in conducting studies, designing and supervision of projects in order to cut down on the exorbitant amounts of project funds spent on consultancy services towards conducting studies, designing and supervision of debt financed projects.

19.4 <u>Budgetary Implications of the Program</u>:

The Committee noted that the facilities mapped out for a seed school include houses for six staff, including four teachers, a deputy head teacher and a head teacher. For staff recruitment, the Ministry of Education and Sports will require at least Ushs.27.98 billion for recruitment of at least 21 teaching staff and six non-teaching staff for the first batch of 127 schools in FY 2019/20.

The Committee recommends the following:

- **Ministry of Education and Sports should ensure the timely integration of the anticipated recurrent and development costs due to this program in the respective sectoral budgets to ensure the adequate availability of**

funds for recruitment of staff, procurement of instructional materials and the pay of capitation grants for new seed schools. This will enable the beneficiary local governments under this program to engage in meaningful rehabilitation and construction projects to improve the education service delivery infrastructure.

- **The Ministry of Local Government should ensure that the infrastructure facilities to be constructed (schools and health facilities) are integrated in the respective Local Government Development Plans.**

19.5 Impact of Institutional Deficiencies on Service Delivery in Local Governments:

The Committee noted the impact of institutional deficiencies in service delivery. About one third of positions in local governments are currently vacant, and the share of vacancies varies a lot across LGs. In addition, the number of LGs has increased significantly over the past decade. The number of Districts and Municipalities increased from 45 in 1997 to 133 in 2014, and to 168 as at June 2018. This has led to an increase in the cost of administering local service delivery, and has spread institutional capacity thinly.

Lower performing LGs tend to have weaker capacities. There is a risk that they will continue to lag behind after receiving additional funding because of high Local Government staff turnover, challenges in attracting staff, weak administrative leadership, and challenges related to establishment of many new districts and municipalities, among other reasons.

The Committee recommends the following:

- **The beneficiary local governments due to this Program should liaise with the relevant stakeholders, that is, the Education Service Commission and the Health Service Commission to ensure that the required vacancies due to this Program are filled in time to guarantee the timely realization of the Program outcomes on service delivery.**

- **Government develops a more tailored approach to improve persistent poor service delivery performance in local LGs beyond the increases in grants due to this Program.**

19.6 Quality of Completed Structures:

The Committee noted that provision of quality education has for long been one of the top priorities for Government of Uganda. In order to achieve this, Government came up with a number of interventions aimed at, among other things, providing additional and better infrastructure for learning. One of such interventions was the Development of Secondary Education (DSE) programme. This programme provides infrastructure in form of classrooms, administration blocks, libraries, dormitories, toilets, and teachers' houses for both existing and new schools. The programme is implemented by the Ministry of Education and Sports through individual schools across the country, with each of them playing separate but complementary roles.

The Office of the Auditor General undertook an assessment of the activities implemented under the DSE programme to ascertain if these activities are undertaken in a way that promotes efficiency and economy in the utilization of public resources, while at the same time achieving the objectives of the programme. In one of the key findings of the December 2016 OAG Value for Money Report, the Auditor General noted that, although the completed works were to a large extent still visually holding by the time of audit, there were a number of cases where works executed had uncorrected defects. In some cases this was after the lapse of the defects liability period. These quality deficiencies were attributed to weaknesses in supervision, poor workmanship of the contractors, substandard materials, and in some cases failure to adhere to the guidelines in the technical specifications handbook given by the Ministry of Education and Sports.

The Committee recommends that the Ministry of Education and Sports strengthens technical supervision of construction works that will be undertaken under this Program to minimize cases of delayed completion of works, payments for unexecuted works, and paying for works that do not conform to the expected quality specifications.

19.7 Procurement and Contract Management:

The Committee noted that the procurement arrangements for the Program will rely on existing processes. The Public Procurement and Disposal of Public Assets Authority (PPDA) will conduct procurement audits and offer supervision and training support.

The Committee recommends that the Ministry of Local Government should ensure that beneficiary governments under this Program:

- **Have in place the capacity to manage the procurement functions due to this program;**
- **Have a comprehensive Procurement and Disposal Plan covering infrastructure activities in the approved Annual Work Plan, which is followed;**
- **Have prepared bid documents, maintain contract registers and procurement activity files, and adhere to established thresholds; and**
- **Have certified and provided detailed project information on all Program investments.**

19.8 Performance of Ongoing Projects under the Education Sector:

The Committee noted that there are 11 approved ongoing projects in the Education Sector being implemented by Ministry of Education and Sports, amounting to US$386,900,000 of which US$126,138,630 million has been disbursed, representing a disbursement rate of 32.7% as at 31st December 2018. The majority of loans in the Education Sector have unsatisfactory performance with disbursement rates that are still below 50%.

The Committee recommends that Government expedites the execution of all on-going debt financed development projects in the Education Sector approved by Parliament, without recourse to additional financing, in order to meet their respective project objectives including enhancing skills development of the country.

In addition, public investment management reforms should make it mandatory for all public projects to undergo a project assessment tool that demonstrates adequate project preparedness prior to its financing.

19.9 Performance of Ongoing Projects under the Health Sector:

The Committee noted that there are five approved ongoing projects in the Health Sector that are being implemented by Ministry of Health amounting to US$375,700,000, of which US$207,000,000 million has been disbursed representing a disbursement rate of 55.1% as at 31st December 2017.

The Committee recommends that government expedites the execution of all on-going debt financed development projects in the Health Sector approved by Parliament, without recourse to additional financing in order to meet their respective project objectives, including enhancing health service delivery in the country.

19.10 Program Supervision:

The Committee noted that the achievement of program results may be put at risk by the thin technical capacity at the MoFPED to manage transfers, supervise the Program; the Office of the Prime Minister to manage the assessment process; the limited capacity of Ministry of Local Government and Ministry of Education and Sports; and provision of targeted technical support by Ministry of Health. Government is not moving fast enough to utilize these loans to address the constraints.

The Committee recommends adequate institutional strengthening of Ministry of Finance, Planning and Economic Development (MoFPED), Ministry of Local Government (MoLG), and Office of the Prime Minister (OPM) through training, tooling and promotion of community of practices through peer-to-peer learning, mentoring, and exchange visits. This will enable them acquire adequate and appropriate skills for effective and efficient supervision of this Program.

20.0 CONCLUSION

The Committee recommends that the request by Government to borrow up to SDR 145.9 million (US$200 million) from the International Development Association (IDA) of the World Bank Group to support the Uganda Intergovernmental Fiscal Transfers Program (UgIFT) for results in the Education and Health Sector be approved, subject to the recommendations herein.

REPORT OF THE COMMITTEE ON NATIONAL ECONOMY ON THE PROPOSAL BY GOVERNMENT TO BORROW UP TO SDR 145.9 MILLION (US$200 MILLION) FROM THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) OF THE WORLD BANK GROUP TO SUPPORT THE UGANDA INTERGOVERNMENTAL FISCAL TRANSFERS PROGRAM (UgIFT) FOR RESULTS IN THE EDUCATION AND HEALTH SECTORS

1.	Hon. Bbumba Syda Namirembe	Nakaseke North	
2.	Hon. Bategeka Lawrence	Hoima Municipality	
3.	Hon. Tayebwa Thomas	Ruhinda North	
4.	Hon. Kajara Aston	Mwenge South	
5.	Hon. Yeri Apollo Ofwono	Tororo Municipality	
6.	Hon. Kiwanuka Keefa	Kiboga East	
7.	Hon. Seguya Lubyayi John Bosco	Mawokota South	
8.	Hon. Musoke Paul Sebulime	Buikwe North	
9.	Hon. Kabafunzaki Herbert	Rukiga County	
10.	Hon. Ayepa Michael	Labwor County	
11.	Hon. Katoto Hatwib	Katerera County	
12.	Hon. Lokeris Samson	Dodoth East	
13.	Hon. Rwemulikya Ibanda	Ntoroko County	
14.	Hon. Migadde Robert Ndugwa	Buvuma Islands	
15.	Hon. Mandera Amos	Buyamba County	
16.	Hon. Wamakuyu Mudimi Ignatius	Elgon County	
17.	Hon. Okello Anthony	Kioga County	
18.	Hon. Dhamuzungu Geoffrey	Budiope East	
19.	Hon. Guma Gumisiriza David	Ibanda North	

20.	Hon. Sematimba Simon Peter	Busiro South	
21.	Hon. Elotu Cosmas	Dakabela County	
22.	Hon. Alyek Judith	DWR, Kole	
23.	Hon. Turyahikayo K. M. Paula	Rubabo County	
24.	Hon. Isala Eragu Veronica Bichetero	Kaberamaido County	
25.	Hon. Azairwe Dorothy Nshaija K.	DWR, Kamwenge	
26.	Hon. Akol Anthony	Kilak North	
27.	Hon. Okupa Elijah	Kasilo County	
28.	Hon. Ariko Herbert Edmund	Soroti Municipality	
29.	Hon. Nzoghu William	Busongora North	
30.	Hon. Bakireke Nambooze Betty	Mukono Municipality	
31.	Hon. Akena James Jimmy	Lira Municipality	
32.	Hon. Baryayanga Andrew Aja	Kabale Municipality	
33.	Hon. Katwesigye Oliver Koyekyenga	DWR Buhweju	
34.	Hon. Akamba Paul	Busiki County	
35.	Hon. Atiku Bernard	Ayivu County	
36	Hon. Okumu Ronald Reagan	Aswa County	
37.	Hon. Kassiano Wadri Ezati	Arua Municipality	
38.	Hon. Kutesa Pecos Onesmus	UPDF Representative	

ANNEX I:

LIST OF SUB-COUNTIES EARMARKED FOR CONSTRUCTION OF SEED SECONDARY SCHOOLS UNDER THE UGIFT PROGRAM

Region	Local Government	First Batch = 127 Schools		Second Batch = 115 Schools	
		Sub-County / Division		Sub-County / Division	
Acholi	Agago		Lapono (Completion of Lapono Seed S.S)		Kotomor
Acholi	Agago				Wol
Acholi	Amuru		Amuru		Amuru T/C
Acholi	Gulu		Palaro		Unyama (Renovation of Sir Samuel Baker S.S. - Pledge)
Acholi	Kitgum		Labong Amida		Labongo Layamo
Acholi	Lamwo		Agoro (New facilities at Agoro Seed S.S.)		Ogili
Acholi	Nwoya		Lungula		Got Apwoya
Acholi	Omoro		Lakwana		
Acholi	Pader		Pajule		Latanya
Ankole	Buhweju		Karungu (New Facilities for Karungu S.S.)		Engaju
Ankole	Buhweju				Nsiika T/C
Ankole	Bushenyi		Bumbaire		Ibaare
Ankole	Ibanda		Ishongororo		
Ankole	Isingiro		Ruborogota		
Ankole	Kiruhura		Nyakashashara		Kanyaryeru (New Facilities for Lake Mburo S.S. – Pledge)
Ankole	Kiruhura				Kenshunga (New Facilities for Kaaro H.S. - Pledge)
Ankole	Mbarara		Bukiiro		Rwanyamahembe
Ankole	Mitooma		Mayanga		Kashenshero
Ankole	Ntungamo		Rukoni East (New Facilities for Kihanga Public S.S.)		Nyabihoko
Ankole	Rubirizi		Ryeru		Kichwamba
Ankole	Sheema		Kassana		Shuuku T/C (New Facilities for Ryakasinga C.H.E)
Buganda	Buikwe		Buikwe		

Region	Local Government	First Batch = 127 Schools		Second Batch = 115 Schools	
		Sub-County / Division		Sub-County / Division	
Buganda	Bukomansimbi		All sub-counties are covered.		
Buganda	Butambala		Budde (New Facilities at Budde S.S.)		
Buganda	Buvuma		Nairambi (Phase II Construction of Nairambi Seed S.S.)		Bwema
Buganda	Gomba		Maddu (New Facilities for Kyayi Seed S.S.)		
Buganda	Kalangala		Mazinga		Bufumira
Buganda	Kalungu		Lukaya T/C		
Buganda	Kassanda		Manyogaseka		
Buganda	Kayunga		Nazigo		
Buganda	Kiboga		Kibiga		
Buganda	Kyankwanzi		Bananywa		Nsambya
Buganda	Kyotera		Nyangoma (Phase II Construction of Nyangoma Seed S.S.)		Kasali
Buganda	Luweero		Katikamu		Butuntumula (New facilities at St. Andrew Kaggwa Kasaala S.S.)
Buganda	Lwengo		Lwengo T/C		Malongo (New facilities at Kaikorongo Seed S.S.)
Buganda	Lyantonde		Mpumudde (New Facilities for Rwamabara Seed S.S. - Pledge)		Kasagama (New Facilities at Kasagama S.S. - Pledge)
Buganda	Masaka		Bukakata (New Facilities for Tarbuk S.S.)		
Buganda	Mityana		Namungo		
Buganda	Mpigi		Kiringente (New Facilities at Wamatovu S.S.)		
Buganda	Mubende		Kigando		Makokoto (New facilities at Makokoto Seed S.S.)
Buganda	Mubende				Bageza (New facilities at Mugungulu Seed S.S.)
Buganda	Mukono		Kimenyedde		
Buganda	Nakaseke		Nakaseke		Kikamulo
Buganda	Nakasongola		Nabinyonyi (Phase II		Nakitoma

