



WORLD BANK GROUP

Uganda Country Partnership Framework

Consultations with Partners and Stakeholders

November 2015 – January 2016

The World Bank Group

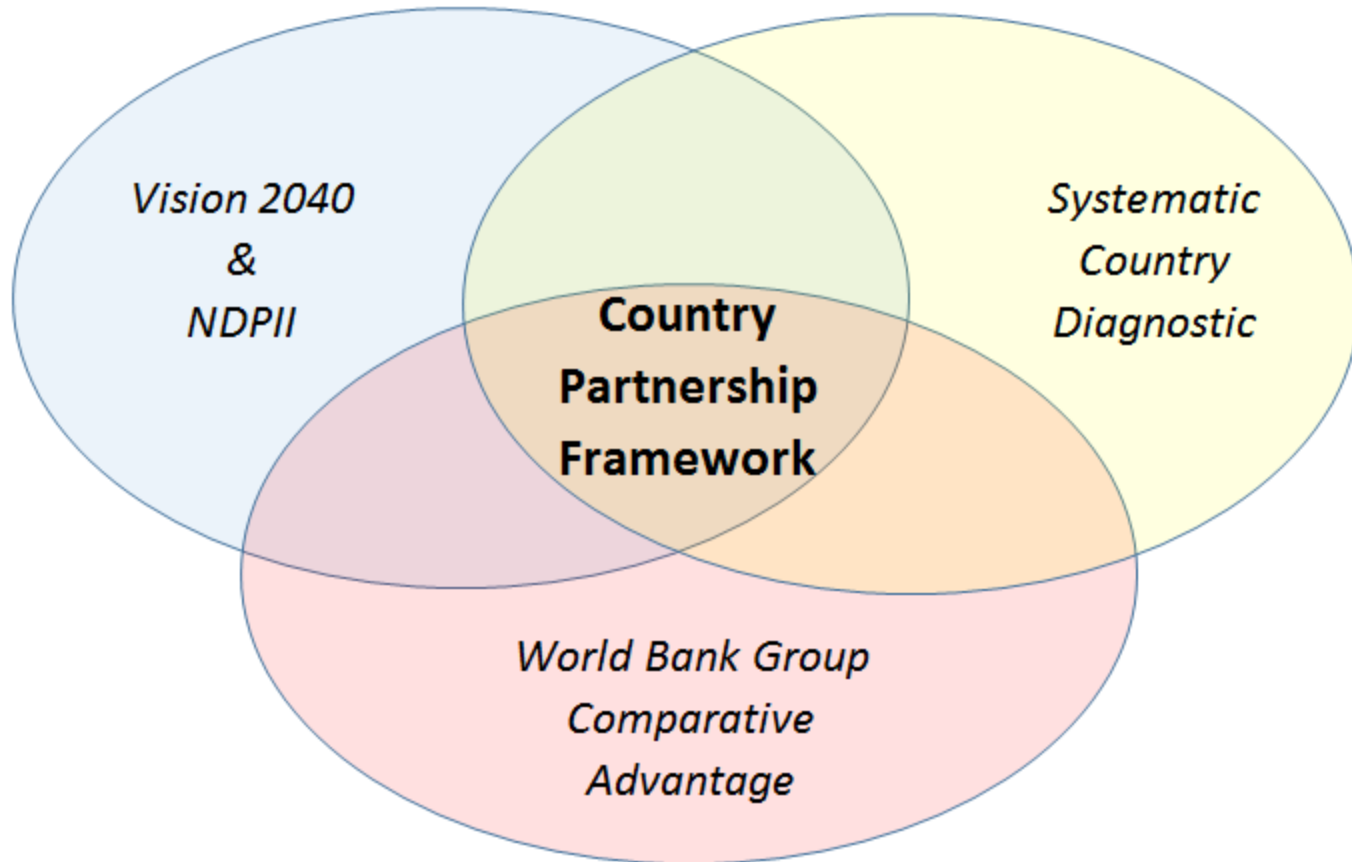
- Overarching mission is a world free of poverty
- Two goals for the world to achieve by 2030:
 - End extreme poverty by decreasing the percentage of people living below the poverty line to no more than 3%
 - Promote shared prosperity by fostering the income growth of the bottom 40% for every country