Region	Local Government	First Batch = 127 Schools		Second Batch = 115 Schools	
		Sub-County / Division		Sub-County / Division	
			Construction of Nabinyonyi Seed S.S.)		
Buganda	Rakai		Kyalulangira (New Facilities for Samson Kalibala Kamya Mem. Seed S.S. – Pledge)		Kacheera
Buganda	Sembabule		Lwebitakuli (New Facilities at St. Charles Lwanga Lwebitakuli S.S.)		
Buganda	Wakiso		Wakiso		
Bukedi	Budaka		Kamonkoli		Nansanga
Bukedi	Budaka				Mugiti
Bukedi	Busia		Majanji ((Phase II Construction of Majanji Seed S.S.)		Sikuda
Bukedi	Butaleja		Butaleja		Kachonga
Bukedi	Butebo		Kanginima		
Bukedi	Kibuku		Kabweri		Kibuku
Bukedi	Kibuku		Kasasira		
Bukedi	Pallisa		Olok		Pallisa
Bukedi	Tororo		Malaba T/C		Iyolwa
Bukedi	Tororo				Sop Sop
Bunyoro	Buliisa		Ngwedo		Buliisa
Bunyoro	Hoima		Kigorobya		Buhanika
Bunyoro	Kagadi		Kiryanga		Luteete
Bunyoro	Kagadi				Kagadi
Bunyoro	Kakumiro		Birembo		Mpasaana
Bunyoro	Kibaale		Nyamarwa (New facilities for Nyamarwa S.S.)		Mugarama
Bunyoro	Kikuube		Kiziranfumbi (New Facilities for Kiziranfumbi Seed S.S.)		Kyangwali (New facilities for Kyangwali Seed S.S.)
Bunyoro	Kiryandongo		Kiryadongo		Bweyale T/C
Bunyoro	Masindi		Budongo (New facilities for Budongo Seed S.S.)		Kimengo
Busoga	Bugiri		Iwemba		Budhaya
Busoga	Bugweri		Namalemba		

Region	Local Government	First Batch = 127 Schools		Second Batch = 115 Schools	
		Sub-County / Division		Sub-County / Division	
Busoga	Buyende		Buyende		
Busoga	Iganga		Nawanyingi		Igombe
Busoga	Jinja		Buwenge T/C		Bugembe T/C
Busoga	Kaliro		Bukamba		Budomero
Busoga	Kamuli		Kitayunjwa		Nabwigulu
Busoga	Kamuli				Kagumba
Busoga	Kamuli MC				Southern Division (New Facilities for Busoga H.S.)
Busoga	Luuka		Ikumbya		Nawampiti
Busoga	Mayuge		Mpungwe		Wairasa
Busoga	Namayingo		Mutumba		Buhemba
Busoga	Namutumba		Namutumba		Nabweyo
Elgon	Bududa		Bubiita (Phase II Construction of Bubiita Seed S.S.)		Nakatsi
Elgon	Bukwo		Kaptererwo (Expansion and renovation of Eastern College Chebinyiny)		Senendet
Elgon	Bulambuli		Bunambutye		Sisiyi
Elgon	Kapchorwa		Kabeywa		Sipi (Expansion and Completion of Gamatui Girls' S.S.S. as a Boarding School - Pledge)
Elgon	Kween		Kitawoi		Kaptum
Elgon	Kween				Moyok
Elgon	Manafwa		Sibanga		Khabutoola
Elgon	Manafwa		Sisuni		
Elgon	Mbale		Wanale		Lwasso
Elgon	Namisindwa		Mukoto		Namboko
Elgon	Sironko		Buteza		Bugitimwa
Karamoja	Abim		Nyakwae		Alerek
Karamoja	Amudat		Karita (Renovation and expansion of Karita Girls' School into a Boarding School – Pledge)		Loroo
Karamoja	Kaabong		Ike (Phase II Construction of Ike		Lobalangit

Region	Local Government	First Batch = 127 Schools		Second Batch = 115 Schools	
		Sub-County / Division		Sub-County / Division	
			Seed S.S.)		
Karamoja	Kotido		Panyangara		Rengen
Karamoja	Moroto		Rupa		Tapac
Karamoja	Nabilatuk		Lolachat		
Karamoja	Nakapiripirit		Moruita		Kakomongole (Additional facilities for Nakapiripirit Seed S.S.)
Karamoja	Napak		Napak T/C		Iriiri
Kigezi	Kabale		Buhara (*Big sub-county with only one single-sex School; Bishop Kivengere Girls' S.S.*)		Central Division (Kigezi College Butobere - Pledge)
Kigezi	Kanungu		Katete		
Kigezi	Kisoro		Nyakinama		Nyabwishenya (*New facilities at Muumba Progressive S.S.*)
Kigezi	Rubanda		Nyamweru		Ruhija
Kigezi	Rukiga		Rwamucucu		Bukinda
Kigezi	Rukungiri		Kebisoni		Nyakishenyi (*New facilities at Nyakishenyi H.S.*)
Lango	Alebtong		Abia		Awei
Lango	Amolatar		Muntu		Etam
Lango	Apac		Apac		
Lango	Apac MC				Arocha
Lango	Dokolo		Batta		Adeknino
Lango	Kole		Okwelodot		Kole T/C
Lango	Kwania		Aduku		
Lango	Lira		Agali		Ogur (*Phase II of Ogur Seed S.S.*)
Lango	Lira MC				Railways Division
Lango	Otuke		Ogor (*New facilities for Ogor Comprehensive S.S.*)		Orum (New facilities for Okum Seed S.S. - Pledge)
Lango	Oyam		Abok (Phase II Construction of Abok Seed S.S.)		Ngai (New Facilities for Ngai S.S. - Pledge)
Teso	Amuria		Wera (Phase II Construction of Wera Seed S.S.)		Asamuk
Teso	Bukedea		Bukedea		

Region	Local Government	First Batch = 127 Schools		Second Batch = 115 Schools	
		Sub-County / Division		Sub-County / Division	
Teso	Kaberamaido		Aperikira		Apapai
Teso	Kapelebyong		Requested to be exempted.		
Teso	Katakwi		Palam		Toroma
Teso	Kumi		Kumi		Nyero (*New facilities at Dr. Aporu Okol Mem. S.S.*)
Teso	Ngora		Ngora		
Teso	Serere		Kadungulu		Olio
Teso	Soroti		Asuret		Alapai (Teso College Aloet - Pledge)
Teso	Soroti				Kamuda
Tooro	Bundibugyo		Kisuba		Mabere (*New facilities at Kabango S.S.*)
Tooro	Bunyangabu		Kiyombya		Kabonero
Tooro	Kabarole		Kasenda		Karangura
Tooro	Kamwenge		Bwizi (New facilities at Bwizi S.S.)		Kanara
Tooro	Kasese		Nyakatonzi (Phase II Construction of Nyakatonzi Seed S.S.)		Bwesumbu
Tooro	Kyegegwa		Rwentuha		Ruyonza
Tooro	Kyenjojo		Kyembogo (New facilities at Mparo Seed School)		Kigaraale
Tooro	Ntoroko		Nombe		Kibuuku
Tooro	Ntoroko				Butungama
West Nile	Adjumani		Ukusijoni		Arinyapi
West Nile	Arua		Pawor (Phase II Construction of Pawor Seed S.S.)		Manibe
West Nile	Koboko		Lobule		Dranya
West Nile	Maracha		Tara		Maracha T/C
West Nile	Moyo		Gimara		Dufile
West Nile	Nebbi		Ndhew		Atego
West Nile	Nebbi				Kucwiny
West Nile	Pakwach		Alwi		Wadelai
West Nile	Yumbe		Lodonga		Drajini
West Nile	Yumbe				Kerwa
West Nile	Zombo		Atyak		

PERFORMANCE OF EXTERNALLY FUNDED PROJECTS IN THE EDUCATION SECTOR

Sn	Code	Project Title	Date of effectiveness	Initial Closure Date	GRANT Amount Committed (US$ m)	LOAN Amount Committed (US$ m)	Expenditure FY 15/16	Expenditure FY 16/17	Amount Disbursed by December 2017	% Disbursed
1	1273	Higher Education Science and Technology Project (HEST)	5-Sep-13	30-Jun-18		103.9	6.15	13.941	24.677	43%
2	942	Construction and equipping of 4 Technical institutions No. 849 **(KUWAIT)**	19-Feb-13	30-Jun-18		11.9	1.879	3.361	6.503	55%
3	1338	Uganda Skills Development Project **(WORLD BANK)**	1-Jul-15	30-Jun-20		100	0	0.0109	3.0651	3%
4	1491	African Centres of Excellence II	30-Oct-16	30-Oct-20		24	0	0	4.4	18%
5	1432	OFID Funded Vocational Project Phase II	1-Jul-17	30-Jun-20		14.3	0	0	0	0%
6	1433	IDB Funded Technical and Vocational Education and Training Phase II	1-Jul-15	31-Dec-18		14.1	0.941	3.076	8.36	59%
7	0942	Saudi Funded Vocational education and Training	1-Jul-10	30-Jun-17		11.998	0.841	3.665	9.755	81%
8	0897	Energy for Rural Transformation III	1-Jul-15	30-Jun-20		2.2	0	0	0.08935	4%
9	1310	Albertine Region Sustainable Development Project; Kabalore (UTC Kicwamba), Kiryandongo (UPIK,Kigumba) **(WORLD BANK)**	7-Dec-15	30-Jun-19		25	0	0.488225	2.0235	8%
10	1296	Uganda Teachers School Effectiveness Project **(GPE)**	24-Mar-15	30-Jun-18	100	0	15,459,261	13,215,248	41.47	41%
11	1233	Improving the training of BTVET Technical Teachers/Instructors and Health Tutors, and secondary Teachers in Uganda **(Belgium)**	12-Sep-17	17-Dec-17	17.5	0	0.19	11.77	16.53	94%
12	1412	Nakawa TVET Lead Project	16-Jul-17	1-Jul-16	5.46	0	0	0.721	0.38	7%
13	1378	Support to the Implementation of Skilling Uganda Strategy	15-Sep-17	20-Sep-15	24	0	0.06	0.89	3.6	15%
14	1457	Improving teacher training in Muni and Kaliro NTCs	16-Jul-16	20-Jun-17	22.5	0	0	0.369	1.06	5%
15	1458	Improving teacher training in Mubende and Kabale NTCs	16-Jul-16	30-Jun-20	12	0	0	0.0447	0.8	7%
		Total External - Education			***181.46***	***307.398***			***142.71295***	47%

Annex 2:

Responses by the Ministry of Health

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IN ANY CORRESPONDENCE ON THIS SUBJECT PLEASE QUOTE NO. FIN.141/196/01

THE REPUBLIC OF UGANDA

Office Of The Permanent Secretary
Ministry Of Health
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KAMPALA, UGANDA

20th November 2018

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The Chairperson
Committee of National Economy
Parliament of Uganda

SUBMISSION OF DOCUMENTS FOR APPROVAL OF INTERGOVERNMENTAL FISCAL TRANSFER LOAN

Reference is made to the meeting held on 15th November 2018 in which the intergovernmental fiscal transfer loan was discussed. The meeting required the different sectors (education and health) to submit additional information to aide in the approval of this loan.

This communication is therefore to submit the following:-

1. The grant allocation formulae used to select the health facilities to be upgraded from 2018/19 – 2021/22;
2. The list of health facilities to be upgraded and or functionalized under the world bank project of Uganda Reproductive Maternal and Child Health Services improvement project;
3. The extent of infrastructure development in Karamoja under the Italian soft loan.

We look forward to the meeting on 21st November 2018 at 10am as was advised.

Dr. Diana Atwine
PERMANENT SECRETARY

MINISTRY OF HEALTH

Grant Allocation

The Allocation Formula for Development Grants

Under the UgIGFT P4R, UShs. 69.36bn has been allocated for infrastructure development in the health sector in FY 2018/19.

In line with the second NHP, and as directed by His Excellency the President, the health sector will focus its efforts towards establishing a functional HC III per Sub County across the country in the medium term.

In FY 2018/19, the sector priority is to upgrade HC IIs to IIIs in Sub Counties without a HC III or higher level health facility. Currently, there are 331 Sub Counties with no HC III but have a HC II that can be upgraded. The above funding will be utilized to upgrade over 124 HC IIs to IIIs and the rest shall be upgraded in the subsequent years in a phased manner.

The IPFs for Health Development Grants for FY 2018/19 and the selection of health facilities for upgrading from HC II to HC III (see Annex I) were generated based on the allocation formula in the Table below.