Strengthened Country Engagement Process



- SCD—analytical underpinnings for CPFs
- **CPF**—WBG program based on SCD, WBG comparative advantage and country demand
- PLR—updates CPF to reflect implementation progress.
- **CLR**—assess CPF results and draws lessons learned

CPF Selectivity Filters



Second National Development Plan

- Second National Development Plan (NDPII) launched on June 11, 2015
- Articulates medium-term strategic direction, development priorities and implementation strategies for period FY16-20
- Goal is to attain middle income status by 2020
- Means include private sector-led, export oriented, quasimarket approach, fast tracking infrastructure, industrialization and skills development strategies

NDP II Theme and Objectives

- NDP II theme: “Strengthening Uganda’s Competitiveness for Sustainable Wealth Creation, Employment and Inclusive Growth”
- Four overall objectives:
 - i. Increase sustainable production, productivity and value addition in key growth opportunities
 - ii. Increase the stock and quality of strategic infrastructure to accelerate the country’s competitiveness
 - iii. Enhance human capital development
 - iv. Strengthen mechanisms for quality, effective and efficient service delivery

Systematic Country Diagnostic

- Provides the foundation for the CPF
- Prepared in close consultation with national authorities and other stakeholders
- Analytical exercise identifying challenges and opportunities for accelerating progress towards the twin goals in Uganda
- Looks at all areas, including those where the WBG is not active or expects government demand

SCD: Uganda's Progress on WBG Twin Goals

Where is Uganda on reducing extreme poverty to 3% and boosting shared prosperity (consumption growth of the bottom 40 percent)?

- Significant poverty reduction (54.6% in 2002/2003 – 19.7% in 2012/2013)
- Wide inequality with 85% of the poor found in the North and Eastern Uganda
- Two-thirds of the population is vulnerable

SCD: Performance on key development indicators

- Uganda's GDP per capita (\$660) below the SSA average (\$1660) and LMIC (\$2070)

	Uganda	Sub-Saharan Africa
Primary education completion rate (% of relevant population group)	57	69
Access to electricity (% of population)	14	24
Access to bank credit (% of firms)	10	24
Voice and accountability (WGI percentile rank)	30.8	32
Direct support to social protection programs (% of GDP)	0.4	1.1

Historically strong economic growth

- Recovery following political stability after long conflict (catch up, aid surge)
- Liberalization and pro-market reforms policies in support of consumption, investment and export growth
- Factor accumulation following the 1990 productivity gains
- Improved access to basic education and health services

Recent Economic Slowdown

- Exogenous shocks - global economic crisis, droughts, price fluctuations
- Ineffective fiscal/monetary policy and weak governance
- Low investment in agriculture and industry with lower returns on investment
- Decline in private consumption following sluggish performance of agriculture
- Quality of jobs created: Mostly low productivity non-farm (micro) activities
- Limited access and Quality of service delivery (teacher absenteeism, poor diagnosis (health), inadequate curricula and incentives systems (education))
- Low access to electricity, clean water and transport infrastructure by the poor

Moving Forward

Capitalize on game changers and address key challenges to growth, inclusion and sustainability

- Exploiting large reserves of extractives (6.5bn barrels of oil and 27 other minerals), BUT extractives may create havoc if poorly managed
- Regional cooperation to improve market access and reduce transport costs. Still high reliance on a few sectors and products (low export diversification index)
- ICT adaptation – the mobile phone revolution
- Accelerating urbanization