Table: Health Development Grant Allocation Formula (starting FY 2018/19)

Variable	Weight	Justification
LGs with LLGs without HC IIIs, but with HC IIs	72	This is an indicator of demand for health infrastructure as indicated in the Government policy and the scale of Services required.
LGs with population larger than 87,000 in LLGs without HC IIIs, but with HC IIs	18	This is an indicator of the degree to which Local Governments are lagging behind in terms of access to a major Health facility
Number of public HC IIIs, HC IVs and Hospitals	10	An allocation to cater for the maintenance of health infrastructure in the Local Governments

The above parameters/ variables and weightings were applied to generate the Indicative Planning Figures (IPFs) for FY 2018/19 with the aid of the Online Transfer Information Management System (OTIMS) of Ministry of Finance, Planning and Economic Development (MoFPED).

However, effective FY 2019/20, the development grant allocation formula will have two components: (i) the basic component allocated based on the basic allocation criteria i.e. 50% of the grant; and (ii) the performance component based on the results of the LG performance assessment system i.e. 50% of the grant.

Performance component of the allocation formula

The impact from the results of the assessment will be weighted (scaled) with the basic allocation formula to ensure that every performance indicator has a noticeable impact on the actual size of the allocations, and that the system provides incentives for all (larger as well as smaller LGs). The system will ensure that LGs with a performance score above the average score will receive additional funding and a LG with a score that is below the average will be allocated minimal resources. The system also ensures that all the funds are allocated (no balances). The details have been programmed in OTIMS which is a function of National Budgeting Tool i.e. Program Budgeting System (PBS).

The summary of the health performance measures and the corresponding score points is illustrated Annex II.

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Annex II: LG Health Performance Measures for Assessment in FY 2018/19

The following Health performance measures and the corresponding score points will form the basis for LG performance assessment. These performance measures were developed to address the key issues in the management of service delivery. The LG performance based on these measures will therefore impact the size of the Health Development Grant that will be allocated to the LG.

A) Human resource planning and management - maximum 22 points

1) LG has substantively recruited primary health care workers with a wage bill provision from PHC wage — **maximum 6 points**
2) The LG Health department has submitted. A comprehensive recruitment plan to the HRM departments - **maximum 4 points.**
3) The LG. Health department has properly conducted performance appraisal for the. Health facility in-charges – **8 points.**
4) The LG Health department has equitably deployed health workers across health facilities and in accordance with the staff lists submitted together with the budget in the current FY — **maximum 4 points.**

B) Monitoring & supervision – maximum 38 Points

5) The DHO has effectively communicated and explained guidelines, policies, circulars issued by the national level in the previous FY to health facilities - **maximum 6 points.**
6) The LG Health. Department has effectively provided support supervision to district health services — **maximum 6 points.**
7) The Health Sub-district(s) have effectively provided support Supervision to lower level health units — **maximum 6 points.**
8) The LG Health department (including HSDs) has discussed the results/reports of the support/supervision and monitoring visits, used them to make recommendations for corrective actions and followed up — **maximum 10 points.**

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9) The LG Health department has submitted accurate/consistent reports/ data for health facility lists as per formats provided by MoH — **maximum 10 points.**

C) **Governance, oversight, transparency-and accountability - maximum 12 points**

10) The LG committee responsible for health met, discussed service delivery issues and presented issues that require approval to council — **maximum 4 points.**

11) The Health Unit Management Committees and Hospital Board(s) are operational/ functional -- **maximum 5 points.**

12) The LG has publicized all health facilities receiving PHC non-wage recurrent grants - **maximum 3 points**

D) Procurement and contract management - maximum 14 points

13) The LG Health department has submitted procurement requests to PDU that cover all items in the approved Sector annual work plan and budget — **maximum 4 points**

14) The LG Health department has supported all health facilities to submit health supplies procurement plan to NMS – **maximum - 8 points**

15) The LG Heath department has certified and initiated payment for works and supplies on time - **maximum 2 points**:

E) Financial management and reporting - maximum 8 points

16) The LG Health department has submitted annual (including all quarterly Reports) in time to the Planning Unlit - **maximum 4 points**

17) LG Health department has acted on Internal Audit recommendations-(if any) - **maximum 4 points**

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F) Social and environment safeguards — maximum 6 points

18) Compliance with gender composition of HUMC and promotion of gender sensitive sanitation in health facilities — **maximum 4 points.**

19) The LG Health department has issued guidelines on medical waste management — **maximum 2 points**

Vote No.	Local Governments	HEALTH DEVELOPMENT GRANT (IGFT LOAN)		SUB COUNTIES AND HEALTH FACILITIES TO BE UPGRADED			
		Allocation of Health Infrastructure Maintenance	Allocation for upgrade of HCIIs to HC IIIs	County	Sub County / TC	Health Facility to be Upgraded	Approved Budget Allocations
501	Adjumani District	54,208,123	500,000,000	East Moyo	Arinyapi	Arinyapi HC II	500,000,000
502	Apac District	30,156,535	500,000,000	Maruzi	Apac	Olelpek HC II	500,000,000
505	Bundibugyo District	74,414,832	1,000,000,000	Bughendera	Burondo	Burondo HC II	500,000,000
				Bughendera	Harugale	Bupomboli HC II	500,000,000
506	Busheny. District	48,195,226	500,000,000	Igara	Kyamuhunga	Kibazi HC II	500,000,000
507	Busia District	68,401,935	1,000,000,000	Samia Bugwe North	Buyanga	Buwembe HC II	500,000,000
				Samia Bugwe South	Majanji	Majanji HC II	500,000,000
512	Kabale District	54,208,123	500,000,000	Ndorwa	Kamuganguzi	Kasheregyenyi HC II	500,000,000
513	Kabarole District	72,246,815	500,000,000	Burahya	Mugusu	Nyabuswa HC II	500,000,000
517	Kamuli District	78,259,712	500,000,000	Bugabula	Kagumba	Kagumba HC II	500,000,000
518	Kamwenge District	86,440,626	1,000,000,000	Kibaale	Kabambiro	Kabambiro HC II	500,000,000
				Kitagwenda	Kanara	Kanara HC II	500,000,000
519	Kanungu District	72,246,815	500,000,000	Kinkizi	Kihihi	Matanda HC II	500,000,000
520	Kapchorwa District	36,169,432	500,000,000	Tingey	Chema	Chemosong HC II	500,000,000
521	Kasese District	134,543,803	1,000,000,000	Bukonzo West	Bwera	Nyakimasa HC II	500,000,000
				Bukonzo West	Isango	Kyempara HC I	500,000,000
522	Katakwi District	36,169,432	500,000,000	Usuk	Katakwi	Aliakamer HC II	500,000,000
523	Kayunga District	66,233,918	500,000,000	Ntenjeru South	Nazigo	Bukamba HC II	500,000,000
524	Kibaale District	24,143,638	500,000,000	Buyanja	Matale	Matale HC II	500,000,000
525	Kiboga District	48,195,226	500,000,000	Kiboga East	Lwamata	Bulaga HC II	500,000,000
526	Kisoro District	102,311,301	500,000,000	Bufumbira East	Murora	Chibumba HC II	500,000,000
530	Kyenjojo District	80,427,729	1,000,000,000	Mwenge Central	Katooke	Myeri HC II	500,000,000
				Mwenge South	Kihuura	Kyakaramata HC II	500,000,000
532	Luwero District	114,337,095	500,000,000	Katikamu	Luwero	Katuugo HC II	500,000,000
535	Mayuge District	62,389,037	1,000,000,000	Bunya	Jagusi	Jagusi HC II	500,000,000
				Bunya	Busakira	Busaala HC II	500,000,000
541	Mubende District	68,401,935	1,000,000,000	Kasambya	Kigando	Butawata HC II	500,000,000

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				Bukuya	Kitumbi	Buseregenyu HC II	500,000,000
544	Nakasongola District	54,208,123	500,000,000	Nakasongola	Kakooge	Kiralamba HC II	500,000,000
545	Nebbi District	48,195,226	500,000,000	Padyere	Ndheu	Oweko HC II	500,000,000
546	Ntungamo District	104,479,318	1,000,000,000	Ruhama	Rukoni East	Kyamwasha HC II	500,000,000
				Kajara	Nyabihoko	Karuruma HC II	500,000,000
547	Pader District	54,208,123	500,000,000	Aruu North	Atanga	Lapul Ocwida HC II	500,000,000
548	Pallisa District	60,221,021	500,000,000	Pallisa	Olok	Olok HC II	500,000,000
549	Rakai District	66,233,918	500,000,000	Kooki	Kiziba	Rakai Kiziba HC II	500,000,000
550	Rukungiri District	72,246,815	500,000,000	Rubabo	Kebisoni	Karuhembe HC II	500,000,000
551	Sembabule District	36,169,432	500,000,000	Mawogola	Mijwala	Busheka (Sembabule) HC II	500,000,000
552	Sironko District	84,272,609	500,000,000	Budadri West	Bukhulo	Bundege HC II	500,000,000
553	Soroti District	48,103,177	-				-
554	Tororo District	114,337,095	500,000,000	West Budama	Sop Sop	Sop Sop HC II	500,000,000
555	Wakiso District	120,349,992	500,000,000	Busiro North	Namayumba	Nakitokolo Namayumba HC II	500,000,000
556	Yumbe District	68,401,935	1,000,000,000	Aringa South	Midigo	Mocha HC II	500,000,000
				Aringa North	Kerwa	Kerwa HC II	500,000,000
558	Ibanda District	30,156,535	500,000,000	Ibanda	Ishongororo	Kashozi (Ibanda) HC II	500,000,000
560	Isingiro District	126,362,889	500,000,000	Bukanga	Endinzi	Busheka (Isingiro) HC II	500,000,000
561	Kaliro District	50,363,243	1,000,000,000	Bulamogi	Budomero	Budomero HC II	500,000,000
				Bulamogi North West	Bukamba	Nawampiti HC II	500,000,000
562	Kiruhura District	104,479,318	1,000,000,000	Nyabushozi	Kikatsi	Rwesande HC II	500,000,000

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				Nyabushozi	Kitura	Kitura HC II	500,000,000
564	Amolatar District	24,143,638	500,000,000	Kioga	Muntu	Nakatiti HC II	500,000,000
565	Amuria District	42,182,329	500,000,000	Amuria	Akeriau	Akeriau HC II	500,000,000
566	Manafwa District	30,156,535	500,000,000	Bubulo West	Kaato	Bukimanayi HC II	500,000,000
567	Bukwo District	24,143,638	500,000,000	Kongasis	Kabei	Mutushet HC II	500,000,000
568	Mityana District	84,272,609	500,000,000	Mityana South	Namungo	Namungo HC II	500,000,000
569	Nakaseke District	48,195,226	500,000,000	Nakaseke North	Butalangu TC	Butalangu HC II	500,000,000
570	Amuru District	42,182,329	500,000,000	Kilak South	Amuru TC	Otwee HC III	500,000,000
571	Budaka District	60,221,021	500,000,000	Budaka	Kakule	Namusita (Budaka) HC II	500,000,000
572	Oyam District	50,363,243	1,000,000,000	Oyam South	Aber	Atura HC II	500,000,000
				Oyam North	Aboke	Ariba HC II	500,000,000
574	Namutumba District	42,182,329	500,000,000	Busiki	Mazuba	Namutumba Kagulu HC II	500,000,000
575	Dokolo District	50,363,243	1,000,000,000	Dokolo	Adeknino	Awelo HC II	500,000,000
				Dokolo	Adok	Adok HC II	500,000,000
576	Buliisa District	50,363,243	1,000,000,000	Buliisa	Ngwendo	Avogera HC II	500,000,000
				Buliisa	Butiaba	Butiaba HC II	500,000,000
577	Maracha District	54,208,123	500,000,000	Maracha East	Paranga	Ajikpro HC II	500,000,000
578	Bukedea District	36,169,432	500,000,000	Bukedea	Bukedea	Akuoro HC II	500,000,000
579	Bududa District	48,195,226	500,000,000	Manjia	Bushika	Bubungi HC II	500,000,000
580	Lyantonde District	30,156,535	500,000,000	Kabula	Lyakajura	Kyemamba HC II	500,000,000
584	Kyegegwa District	42,182,329	500,000,000	Kyaka	Ruyonza	Karwenyi HC II	500,000,000
585	Lamwo District	60,221,021	500,000,000	Lamwo	Padibe East	Katum HC II	500,000,000
586	Otuke District	36,169,432	500,000,000	Otuke	Ogwette	Ogwete HC II	500,000,000
587	Zombo District	36,169,432	500,000,000	Okoro	Atyak	Ther-uru HC II	500,000,000
588	Alebtong District	50,363,243	1,000,000,000	Ajuri	Awei	Awel HC II	500,000,000
				Ajuri	Angetta	Angetta HC II	500,000,000
589	Bulambuli District	66,233,918	500,000,000	Bulambuli	Nabongo	Bunangaka HC II	500,000,000

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		Allocation of Health Infrastructure Maintenance	Allocation for upgrade of HCIIs to HC IIIs	County	Sub County / TC	Health Facility to be Upgraded	Approved Budget Allocations
591	Gomba District	56,376,140	1,000,000,000	Gomba	Kyegonza	Mamba HC II	500,000,000
				Gomba	Ngomanene	Ngomanene HC II	500,000,000
593	Luuka District	42,182,329	500,000,000	Luuka	Bulongo	Bukendi HC II	500,000,000
594	Namayingo District	30,156,535	500,000,000	Bukoli Islands	Lolwe	Lolwe HC II	500,000,000
595	Ntoroko District	18,130,740	500,000,000	Ntoroko	Bweramule	Bweramule HC II	500,000,000
596	Serere District	68,401,935	1,000,000,000	Kasilo	Kadungulu	Kagwara HC II	500,000,000
				Kasilo	Labori	Aarapoo HC II	500,000,000
597	Kyankwanzi District	62,389,037	1,000,000,000	Butemba	Bananywa	Bananywa HC II	500,000,000
				Ntwetwe	Wattuba	Kikolimbo HC II	500,000,000
598	Kalungu District	48,195,226	500,000,000	Kalungu	Kyamullibwa	Kabaale HC II	500,000,000
599	Lwengo District	42,182,329	500,000,000	Bukoto West	Kyazanga	Kakoma HC II	500,000,000
601	Mitooma District	42,182,329	500,000,000	Ruhinda	Kashenshero	Bukuba HC II	500,000,000
602	Rubirizi District	44,350,346	1,000,000,000	Katerera	Katanda	Munyonyi HC II	500,000,000
				Bunyaruguru	Ryeru	Mushumba HC II	500,000,000
605	Kibuku District	48,195,226	500,000,000	Kibuku	Kibuku	Nalubembe HC II	500,000,000
606	Nwoya District	24,143,638	500,000,000	Nwoya	Koch Lii	Koch Lii HC II	500,000,000
607	Kole District	36,169,432	500,000,000	Kole South	Ayer	Ayer HC II	500,000,000
608	Butambala District	36,169,432	500,000,000	Butambala	Kibibi	Butaaka HC II	500,000,000
609	Sheema District	50,363,243	1,000,000,000	Sheema North	Masheruka TC	Mabaare HC II	500,000,000
				Sheema South	Kasaana	Kyeihara HC II	500,000,000
610	Buhweju District	44,350,346	1,000,000,000	Buhweju	Buhunga	Mushasha HC II	500,000,000
				Buhweju	Engaju	Engaju HC II	500,000,000
611	Agago District	54,208,123	500,000,000	Agago South	Lukole	Lapirin HC II	500,000,000
612	Kween District	60,221,021	500,000,000	Kween	Kitawoi	Terenpoy HC II	500,000,000
613	Kagadi District	80,427,729	1,000,000,000	Buyaga West	Muhorro TC	Muhorro HC II	500,000,000
				Buyaga East	Paachwa	Kyabasara HC II	500,000,000
614	Kakumiro District	68,401,935	1,000,000,000	Bugangaizi West	Birembo	Birembo HC II	500,000,000
				Bugangaizi West	Kijangi	Kigando HC II	500,000,000

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615	Omoro District	36,169,432	500,000,000	Omoro	Lakwaya	Loyoajonga HC II	500,000,000
616	Rubanda District	42,182,329	500,000,000	Rubanda	Hamurwa	Mpungu HC II	500,000,000
619	Butebo District	30,156,535	500,000,000	Butebo	Butebo	Kanyumu HC II	500,000,000
622	Bunyangabu District	54,208,123	500,000,000	Bunyangabu	Buheesi	Kabahango HC II	500,000,000
624	Bugweri	30,156,535	500,000,000	Bugweri	Namalemba	Nawangisa HC II	500,000,000
625	Kasanda District	50,363,243	1,000,000,000	Bukuya	Makokoto	Kahoga HC II	500,000,000
				Kassanda	Kalwana	Kikandwa HC II	500,000,000
755	Jinja MC	18,130,740	500,000,000	Jinja MC West	Kimaka/ Mpumudde/ Nalufenya Division	Kimaka HC II	500,000,000
759	Masaka MC	92,049	500,000,000	Masaka MC	Nyendo-Senyange Division	Nyendo HC II	500,000,000
761	Mbarara MC	18,130,740	500,000,000	Mbarara MC	Kakiika Division	Kyarwabuganda HC II	500,000,000
771	Hoima MC	18,130,740	500,000,000	Hoima MC	Busiisi Division	Kihuukya HC II	500,000,000
774	Masindi MC	6,104,946	500,000,000	Masindi MC	Nyangahya Division	Katasenywa HC II	500,000,000
775	Ntungamo MC	6,104,946	500,000,000	Ntungamo MC	Ntungamo Eastern Division	Ruhoko HC II	500,000,000
778	Rukungiri MC	12,117,843	500,000,000	Rukungiri MC	Rukungiri Western Division	Kitimba HC II	500,000,000
782	Kisoro MC	92,049	500,000,000	Kisoro MC	Central Division	Zindiro HC II	500,000,000
784	Kitgum MC	92,049	500,000,000	Kitgum MC	Pandwong Division	Pandwong HC II	500,000,000
785	Koboko MC	6,104,946	500,000,000	Koboko MC	Southern Division	Koboko Police HC II	500,000,000
785	Mubende MC	92,049	500,000,000	Mubende MC	Mubende West Division	Lwemikomago HC II	500,000,000

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789	Kamuli MC	92,049	500,000,000	Kamuli MC	Kamuli Southern Division	Busota HC II	500,000,000
790	Kapchorwa MC	6,104,946	500,000,000	Kapchorwa MC	Kapchorwa Eastern Division	Sebei College Sick Bay HC II	500,000,000
795	Bugiri MC	92,049	500,000,000	Bugiri MC	Eastern Division	Bugiri Town Council HC II	500,000,000
796	Sheema MC	6,104,946	500,000,000	Sheema MC	Kabwohe Division	Kitojo Community HC II	500,000,000

List of Health Facilities to be Renovated under Uganda Reproductive Maternal and Child Health Services Improvement Project

	Name	District	County	Subcounty / TC	Facility level	Ownership	URMCHIP
1	Akura HC II	Alebtong	Moroto	Akura	HC II	Govt	Upgrade
2	Kebula HC II	Budaka	Budaka	Kaderuna	HC II	Govt	Upgrade
3	Kayango HC III	Bugiri	Bukooli	Kapyanga	HC III	Govt	Functionalise
4	Matiki HC II	Bugiri	Bukooli	Nankoma	HC II	Govt	Upgrade
5	Igombe HC III	Bugweri	Bugweri	Igombe	HC III	Govt	Functionalise
6	Bitsya HC II	Buhweju	Buhweju	Bitsya	HC II	Govt	Upgrade
7	Kibota HC II	Bunyangabu	Bunyangabu	Buheesi	HC II	Govt	Upgrade
8	Kyeizooba HC III	Bushenyi	Igara	Kyeizooba	HC III	Govt	Functionalise
9	Busitema HC III	Busia	Samia Bugwe North	Busitema	HC III	Govt	Functionalise
10	Busime HC II	Busia	Samia Bugwe South	Busime	HC II	Govt	Upgrade
11	Kangalaba HC III	Butaleja	Bunyole	Himutu	HC III	Govt	Functionalise
12	Nkondo HC III	Buyende	Budiope	Nkondo	HC III	Govt	Functionalise
13	Kakooge HC II	Buyende	Budiope	Buyende	HC II	Govt	upgrade
14	Tonya HC III	Hoima	Bugahya	Buseruka	HC III	Govt	Functionalise
15	Kikyenkye HC III	Ibanda	Ibanda	Keihangara	HC III	Govt	Functionalise
16	Bwahwa HC II	Ibanda	Ibanda	Nyabuhikye	HC II	Govt	Upgrade
17	Nambale HC III	Iganga	Kigulu North	Nambale	HC III	Govt	Functionalise
18	Kyarugaju HC II	Isingiro	Isingiro North	Kabingo	HC II	Govt	Upgrade
19	Kikagate HC III	Isingiro	Isingiro South	Kikagate	HC III	Govt	Upgrade
20	Mpambwa HC III	Jinja	Butembe	Busedde	HC III	Govt	Functionalise
21	Kisiima Islands HC II	Jinja	Jinja Municipality East	Masese Walukuba Division	HC II	Govt	Upgrade
22	Butanda HC III	Kabale	Ndorwa	Butanda	HC III	Govt	Functionalise
23	Kyebando HCIII	Kibaale	Kyebando	Kyebando	HCIII	Govt	Functionalise

	Name	District	County	Subcounty / TC	Facility level	Ownership	URMCHIP
24	Ruteete HC III	Kabarole	Burahya	Rutete	HC III	Govt	Upgrade
25	Bwikara HC III	Kagadi	Buyaga West	Bwikara	HC III	Govt	Functionalise
26	Igayaza HC II	Kakumiro	Bugangaizi West	Igayaza TC	HC II	Govt	Upgrade
28	Namugongo HC III	Kaliro	Bulamogi	Namugongo	HC III	Govt	Functionalise
29	Kyeeya HC II	Kamuli	Bugabula	Namwendwa	HC II	Govt	Upgrade
30	Kiyunga HC II	Kamuli	Buzaaya	Kisozi	HC II	Govt	Upgrade
31	Kabingo HC II	Kamwenge	Kibaale	Bihanga	HC II	Govt	Upgrade
32	Kiyagara HC II	Kamwenge	Kibaale	Kahunge	HC II	Govt	Upgrade
33	Kirima HC III	Kanungu	Kinkizi	Kirima	HC III	Govt	Functionalise
34	Bugongi HC II	Kanungu	Kinkizi	Kambuga	HC II	Govt	Upgrade
35	Isule HC III	Kasese	Busongora	Maliba	HC III	Govt	Functionalise
36	Katunguru HC II	Kasese	Busongora	Lake Katwe	HC II	Govt	Upgrade
37	Lyama HCII	Kibuku	Kibuku	Kakutu	HCII	Govt	Upgrade
38	Kiruhura Kanoni HC III	Kiruhura	Kazo	Kanoni (Kiruhura)	HC III	Govt	Functionalise
39	Nshunga HC II	Kiruhura	Kazo	Nkungu	HC II	Govt	Upgrade
40	Lobule HC III	Koboko	Koboko	Lobule	HC III	Govt	Functionalise
41	Ludara HC III	Koboko	Koboko	Ludara	HC III	Govt	Functionalise
42	Kamaca HC III	Kumi	Kanyum	Kanyum	HC III	Govt	Functionalise
43	Rwaitengya HC II	Kyenjojo	Mwenge South	Kisojo	HC II	Govt	Upgrade
44	Nyakarongo HC II	Kyenjojo	Mwenge South	Nyabuharwa	HC II	Govt	Upgrade
45	Nsumba HC II	Kyotera	Kyotera	Kalisizo TC	HC II	Govt	Upgrade
46	Boroboro	Lira	Erute North	Adekokwok	HCIII	PNFP	Functionalise
47	Waibuga HC III	Luuka	Luuka	Waibuga	HC III	Govt	Functionalise
48	Oluvu HC III	Maracha	Maracha	Oluvu	HC III	Govt	Functionalise
49	Bukakata HC III	Masaka	Bukoto East	Bukakata	HC III	Govt	Functionalise

	Name	District	County	Subcounty / TC	Facility level	Ownership	URMCHIP
50	Kitabazi HCII	Masaka	Katwe-Butego	Masaka	HC II	Govt	Upgrade
51	Malongo HC III	Mayuge	Bunya	Malongo	HC III	Govt	Functionalise
52	Buyugu HC II	Mayuge	Bunya	Bukabooli	HC II	Govt	Upgrade
53	Bubaare HC III	Mbarara	Kashari	Bubaare	HC III	Govt	Functionalise
54	Kagongi HC III	Mbarara	Kashari	Kagongi	HC III	Govt	Functionalise
55	Kanyabwanga HC III	Mitooma	Ruhinda	Kanyabwanga	HC III	Govt	Functionalise
56	Mundade HCII	Mubende	Kitumbi	Mundade	HCII	Govt	Upgrade
57	Isinde HC II	Namayingo	Bukooli South	Buhemba	HC II	Govt	Upgrade
58	Soono HC II	Namisindwa	Bubulo East	Bukokho	HC II	Govt	Upgrade
59	Namuwondo HC II	Namutumba	Busiki	Namutumba	HC II	Govt	Upgrade
60	Pamaka HC II	Nebbi	Padyere	Ndheu	HC II	Govt	Upgrade
61	Buhanama HC II	Ntungamo	Ruhama	Nyamunuka TC	HC II	Govt	Upgrade
62	Rwoho HC II	Ntungamo	Ruhama	Rwoho TC	HC II	Govt	Upgrade
63	Awoo HC II	Omoro	Tochi	Akidi	HC II	Govt	Upgrade
64	Binya HC II	Omoro	Omoro	Orapwoyo	HC II	Govt	Upgrade
65	Anepmoroto HC III	Otuke	Otuke	Orum	HC III	Govt	Functionalise
66	Kamdini HC II	Oyam	Oyam South	Kamdini TC	HC II	Govt	Upgrade
67	Panyimur HC III	Pakwach	Jonam	Panyimur	HC III	Govt	Functionalise
68	Olok HC II	Pallisa	Pallisa	Olok	HC II	Govt	Upgrade
69	Kifamba HC III	Rakai	Kakuuto	Kifamba	HC III	Govt	Functionalise
70	Kyenzaza HC II	Rubirizi	Katerera	Kirugu	HC II	Govt	Upgrade
71	Rwanjura HC II	Rukiga	Rukiga	Rwamucucu	HC II	Govt	Upgrade
72	Lugusulu HC II	Sembabule	Mawogola	Lugusulu	HC II	Govt	Upgrade
73	Kateta HC III	Serere	Serere	Kateta	HC III	Govt	Functionalize
74	Muzira HC II	Sheema	Sheema North	Kyangyenyi	HC II	Govt	Upgrade