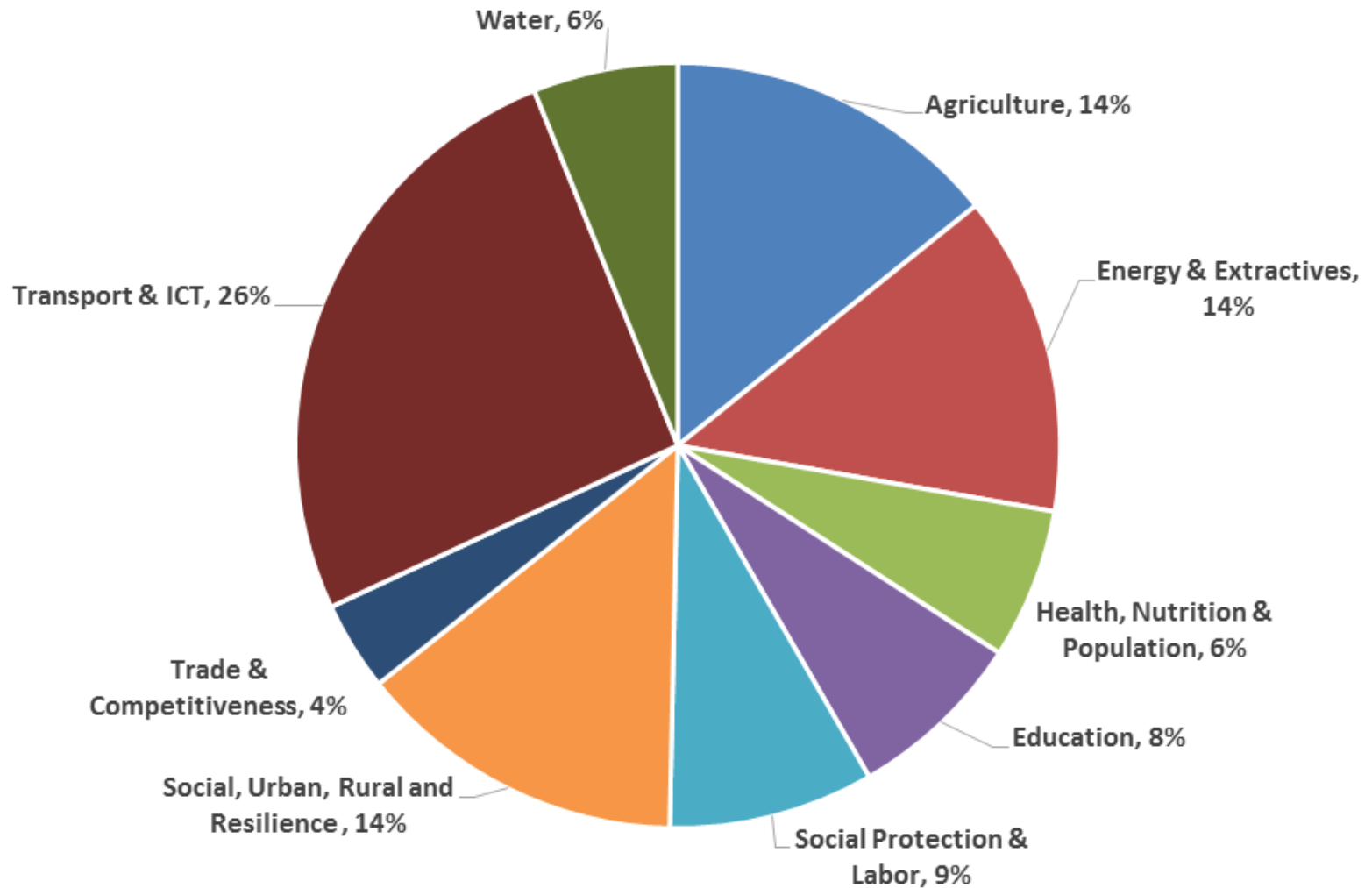
SCD Priorities and Actions

PRIORITY AREAS	PROPOSED ACTIONS
1. Macro-fiscal stability	Domestic revenue mobilization; improving PFM; debt management and oil revenue management
2. Agricultural productivity and commercialization	Water for production; storage facilities; extension services; inputs; rural feeder roads; access to finance; and land management
3. Consumption smoothing	Social protection and access to credit and financial services, particularly, savings instruments for individuals
4. Public service delivery	Public health and education expenditures management; quality of public services (education, health, water and sanitation, electricity, roads, land and the internet) by addressing sector specific challenges; demand side of good governance
5. Urbanization	Urban policy and legal framework, land tenure system, housing availability and institutional capacity; and urban public transport
6. Fertility management	Family planning services and the use of contraceptives
7. Private sector competitiveness and diversification	Low cost access to finance and basic infrastructure; technical and vocational training; women's participation in the labor market; skills for and around the oil sector and in other productive sectors such as tourism
8. Public sector effectiveness	Instilling a delivery focus; sanction mechanisms and fiduciary management systems; local government accountability and local revenue management; specialized capacity for the oil sector

Current World Bank Group Program

- Guided by the Country Assistance Strategy (CAS) FY11-FY15. Four focus areas (11 objectives):
 - i. Promote Inclusive and Sustainable Economic Growth;
 - ii. Enhance Public Infrastructure;
 - iii. Strengthen Human Capital Development; and
 - iv. Improve Good Governance and Value for Money
- 24 interest rate free loans and grants (US\$2.65bn)
- IFC commitments (US\$276m) and MIGA exposure (US\$146m)
- Complemented by large knowledge and trust fund portfolio