	Name	District	County	Subcounty / TC	Facility level	Ownership	URMCHIP
75	Mbaya HC III	Sironko	Budadiri East	Butandiga	HC III	Govt	Functionalise
76	Dakabela HC III	Soroti	Soroti	Arapai	HC III	Govt	Functionalise
77	Paya HC III	Tororo	West Budama	Paya	HC III	Govt	Functionalise
78	Katajula HC II	Tororo	West Budama	Nagongera	HC II	Govt	Upgrade
79	Ariwa HC III	Yumbe	Aringa South	Ariwa	HC III	Govt	Functionalise
80	Kochi HC III	Yumbe	Aringa	Kochi	HC III	Govt	Functionalise
81	Kango HC III	Zombo	Okoro	Kango	HC III	Govt	Functionalise

REPUBLIC OF UGANDA

ITALIAN SUPPORT TO THE HEALTH SECTOR DEVELOPMENT PLAN (HSDP)

KARAMOJA INFRASTRUCTURE DEVELOPMENT PROJECT-PHASE II

(Draft for validation)

SUMMARY PROJECT DATA

Country	Uganda
Project	Italian Support to the Health Sector Development Plan (HSDP): **Karamoja Infrastructure Development Project Phase II**
Funding Partner	Republic of Italy
Nature of Funding	Soft Loan
Duration	Three years
Effectiveness Date	1st July, 2019
Closing Date	30th May, 2022
Funding Amount	Euros 10 million (UG X 45 Billion)
GOU co-financing	UG X 3.96 Bn (Euros 880,000)

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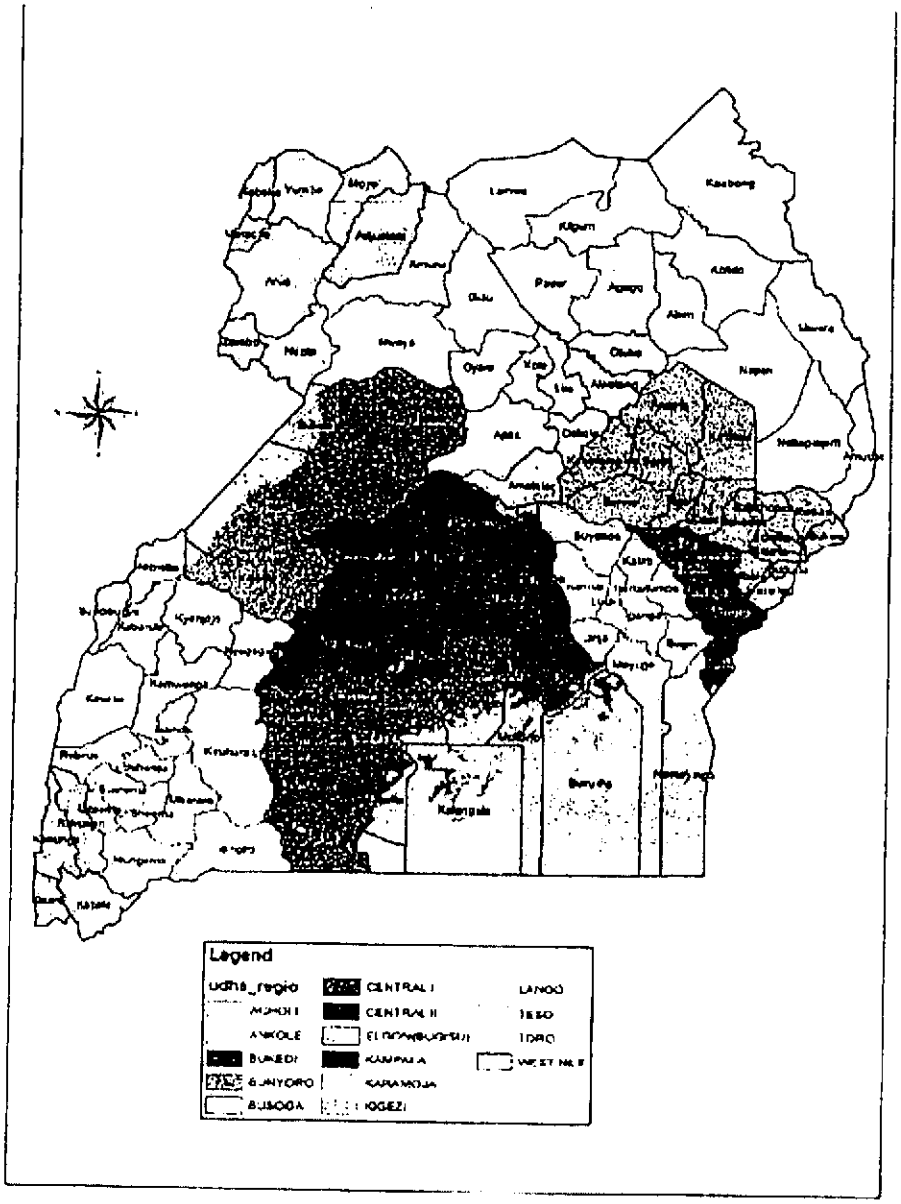
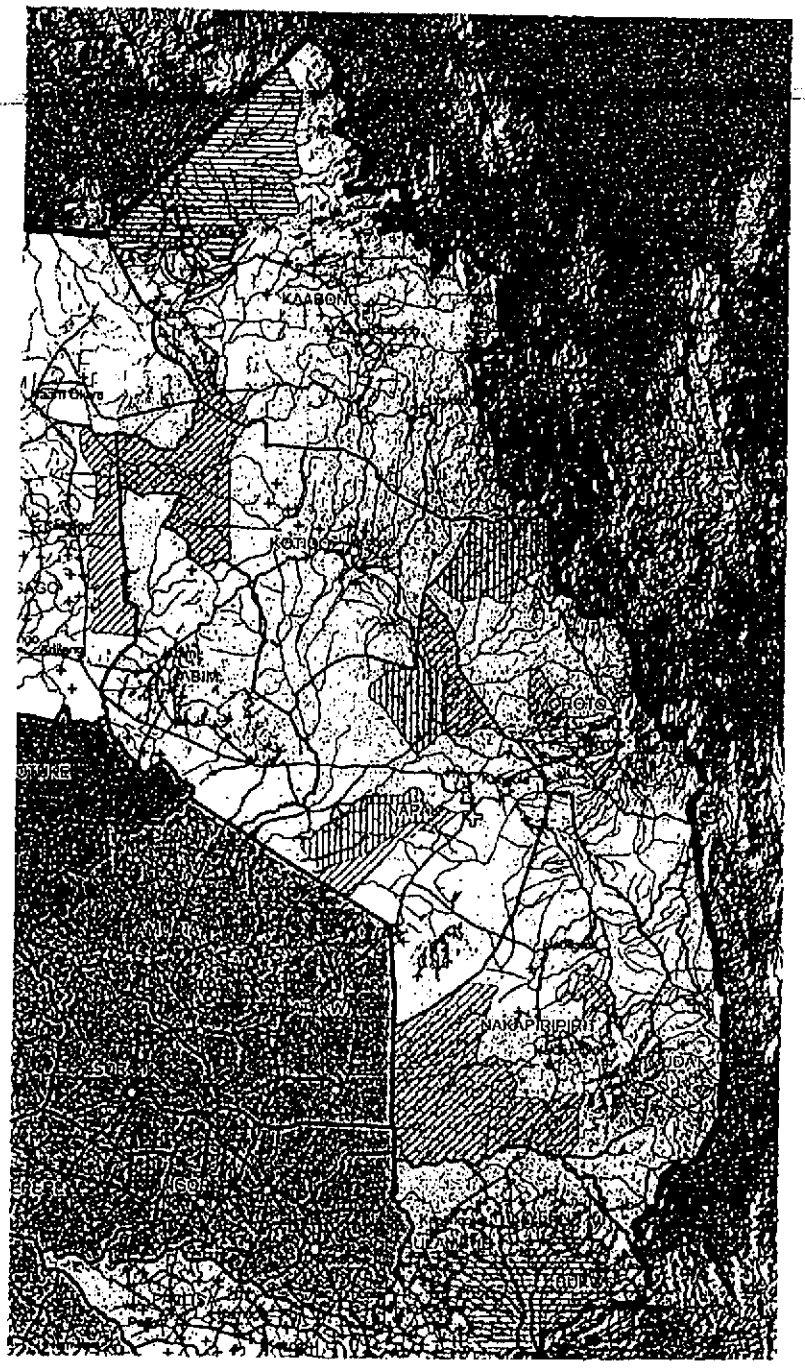
MOH	Ministry of Health
MOKA	Ministry of Karamoja Affairs
MOLG	Ministry of Local Government
MTEF	Medium Term Expenditure Framework
MTR	Mid Term Review
NDA	National Drug Authority
NEMA	National Environment Management Authority
NGO	Non-Governmental Organization
NHA	National Health Assembly
NHP	National Health Policy
NMS	National Medical Stores
PEPFAR	President's Emergency Plan for AIDS Relief
PFMA	Public Finance Management Act 2015
PHC	Primary Health Care
PHCCG	Primary Health Care Conditional Grant
PNFP	Private-Not-For-Profit
PPDAA	Public Procurement & Disposal of Public Assets Act
PPPH	Public-Private Partnership for Health
PS	Permanent Secretary
RRH	Regional Referral Hospital
SDG	Social Development Goals
SHI	Social Health Insurance
STI	Sexually Transmitted Infection
SWAp	Sector Wide Approach
TA	Technical Assistance
TB	Tuberculosis
TFR	Total Fertility Rate
U5MR	Under 5 mortality rate
TWG	Technical Working Group
UDHS	Uganda Demographic Household Survey
UGX	Uganda Shillings
UNMHCP	Uganda National Minimum Health Care Package
USAID	United States Agency for International Development
VCT	Voluntary Counselling and Testing
WHO	World Health Organization

MAP OF UGANDA SHOWING THE KARAMOJA REGION



MAP OF KARAMOJA REGION SHOWING HEALTH INFRASTRUCTURE DISTRIBUTION



Legend

Health Facility

- Clinic
- HC II
- HC III
- HC IV
- General Hospital
- RR Hospital
- NR Hospital

Health Regions

- Arua
- Fort Portal
- Gulu
- Hoima
- Jinja
- Kampala-Central
- Lira
- Masaka
- Mbale
- Mbarara-Kabale
- Moroto
- Soroti

Transport network

- Tarmac Road
- Murram Road (All weather)
- Murram Road (Dry weather)
- Railway

Protected areas

- Forest Reserve
- National Park
- Rangeland
- Game Reserve
- Lakes
- Rivers

Towns

- Capital City
- Major Town
- Municipality
- Small Town
- Subcounty boundary
- District boundary
- International boundary

EXECUTIVE SUMMARY

The overarching policy and strategic framework governing the health sector in Uganda consists of the Vision 2040, the SDG framework, the National Development Plan II, the National Health Policy (NHP), the Health Sector Development Plan (HSDP 2015/16–2019/20), and the Health Sector Strategic Plan. The implementation of these frameworks is supported by a sector-wide approach (SWAp), which addresses the health sector as a whole in planning and management, and in resource mobilization and allocation.

The Republic of Italy has over the years been supporting health development in northern Uganda, in infrastructure, equipment, human resources for health, medicines and supplies, and health service delivery using both government and PNFP/NGO modalities.

The Karamoja Region has the worst poverty index of any region in Uganda. The current phase of support has been in constructing staff houses in the seven districts of the Karamoja Region and equipping Gulu Regional Referral Hospital with Radiology equipment.

During implementation of the current phase, significant gaps were documented that are likely to affect the impact of the investments. The observed gaps informed the drafting of the concept note requesting for phase II infrastructure support to further close the observed gaps, and contribute to a higher impact of the investments in moving towards Universal Health Coverage in the Karamoja Region. Phase II will build on the achievements of the staff housing project, to enable facilities offer primary healthcare, extend infrastructure to areas in the Karamoja Region that have no or limited infrastructure, and complement the Primary Health Care (PHC) Development Grant to the districts, and cater for disability and special health needs.

Male	97,498
Female	103,465
Under-5s	41,197

NAPAK

Consists of 10 Sub-counties of Apeitolim, Iriiri, Lokopo, Lopei, Lorengechora, Lotome, Matany, Nabwal, Ngolerie and Poron and 2 Town Council of Lorengechora and Napak.

Total District Population	142,224
Male	65,518
Female	76,706
Under-5s	29,769

HEALTH FACILITIES IN KARAMOJA REGION

Tertiary Institutions

The Government hospitals in the Karamoja Region include one RRH at Moroto and two GH at Kaabong and Abim.