Portfolio Composition



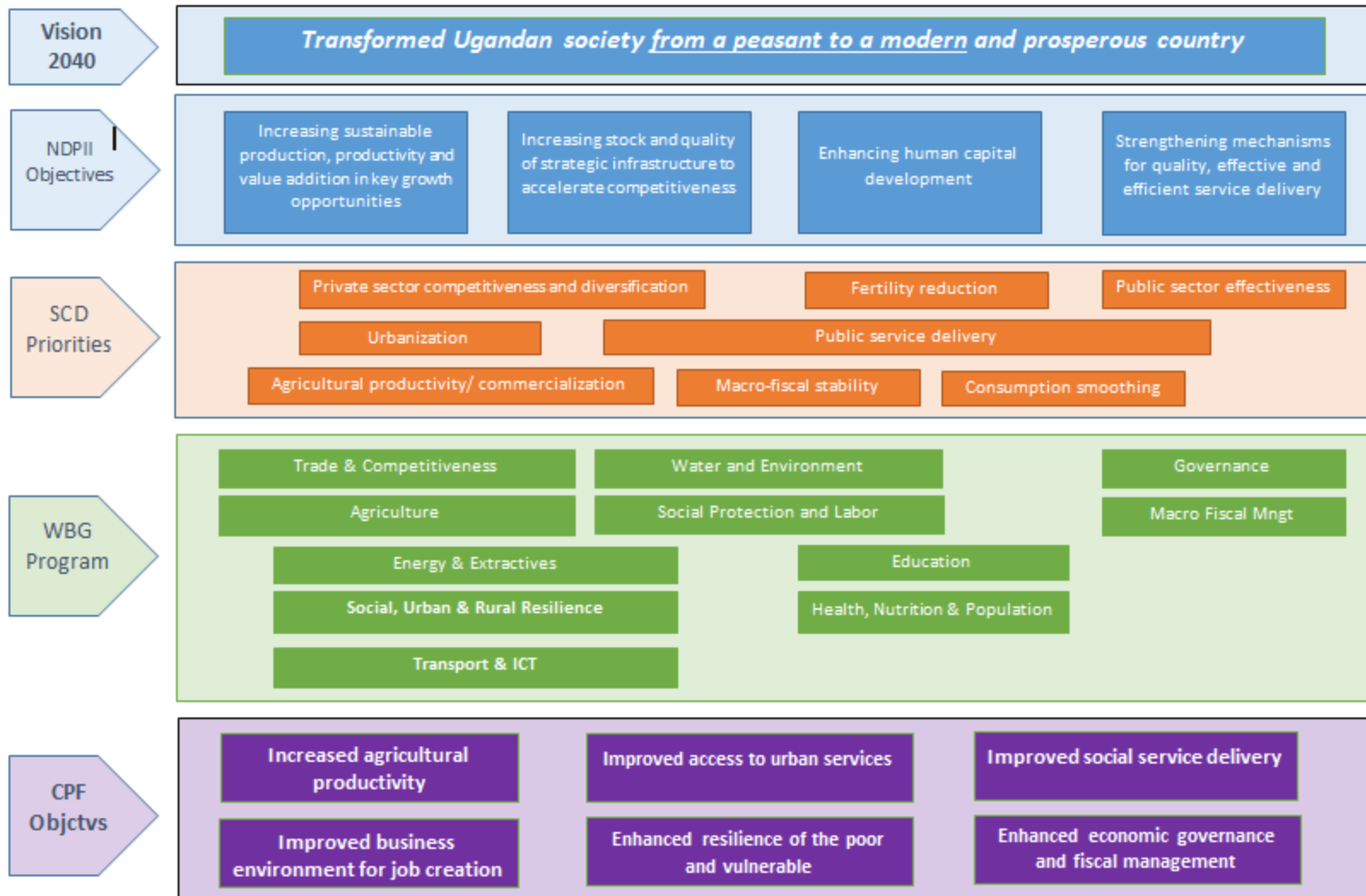
Collaboration and Partnerships

- Collaboration with stakeholders during project design and implementation
- Operational collaboration with CSOs in Bank-funded projects
- Support to CSO to improve public services and promote good governance through Global Partnership for Social Accountability Grant
- WBG co-chair of Local Development Partners' Group