Built in the early 30's, Moroto is the only RRH serving the whole Karamoja region. It was recently upgraded from a GH status. Under the UIISSP project funded by IDA, Moroto RRH was replanned and rebuilt in accordance with the RRH standards. Medical equipment, Hospital Furniture and Ambulatory services will also be provided accordingly. Matany Hospital, and other PNFP lower level facilities play a significant role in health service delivery in the Karamoja Region.

Kaabong Hospital on the other hand was constructed around 1996. The buildings are adequate except for the minor repairs and finishing and improvements/provision of a Chronic care Clinic, Laboratory services and an obstetric theatre.

Lower Level Health Centres

Karamoja region has 1 RRH, 4 General Hospitals, 4 HC IVs, 44 HC IIIs and 80 HCIIs (MOH Health Facility Inventory 2017). The region has the lowest health infrastructure density of all the regions of the country. Of these 70% of HCIIIs and 87.5% of HCIIs belong to Government while the rest belong to PNFPs.

INVESTMENT CASE FOR UGANDA AND THE KARAMOJA REGION:

Human Development Index rank Uganda at 161 out of 187 countries, below the sub-Saharan Africa average and the Gini coefficient is estimated at 0.43. The population growth rate of 3.2 percent is among the highest in the world and driven largely by the high Total Fertility Rate (6.2 births per woman in the reproductive age group). Life expectancy at birth is estimated at 54 years at birth.

With regard to the health related Millennium Development Goals, Uganda's progress has been slow, especially for maternal mortality with the ratio stagnating at 438 deaths per 100,000 live births. Teenagers in particular bear a disproportionate burden of maternal morbidity and mortality owing to the high rate of teenage pregnancies with 24 percent giving birth to their first child before turning 19 years of age. Despite the consistent drop in infant and under five mortality deaths, the overall rates remain high with infant and under-five mortality estimated at 90 and 54 deaths per 1,000 live births, respectively. While Uganda is making progress to combat the major communicable diseases (HIV, TB and malaria), prevalence and incidence rates still continue to be unacceptably high. At the same time, there is the growing problem of non-communicable diseases (NCDs) in the country.

The high disease burden is attributed mainly to communicable diseases and maternal and neonatal disorders like HIV/AIDS, malaria, lower respiratory infections, meningitis, tuberculosis, peri/neonatal complications and diarrheal diseases.

Interpersonal violence leading to injuries, road traffic accidents, depressive disorders, epilepsy, stroke, renal disease, cirrhosis, chronic obstructive disease and ischemic heart disease registered the largest increases in the last 10 years.

The three risk factors that account for the most disease burden in Uganda are 1) alcohol abuse, 2) household air pollution from solid fuels and 3) childhood underweight.

The government and the private-not-for-profit providers (PNFPs) mainly faith based are the major service providers. The PNFPs are estimated to provide one-third of hospital-based services in Uganda and two-thirds almost entirely through public hospitals. While the PNFPs raise their funding mainly from user fees, they also receive subsidies from health development partners, philanthropist organizations and government. In total, PNFPs receive around 5% of the government health budget.

In terms of reporting, National and Regional Referral Hospitals report to the central government; General Hospitals and Health Centres (HC) (Types II–IV) report to the districts. The districts are further divided into functional Health Sub-Districts administered at the HC IV level.

The challenges facing the health sector and constraining its performance can be summarized into three main areas:

1. Persistent high disease burden and changing disease epidemiology.
2. Suboptimal resourcing of the sector in terms of funding, infrastructure and equipment, human resources for health and medicines to mount an effective response to address the high disease burden.
3. Governance and leadership challenges continue to beset the sector.

Uganda over the last two decades registered strong economic performance, however, this was not accompanied by sustained structural transformation and the economy remains majorly rural.

According to the current Uganda Bureau of Statistics (UBOS 2017), in Uganda live about 40 million people with half of the population under the age of 15 years.

More Ugandans are slipping into poverty with the number of poor people increasing from 6.6 million in 2012/13 to 10 million in 2016/17, according to the Uganda National Household Survey (UNHS).

The above development translates into income poverty levels rising from 19.7 per cent to 27 per cent.

At the sub-regional level, the survey cites the worst hit regions as Karamoja, with 61 per cent of the people categorised as income poor. Income poverty means the proportion of Ugandans whose personal income lies below the poverty line, which is $1.25 (about Shs 4,500) a day.

Karamoja region has the worst poverty indicators in Uganda. The MMR, IMR, health service coverage, U5MR, are worse than in any other region of Uganda. Recent data from the Uganda National Household Survey show that 85% of people in Karamoja report that their living conditions have improved in the last three years, which they attribute predominantly to a more peaceful environment and to improved access to safe drinking water.

However, the National Household Survey also demonstrates the extent to which Karamoja remains marginalized. Across the country, 5% of children of school-going age have never attended school, while in Karamoja this figure is closer to 50%. Karamoja has the highest dependency ratio in the country and the highest rates of income poverty at 61% compared to 27% at the national level. Seventy percent of households in Karamoja report that they have no access to a toilet, while the average national coverage for rural areas is 9%. Karamoja Region has the lowest latrine coverage in the Country (15-49%).

Karamoja registered inadequate access to health facilities, inadequate human resource capacity, stock out of essential medicines and equipment, inadequate facilities for transport and communication, insecurity, negative socio-cultural practices, inadequate financial resources and lack of awareness.

In Karamoja the most important direct causes of maternal mortality are haemorrhage accounting for 42% of deaths, obstructed or prolonged labour 22% and complications from abortion 11%. Important indirect causes include malaria, a factor in 36% of maternal death recorded, anaemia 11%, HIV 7%, High Total fertility rate (TFR), high teenage pregnancy rate, and high unmet need for family planning (FP) increase exposure to the risk of pregnancy and hence pregnancy related deaths for both women and newborn10. Although awareness of at least one method of contraception in Uganda is nearly universal, only 30% of currently married women are using any method of contraception, with only 7.8% of the currently married women in Karamoja using any method of contraceptives, far below the national average. About one-third (34%) of currently married women in Uganda have an unmet need for family planning services. Gender based violence is the most common type of violence that women experience. It has serious consequences for women's mental and physical well-being, including their reproductive and sexual health. According to the Uganda Demographic and health survey (UDHS) 2011, in Karamoja 11.3% of women in the age group 15-49 often experienced physical violence during the 12 months prior to the survey. This was far above the national average of 7.3%.

Karamoja health data

INFECTIOUS DISEASES (HIV, TB, MALARIA & others)		KARAMOJA							TOTAL
HIV AIDS		Moroto	Napak	Abim	Amudat	Kotido	Nakapiri pirit	Kaabong	
Hospital	N. of VCT Voluntary Counselling and Testing	5,536	7,607	6,785	2,010	0	0	3,906	25,844
	N. of total testing	6,021	7,933	6,574	2,218	0	0	4,099	26,845
	N. HIV +	74	62	62	74	0	0	24	296
	N. new HIV + enrolled in treatment	111	79	76	28	0	0	116	410
	N. of HIV + currently on treatment	2,157	2,345	2,193	403	0	0	3,331	10,309
HCs	N. of VCT	16,906	10,985	15,703	4,553	36,454	20,330	20,520	135,449
	N. of total testing	18,956	11,433	16,690	4,603	39,481	21,238	33,827	146,227
	N. HIV +	165	106	222	41	190	282	127	1,133
	N. new HIV + enrolled in treatment	105	70	143	50	196	128	52	744
	N. of HIV + currently on treatment	1,956	1,736	2,899	374	3,230	2,258	922	12,879
Community or specific sites for counselling and testing	N. VCT in adolescent	0	0	0	0		0	0	0
	N. HIV +	0	0	0	0		0	0	0
	N. HIV+ adolescent enrolled on treatment	0	0	0	0		0	0	0
	N. adult VCT	0	0	0	0		0	0	0
	N. HIV +	0	0	0	0		0	0	0
	N. adult HIV+ enrolled on treatment	0	0	0	0		0	0	0
[illegible]									
Hospital	N. TB pts diagnosed	155	342	125	31		0	123	776
	N. OPEN LUNG TB	89	237	73	19		0	77	495
	N. sputum for AAFB	390	544	386	265	0	0	396	1,781
	N. sputum for AAFB positive for MBT	32	544	66	39	0	0	46	688
	N. Xpert test	1,845	207	339	8	0	0	580	2,971
	N. Xpert test positive for MTB	180	61	76	2	0	0	73	390
	N. MTB rifampicine resistant	71	40	0	0	0	0	3	114
HCs	N. TB pts diagnosed	247	6	205	52	270	516	152	1,396
	N. OPEN LUNG TB	173	6	117	20	124	277	121	838
	N. sputum for AAFB	990	6	728	270	426	913	469	3,532
	N. sputum for AAFB positive for MBT	101	0	91	40	60	220	81	593
[illegible]									
Hospital	N. total diagnosis of malaria	9,513	5,393	14,261	2528	0	0	16,215	29,167
	N. of malaria confirmed by lab.	3,697	1,563	4,780	2002	0	0	8,792	10,040
	N. total diagnosis of malaria in <5	3,237	3,827	4,105	962	0	0	4,520	13,169
	N. of total death due to malaria	12	8	9	11	0	0	0	29
	N. <5 death due to malaria	11	6	4	9	0	0	0	21
HCs	N. total diagnosis of malaria	53,565	54,648	72,753	21909	106,975	71,861	114,319	474,121
	N. of malaria confirmed by lab.	31,584	29,399	47,023	18696	48,547	35,661	64,133	257,347
	N. total diagnosis of malaria in <5	18,162	21,577	20,817	5969	45,660	27,953	31,670	165,839
	N. of total death due to malaria	16	17	30	11	19	17	55	154
	N. <5 death due to malaria	13	14	21	8	13	14	33	108
Community	N. of presuntive malaria treated by CHWs		0	0					0
	Estimated coverage of IMNTs in the district		0	0					0
[illegible]									
Hospital	N. total diagnosis of ARI	177	1,295	1,290	184	0	0	294	3,046
	N. diagnosi of pneumonia (ARI) in <5	100	566	868	320	0	0	179	2,113
	N. of death due to ARI	14	10	4	4	0	0	0	34
	N. <5 death due to ARI	8	4	2	3	0	0	0	14
HCs	N. total diagnosis of ARI	1,751	3,633	2,581	2427	7,312	4,691	3,540	24,108
	N. diagnosi of pneumonia (ARI) in <5	1,149	2,296	1,713	903	6,458	2,741	2,564	16,921
	N. of death due to ARI	16	16	7	4	9	11	3	62
	N. <5 death due to ARI	10	4	3	3	7	10	3	37
Community	n. of ARI treated by CHWs		0	0					0
[illegible]									
Hospital	N. of total diagnosis of diarroea	642	978	607	149	0	0	1077	2,727
	N. of total diagnosis of diarroea in <5	401	946	299	121	0	0	833	1,648
	N. of death due to Diarroea		0	0	0	0	0	0	0
	N. <5 death due to Diarroea		0	0	0	0	0	0	0
HCs	N. of total diagnosis of diarroea	8,614	5,755	10,421	1,889	18,925	6,272	26,491	78,067
	N. of total diagnosis of diarroea in <5	5,362	4,043	5,042	1257	12,861	4,002	15,305	31,310
	N. of death due to Diarroea		4	1	0	1	0	0	6
	N. <5 death due to Diarroea		3	1	0	1	0	0	5
Community	N. <5 treated with ORS by CHWs		3,561					833	3,561

The immediate objective of the Project regulated by this Agreement is improving access to and provision of effective health services for the population in the eight districts of the Karamoja region (Abim, Kaabong, Kotido, Moroto, Napak, Nabilatuk, Amudat and Nakapiripirit).

PROJECT OBJECTIVES

The goal of the project is: Contribute to accelerate the process towards Universal Health Coverage (UHC) through the delivery of essential health services in Uganda

The outcome of the project is: Improve Health Service coverage and access in the Karamoja region.

PROJECT EXPECTED RESULTS

The expected results of the Project are:

1. Health facility infrastructure gaps reduced by undertaking selected construction and rehabilitation works.
2. Improved Public Health awareness in the Karamoja region

PROJECT ACTIVITIES

The mains activities of the Project are:

A1.1 Upgrading of 13 Health Centres

A1.2 Rehabilitation of 22 Health Centres

A1.3 Construction of 4 new Health Centres

A2.1 Procurement of vehicles

A2.2 Procurement of 8 public address system

PROJECT INDICATORS

Outcome indicators:

- % of Sub counties with functional Health Centre III
- Maternal mortality rate
- % of people with access to Health facility

Outputs indicators:

- Number of new Health Centre III constructed
- Number of Health Centres upgraded
- Number of Health Centre rehabilitated
- Number of annual outreaches done per district

Activities indicators:

- Out Patient Department utilization rate
- % of approved posts filled by formally trained health workers
- Number of theatres constructed
- Number of maternity wards constructed
- Number of general wards constructed
- Number of staff houses constructed
- Number of vehicles donated
- Number of public address systems donated

SUPPORT UNDER THE SOFT LOAN

COMPONENT 1: INFRASTRUCTURE DEVELOPMENT

This will target selected hospitals and health centres as identified in the needs assessment, taking into account the NRM Manifesto, sector priorities, investments by GOU and other partners in the region. The total investment will be UGX 40.7 Billion.