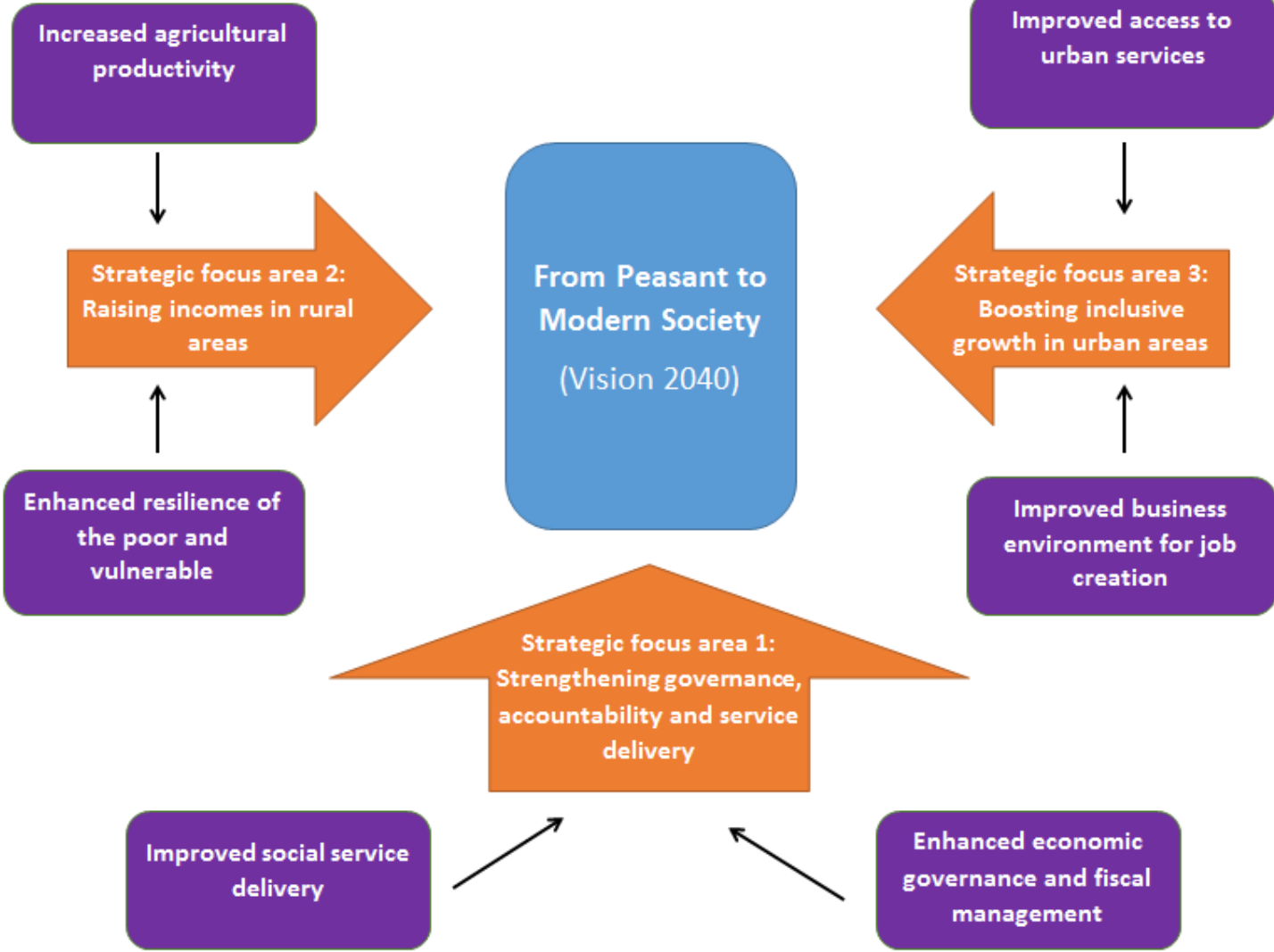
Experiences and Lessons

- Project implementation is challenge
- Develop strategy around national priorities
- Promote early and strong ownership
- Focus interventions on few realistic objectives

Mapping the Priorities



Proposed Focus Areas and Objectives





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