COMPONENT 2: PRIORITY RE-TOOLING FOR PRIMARY HEALTH CARE

Support to the Local Governments for Primary Health Care through selected re-tooling. The total investment will be UGX 3.3 Billion.

COMPONENT 3: PROJECT MANAGEMENT AND OVERSIGHT (INCLUDING FEASIBILITY ANALYSIS, ESIA AND SOIL STUDIES)

Support to MOH, targeting the Directorate of Planning and Development (DPD) in the following areas:

a) Feasibility analysis, environmental and social impact assessment and Geotechnical investigations
b) Strengthen MOH's capacity to plan, facilitate and monitor the implementation of health investments in the Karamoja Region, enforce minimum service standards, mainstream gender and human rights, and support partnerships. The support will include short-term advisers/consultants, facilitation of vital project staff, and ensuring management oversight at all levels.
c) Compensation of Project supervising Consultants

The total investment in management and oversight will be UGX 6.27 Billion.

PROJECT INVESTMENTS AND INDICATIVE BUDGETS

DISTRICT	SUB COUNTY	INTERVENTION	COST ESTIMATE
1. INFRASTRUCTURE			
AMUDAT	Amudat	Upgrade Katabok (Amudat) HC II to HC III	1,381,142,(
		2 staff houses	360,000,(
		Maternity ward	354,016,(
		2 stance Pit latrine	22,126,(
		5 stance Pit Latrine (at OPD)	40,000,(
		General Ward	345, 0,0
		Store	60,000,0
		Fencing of the health Facility	200,000,0
	Looro Subcounty	Rehabilitation of Achorichor Health Centre II	997,126,0
		2 staff houses	360,000,0
		General Ward	345,000,0
		Store	60,000,0
		Fencing	200,000,0
		2 Stance Pit latrines	22,126,0
		Incinerator	10 0,0
	Amudat Town Council	Rehabilitation of Amudat General Hospital	682,000,0
		Maternity ward	355,000,0
		1 staff House (for the doctors)	172,000,0
		Operating Theatre	100,000,0
		Incinerator	30,000,0
		Placenta Pit	25,000,0
Total Amudat			3,060,268,0

ABIM	Abim Subcounty	**Rehabilitation of Amita Health Centre II**	1,068,000,00
		2 Staff houses	360,000,00
		General Ward	354,000,00
		Maternity ward	354,000,00
	Awach Sub county	**New Health Centre III**	1,800,000,00
	Lotukei Subcounty	**Rehabilitation of Orwamuge HC III**	434,000,00
		General Ward	354,000,00
		Sinking of borehole	30,000,00
		Incinerator	50,000,00
	Magamaga Subcounty	**New Health Centre III**	1,800,000,00
	Morulem Subcounty	**Rehabilitation of Morulem HC III**	460,000,00
		2 staff house	360,000,00
		Store	100,000,00
	Nyakwae Subcounty	**Rehabilitation of Nyakwae HC III**	808,000,00
		General Ward	354,000,00
		Out Patient Department	354,000,00
		Stores	100,000,00
Total Abim			6,370,000,00
NAPAK		**Rehabilitation of St. Kizito Hospital Matany (PNFP)**	1,120,000,00
		4 staff Houses	720,000,00
		Procurement of an Ambulance	400,000,00
	Apeitolim Subcounty	**Upgrade of Apeitolim HCII to HC III**	1,000,000,00

	Iriiri Subcounty	**Upgrade of Iriiri HC III to HC IV**	**1,168,000,**
		Operating Theatre	100,000,(
		2 staff houses	360,000,(
		Maternity Ward	354,000,(
		Paediatric Ward	354,000,(
	Lorengecora Subcounty	**New Health Centre III**	**1,800,000,(**
	Poron Subcounty	**New Health Centre III**	**1,800,000,(**
Total Napak			**6,888,000,(**
NAKAPIRIPIRIT	Loregae Subcounty	**Upgrade Nakale HC II to HC III**	**1,145,126,0**
		Out-Patient Department	354,000,0
		Emergence delivery room	354,000,0
		[DM1] placenta pit	25,000,0
		1 medical waste pit	30,000,0
		2 staff houses	360,000,0
		Functional VIP latrine	22,126,0
	Moruita subcounty	**Rehabilitation of Lemusui HCIII**	**1,499,126,0**
		Out-Patient Department	354,000,0
		Maternity ward	354,000,0
		General ward	354,000,0
		1 Placenta Pit	25,000,0
		1 medical waste pit	30,000,0
		2 Staff houses	360,000,0
		Functional VIP latrine	22,126,0

	Nakapiripirit Town Council	**Upgrade of Nakapiripirit HC III to HC IV**	1,500,000,000
Total Nakapiripirit			**4,144,252,000**
NABILATUK	Lolechat Subcounty	**Rehabilitation of Lolechat HCIII**	1,145,126,000
		Out Patient Department	354,000,000
		Maternity ward	354,000,000
		+ Placenta Pit	25,000,000
		+ [DM2] medical waste pit	30,000,000
		2 staff houses	360,000,000
		Functional VIP latrine	22,126,000
	Natirae Subcounty	**Upgrade of Natirae HC II to HC III**	1,800,000,000
	Lorengedwat Subcounty	**Rehabilitation of Lorengedwat HC III**	1,145,126,000
		Out Patient Department	354,000,000
		Maternity ward	354,000,000
		+ Placenta Pit	25,000,000
		+ medical waste pit	30,000,000
		2 staff houses	360,000,000
		Functional VIP latrine	22,126,000
	Kosike Subcounty	**Upgrade of Nayonai Angikalio HC II to HC III**	1,800,000,000
Total Nabilatuk			**5,890,252,000**
Kaabong	Kaabong Town Council	**Rehabilitation of Kaabong Hospital**	1,430,000,000
		2 staff Houses (for the doctors)	380,000,000
		2 staff Houses	360,000,000

		Rehabilitation of Maternity Ward	345,000,000
		Operating Theatre	345,000,000
	Kaabong East Subcounty	**Rehabilitation of Lokolia HC III**	**714,000,000**
		Maternity ward	354,000,000
		2 staff houses	360,000,000
	Kakamar Subcounty	**Upgrade of Kakamar HC II to HC III**	**714,000,000**
		Maternity ward	354,000,000
		2 Staff houses	360,000,000
	Kalapata Subcounty	**Rehabilitation of Kalapata HC III**	**360,000,000**
		2 staff houses	360,000,000
	Kamion Subcounty	**Upgrade Kamion HC II to HC III**	**1,000,000,000**
	Kathile Subcounty	**Rehabilitation of Kathile HC III**	**360,000,000**
		2 staff houses	360,000,000
	Kathile South Subcounty	**Upgrade of Nariamaoe HC II to HC III**	**1,000,000,000**
	Lobalangit Subcounty	**Rehabilitation of Lobalangit HC III**	**360,000,000**
		2 Staff houses	360,000,000
	Lokori Subcounty	**Upgrade to Lokori HC II to HC III**	**1,000,000,000**
	Sangar Subcounty	**Upgrade Kalimon HC II to HC III**	**1,000,000,000**
		Rehabilitation of Kalongo Hospital (In Agago District but serves Kaabong also)	**1,520,000,000**
		4 Staff housing	720,000,000
		Perimeter Fence	300,000,000

		General rehabilitation of hospital buildings	500,000,000
Total Kaabong			9,458,000,000
KOTIDO	Kacheri Subcounty	**Rehabilitation of Kacheri HC III**	1,433,000,000
		2 Staff houses	360,000,000
		4 stance pit latrine	40,000,000
		Maternity ward	354,000,000
		General ward	354,000,000
		Fencing	200,000,000
		Incinerator	50,000,000
		Solar and rainwater harvesting	50,000,000
		Placenta pit	25,000,000
	Kotido Subcounty	**Rehabilitation of Lokitelaebu HC III**	365,000,000
		4 Stance pit latrine	40,000,000
		Placenta pit	25,000,000
		Fencing	200,000,000
		Incinerator	50,000,000
		Solar and rainwater harvesting	50,000,000
	Nakaperimoru Subcounty	**Rehabilitation of Nakapelimoru HC III**	365,000,000
		4 Stance pit latrine	40,000,000
		Placenta pit	25,000,000
		Fencing	200,000,000
		Incinerator	50,000,000
		Solar and rainwater harvesting	50,000,000
	Rengen Subcounty	**Rehabilitation of Rengen HC III**	365,000,000

		4 Stance pit latrine	40,000,000
		Placenta pit	25,000,000
		Fencing	200,000,000
		Incinerator	50,000,000
		Solar and rainwater harvesting	50,000,000
	Kapadakook Division	**Rehabilitation of Panyangara HC III**	115,000,000
		4 Stance pit latrine	40,000,000
		Placenta pit	25,000,000
		Solar and rainwater harvesting	50,000,000
Total Kotido			2,643,000,000
MOROTO	Katikekile Subcounty	**Rehabilitation of Kakingol HC III**	554,000,000
		Maternity ward	354,000,000
		Fencing	200,000,000
	Nadunget Subcounty	**Rehabilitation of Nadunget HC III**	714,000,000
		Out Patient Department	354,000,000
		2 staff houses	360,000,000
	Tapac Subcounty	Upgrade of Kosiroi HC II to HC III	1,000,000,000
Total Moroto			2,268,000,000
1 SUB-TOTAL INFRASTRUCTURE			40,721,772,000
2 PUBLIC HEALTH RETOOLING			
8 4WD Vehicles			3,200,000,000
16 Motorcycles			160,000,000

8 Public Address system		28,000,000
2 SUB-TOTAL PUBLIC HEALTH RETOOLING		**3,388,000,000**
3 PROJECT MANAGEMENT UNIT		
	Compensation of Project supervising Consultants	2,000,000,000
	Project coordination office support	232,200,000
	Project assistant	77,400,000
3 SUB-TOTAL PROJECT MANAGEMENT UNIT		**2,309,600,000**
TOTAL LOAN CONTRIBUTION		**46,419,372,000**
Exchange Rate		1 Euro = 4500 Shillings
GOU COUNTERPART		
	Fuel	300,000,000
	Allowances (Including travel inland)	240,000,000
	~~Short-Term consultancy~~	~~2,000,000,000~~
	Semi annual coordination meetings	120,000,000
	Environmental and Social Impact Assessment	300,000,000
	4 Vehicles (pick-ups) for Clerks of Works	1,000,000,000
SUB-TOTAL GOU COUNTERPART		**1,960,000,000**
GRAN TOTAL ESTIMATED PROJECT COST		**50,379,372,000**

DEFINITION OF KEY ACTIVITIES

Health Centre II

A Health Centre II is the lowest Health facility of a Local Government. It serves a target population of 5000. The Health Centre II ~~serves the~~ relieves pressure on higher level [DM3] Health Facilities due to preventable maternal and child health conditions and other health conditions associated with poor nutrition, poor hygiene and risky lifestyles and habits.

Health Centre III

In addition to the basic curative and preventive services offered at HCII, the HCIII provides 24 hour maternity, accident and emergency services and beds where health care users can be observed for a maximum of 48 hours and has a laboratory. Its target population is 20,000.

Upgrade of HC II to HC III

There has been a policy shift by the Government of Uganda to have Health Centre IIIs in all sub counties. This has therefore led to the need to upgrade Health Centre II to Health Centre III level to fill the gap in Sub Counties that have HCIIs but no HCIIIs. Upgrading a Health Centre II to HCIII requires infrastructural development including; construction of a General ward, maternity ward and staff houses which the project seeks to undertake.

Upgrading HCIII to HCIV

Health Centre IVs are mainly PHC referral facilities where patients are assessed, diagnosed, stabilized and either treated or referred back to lower level facilities or higher level facilities. The HCIV brings inpatient and emergency services including emergency obstetrics care closer to the population in rural areas. The HCIV serves a target population of 100,000.
The infrastructural requirements when upgrading a HCIII to a HCIV include construction of a theatre and staff houses.

MANAGEMENT AND ORGANISATION

Implementation arrangements

The Project will be implemented as part of the overall work plan of MOH.—Annual planning and budgeting for the project activities takes place as part of the overall planning process in MOH.
The day-to-day management of the project will fall under the Director of Planning and Development, with regular coordination meetings held monthly throughout the implementation period. The Project Steering Committee will be chaired by the Permanent Secretary of the Ministry of Health and comprise of representatives of AICS, MOFPED, OPM, MOH, MOLG, LGs and Civil Society.

Technical Assistance

AICS, the Italian Cooperation Agency, will periodically provide technical assistance in the process of implementation of the project.

SUSTAINABILITY

Institutional sustainability: All infrastructure developments in the project will be part of the wider health sector development plan (HSDP).

Economic sustainability: Equipment, human resources, and recurrent budgets for management and operations of developed infrastructure will be provided in the GOU annual budgets. The Health Unit Management Committees (HUMCs) and Local Governments (LGs) will be issued with guidelines on sustainable management of infrastructural investments by the Ministry of Health. It will be mandatory for the Local Governments to include the management and operations of the infrastructure investments as part of their annual recurrent budgets.

Environmental sustainability: The environmental safeguards guidelines, if properly implemented, will ensure the sustainability of the project. All the Health Centres built and upgraded in the project will have the solar panel system and water harvesting.

FINANCIAL MANAGEMENT, AUDIT AND PROCUREMENT

Financing

The project is to deliver the Uganda National Minimum Health Care Package (UNMHCP) in the hard-to-reach areas, through provision of infrastructure at selected health facilities in the Karamoja region districts of Abim, Kaabong, Kotido, Moroto, Napak, Amudat, Nabilatuk and Nakapirpirit.

The Project shall be implemented through the existing Institutional arrangements of Government.

It is proposed that the project shall be implemented in 36 months, starting 1st July, 2019 to 30th June 2022. This period is broken down as follows:

i) Project Preparation (including preparation of Updating of the Project Document and Project Approval, ESIA and Geotechnical investigation, Preparation of Project Implementation Manuals, Preparation and Finalization of Engineering Designs and Tender Documents, Procurement of Contractors): 12 Months-up to 30th June, 2019

ii) Implementation of the Works: 24 Months

iii) Defects Liability Period: 12 Months

The project financing is €10 million (Euros Ten Million) soft loan from the Government of Italy and UG X 3.96 billion as co-financing by the Government of Uganda. The Government of Uganda co-financing is to cover project studies and feasibility analysis, and project management expenses.

Financial management and Flow of funds

The Finance and Accounts section of the Ministry shall be responsible for the management of the financial resources, based on the existing financial management guidelines. There will be bank accounts operated in the Bank of Uganda exclusively for the Project in accordance with the existing institutional framework. The signing of the Financing Agreement by GOU and the Republic of Italy will activate the coming into effectiveness of the soft loan facility. The Italian Government will disburse 50% of the funds to the Project Account in Bank of Uganda through a formal request by the MOFPED, by 1st July, 2019, after approval of the implementation plan, budget and implementation guidelines. MOFPED will provide the Italian Embassy in Uganda with a receipt for transferred funds. Subsequent disbursement of funds will be contingent on satisfactory accountability of funds and/or financial reports and statements and audit reports for previously disbursed or transferred funds.
Annual tracking studies will be carried out to verify that funds released are reaching the end-user and are spent on items according to guidelines and especially covering the value for money aspect.

Accounting

MOH will take the overall responsibility for the accounting of all funds. It will account according to the rules and regulations for soft loan, GOU Public Finance and Accountability Act, complemented by the Project Financial Management Guidelines.
A project account shall be operated in Bank of Uganda. The first account shall be a special replenishment account in euros to serve the purpose of disbursements from the Government of Italy. The second account shall be in Uganda Shillings for operational purposes to be operated by the accounting officer, Ministry of Health with authority from the MOFPED.
The first instalment of Euros 5 million will be disbursed upon receipt by DGCS of a copy of the signed Financial Agreement and a work-plan for the first year of project implementation signed by both parties. The subsequent instalment of Euros 5 million (2.5 million each) will be disbursed upon delivery by MOH of the annual reports showing that at least 80% of the first instalment has been utilized and appropriately accounted for.
It is understood that the schedule of disbursements will be based on the planned implementation schedule and that it may, on the basis of disbursement rates as reflected in the certified cumulative financial statements, be adjusted to reflect actual progress made in the project.

The Project will be for a period of three years, beginning on the date of receipt of funds from the DGCS in the MOH Account.

Auditing

The Project Financial Statements are subject to annual Statutory Audit by the Office Auditor General of the Republic of Uganda and a report issued. The audit report must be formally submitted to the Republic of Italy. The parties may institute more frequent or specially focused compliance or value-for-money audits if required. All audits will be submitted at the latest six months after the end of the financial year.

Procurement

Procurement of goods and services will follow GOU processes and procedures, and will be by National Competitive Bidding. The procurement will be carried out in accordance with the Public Procurement and disposal of Assets Act (PPDA), 2003. A procurement plan for the duration of the project will be prepared at the beginning of the programme. To encourage optimal participation of local firms, procurement will be lotted. The Embassy of Italy will have the right to hire a consultant to check that all procedures have been followed and work is carried out according to agreement in order to achieve value for money.

MONITORING, REPORTING, REVIEWS AND EVALUATIONS

Routine monitoring of health sector performance
Monitoring of outputs will be largely based on a jointly agreed indicator set for monitoring the HSDP as outlined in the HSDP monitoring and evaluation framework. The indicators will be measured annually and reported on in the quarterly and annual project performance reports and the Annual Health Sector Performance Report (AHSPR). The following health indicators will be monitored for the Project.

Improved key strategic health objectives:

- Infant mortality rate
- Maternal mortality rate

Improved utilization of health care:

- OPD utilization rate

Improved quality of health care:

- % of facilities without any stock-outs of Artemether, Fansidar, Vaccines, Depo Provera, ORS, ARVs and Cotrimoxazole
- % of approved posts filled by formally trained health workers

Improved access to maternity services:

- % of deliveries in health care centres

Improved family planning:

- % met demand for family planning services

Improve children's access to immunization care:

- % of children fully immunized

Infrastructure monitoring and evaluation shall be carried out by a team appointed by the Accounting Officer in collaboration with the Health Infrastructure Division of the Ministry of Health. Monthly site meetings shall be carried out at which the progress and quality of worked produced by the Contractors shall be assessed. All stake holders including representatives of the Italian Embassy in Uganda and Local Governments shall be represented in these meetings. MOH will provide to the Italian Embassy semi-annual and annual technical progress and financial reports. The technical progress reports will include compliance with the technical infrastructural specifications.
Cross-cutting issues such as gender, disability, environment, climate change, poverty and HIV/AIDS will be explicitly included in the monitoring undertaken by the Office of the Prime Minister and the MOFPED. –The risks and assumptions identified in the project will be monitored as part of the overall process of sector monitoring and review.

Data sources
Baseline data for the HSDP, the DHIS 2, financial information from MOFPED, periodic surveys, and additional monitoring by the Project Coordination Team and Area Teams.

Mid-term review and end-term evaluation
There will be a Mid-Term Project Review and an End-Term Evaluation.

Timing of key monitoring instruments
Regular reports will be used to assess progress against project targets and include Quarterly and Annual Project Progress Reports. These will be produced by MOH and disseminated to the project Districts, Central Government (MOFPED, OPM, President's Office, Internal Auditor General, Parliament, AICS and Government of Italy).

Annual Health Sector Performance Report (AHSPR)
The AHSPR is institutionalised and is very useful in highlighting areas of progress and challenges in the health sector. –In particular the following will be used to assess performance:

- District League Table
- Hospital League Table
- Central-level project assessment

ASSESSMENT OF KEY ASSUMPTIONS AND RISKS

Key assumptions

- It is assumed that political stability and peace will be maintained in the Country, and Karamoja Region in particular.
- It is assumed that the human resources and recurrent budgets required to operationalize established infrastructure will be optimally planned for and provided within the GOU plans and budgets.
- It is assumed that the support to the Karamoja Region will be comprehensive and given in a coordinated manner and framework. GOU and HDPs must coordinate their support to the Region and work together within the SWAp.
- It is assumed that MOH's top management is committed to the established system for integrated monitoring and supervision of the districts and will maintain the profile of the Area Teams.
- Inflation and exchange rate do not suffer strong and permanent fluctuations
- Feasibility study ~~done~~carried out
-
- The GOU takes ~~in charge~~ of all the new Health Centres built
- ~~Feasibility study done~~

Key Risks

- Rapidly changing weather and climatic patterns in the Karamoja Region affecting unit construction price estimations. This will be mitigated by earlier ESIA and ~~Soil studies~~geotechnical investigations.
- Economic growth projections are realized so as not to adversely affect input prices, and provision of HRH and recurrent budgets.
- Corruption risk, to be mitigated by adherence to rules and regulations governing procurement and financial management, optimal management stewardship and oversight.

IMPLEMENTATION ARRANGEMENTS

Governance, Management and Organization

Governance will follow GOU governance and reporting procedures and structures. The Project will have a multi-sectoral steering committee from all project stakeholders (MOFPED, MOH, MOLG, OPM, MOKA, AICS, LC V Chairpersons, CAOs and DHOs from the Karamoja Region). The steering committee will be headed by the Permanent Secretary, MOH, deputized by the PS, MOKA. The Steering Committee will meet quarterly to review project progress and give guidance on project execution.

Day-to-day project management will be streamlined within the Planning department, which will act as secretariat. It will have a Project Coordinator, Project Assistant, Clerks of Works who will be field-based, and a Secretary and all will report to the CHS (P), and

the SBWG. The day-to-day management of the project will be by the PC and Management will organize regular monthly coordination meetings.
The SBWG will subsequently make quarterly project progress reports to the Senior Management Committee (SMC), and subsequently to the Health Policy Advisory Committee (HPAC), and Senior Top Management Committee (STMC).
A field project progress report will be shared on a ~~half-yearly~~ biannual basis ~~in the Karamoja Region~~ with all stakeholders at a ~~half-yearly~~ biannual project progress workshop to be held in the Karamoja Region.
The Accounting Officer will compile the quarterly technical and financial reports of the Project, and share them with Ministry of Finance, Planning and Economic Development, who will subsequently validate them and submit them to the Embassy of the Republic of Italy in Uganda.
Annual audit of the Project will be conducted by the office of the Auditor General, and the reports will be widely shared with all stakeholders, including the Karamoja Development Partners Group. In addition, the Republic of Italy will have the right to commission forensic audits of the Project if any governance and management challenges are flagged by stakeholders.

Relation to Private-Not-For-Profit Sub-Sector and Civil Society
The Project will make specific targeted investments in Matany and Kalongo Hospitals, which are PNFP hospitals in the Karamoja Region, and selected PNFP HCs, so as to contribute to holistic development of the Karamoja Region Health System. This also supports MOH to mainstream the public private partnership for health initiative in the Karamoja Region, as part of the wider national policy on Public-Private Partnerships in Health.
Civil society and community groups within the Karamoja Region will be involved in monitoring of project implementation, and give feedback during the ~~half-yearly~~biannual coordination workshops held in the Karamoja Region.

IMPLEMENTATION PLAN

The Project implementation plan and budget will be fully integrated into the annual MOH and district action plans and budgets. –There will therefore be no separate implementation plan for the Project.
The Project shall be managed by the MOH through the existing institutional arrangements of Government.
The Permanent Secretary, Ministry of Health, who is the overall Accounting Officer shall assign a Project Coordinator, who shall be a senior employee of Government. The Project Coordinator shall be responsible for the day to day operations and management of the project and coordinating linkages between all stake holders.
In addition a Project officer shall also be appointed in form of technical assistance by AICS to assist the Project Coordinator on the administrative and reporting aspects of the project. The costs for the Project officer shall be borne from the grant component. Task compensation of the Project Coordinator for project-specific activities shall be borne by the grant component. Regular consultations with the beneficiary districts coupled with

seeking staged approvals from the Italian Embassy in Uganda shall be conducted right from feasibility studies throughout project implementation.

CONTRIBUTION TO CROSS-CUTTING ISSUES AND PRIORITY THEMES

Gender: Gender concerns will be addressed by the Project, especially gender mainstreaming. The MOH DHIS-2 will continue to routinely disaggregate data by sex and age, which is so important for gender responsive planning. The project will especially support the sexual and reproductive rights/health of women and the youth.

Environment: Environmental and social impact assessment and ~~soil studies~~geotechnical investigations will be conducted as part of the project development process, and prior to project implementation, so that social and environmental safeguards guidelines are prepared for the project. Climate change mitigation measures will also be explicit within the guidelines. All infrastructure developments will have solar energy harvesting technologies installed to support lowering of energy bills for the health facilities. Water harvesting mechanisms will also be installed at all project sites.

Disability, Human rights and democratisation: The project will apply a rights-based approach to health. It will strive to ensure equity and equal access to health for all. Special attention will be given to ensuring the rights of women, and sexual and reproductive health, and to addressing special needs of the differently-abled persons (or disabled persons), Internal Displaced Persons (IDP) and nomads. All the new Health Centres will follow the inclusion of persons with disabilities in the design project (ramps, enlarged doors and tools for toilet)

Synergy: There is synergy between the Italian support to the health sector in the Karamoja Region and other Government and Health Development Partner (HDP)-supported programmes in Karamoja such as investments in fiscal decentralisation, good governance & human rights, water & sanitation and agriculture.

SUMMARY OF THE INTERVENTIONS

KIND OF INTERVENTION	NUMBER OF INTERVENTION
Upgrade HC ~~2~~ to HC ~~3~~[DM4]	11
Upgrade HC ~~3~~ to HC 4	2
Construction of new HC ~~3~~	4
Staff house	45
Maternity ward	12
Pit latrine	31
General ward	7
Store	4

Fencing	8
Incinerator	7
Operating theatre	3
Placenta pit	10
Sinking borehole	1
Out-patient department	6
Paediatric ward	1
Medical waste pit	4
General rehabilitation of hospital buildings	1
Solar and rainwater harvesting	5
Emergency delivery room	1
Ambulance	1
4WD vehicle	8
Motorcycle	16
Public address system	8