

Integrated Safeguards Data Sheet (Initial)

Section I - Basic Information

Date ISDS Prepared/Updated: 06/05/2003

A. Basic Project Data (from PDS)

I.A.1. Project Statistics

Country: UGANDA	Project ID: P050440
Project: Uganda Capacity and Performance Enhancement Program (CAPEP)	Task Team Leader: Denyse E. Morin
Authorized to Appraise Date: November 10, 2003	IBRD Amount (\$m):
Bank Approval: March 25, 2004	IDA Amount (\$m): 70.00
Managing Unit: AFTPR	Sector: General public administration sector (100%)
Lending Instrument: Technical Assistance Loan (TAL)	Theme: Other public sector governance (P)
Status: Lending	

I.A.2. Project Objectives (From PDS):

To enhance and sustain the capacity and performance of the public service to deliver services effectively and efficiently at levels consistent with raising and sustaining the growth, diversification, and modernization of the economy, and with the Government of Uganda (GOU)'s poverty reduction targets.

I.A.3. Project Description (From PDS):

Strategic Overview

CAPEP's components will be designed to support on a flexible basis a comprehensive and programmatic approach for capacity building and performance improvement of public sector institutions. In every case, the overriding aim will be to enable the sector developments programs as well as the individual public sector organisations (primarily MDAs) to meet the objectives and targets of Uganda's Poverty Eradication Action Plan (PEAP). In this context, furthermore, the program will accord priority to the target outputs and outcomes laid out in the policy matrices of successive Poverty Reduction Support Credits (PRSCs).

Building on the lessons of experience with past capacity building projects, the components of the proposed CAPEP will reflect a decisive shift of focus from supply-driven to demand-driven interventions. Accordingly, MDAs will identify the need for capacity building support based on strategic plans to improve their performance to achieve the PEAP and PRSP objectives. Even in the interventions to support supply-side capacity building institutions, i.e. select key local training organisations, the program support will be demand-driven. In other words, CAPEP support to the training organisations will be conditional to commitment on demonstrable efforts to achieve clearly defined and concrete outputs and outcomes linked to enhanced capacity and performance of the public service. Furthermore, such support will not be predetermined, but instead it will be based on detailed proposals originating from the beneficiary organizations that will have to meet specific criteria for assistance.

Capacity and Performance Enhancement Fund (CAPEF)

CAPEF is the key strategic, financing and implementation instrument for the program. In this sense, CAPEF is the core component of the program. It will facilitate a programmatic, demand-driven and flexible funding approach to the program. Thus, as already stated, program funds will not be tied to specific inputs and/or organizational units, as it would be done under a conventional project approach. Instead, the use of program funds will be related to the implementation of specific capacity and performance enhancing interventions that a public organization will identify as part of its program to improve its processes for service delivery or cross-cutting interventions to be specified during preparation. It is anticipated that Government and donors will jointly establish a CAPEF.

CAPEF will have separate windows for each of the three program components that are described below. These windows and criteria attached to accessing the funds will be linked to enhancing capacity and performance in the four key result areas mentioned above mainly: (i) improved strategic leadership and management for decision-makers; (ii) increased number and quality of professional staff; (iii) efficient and up-to-date management structures and systems; and (iv) enhanced integrity, transparency and accountability.

Funding for the sector-wide capacity and performance enhancement plans will be accessed from CAPEF also on the basis of presentation of consolidated annual work plans and budgets which derive from detailed plans and budgets prepared by each of the sector agencies participating in the program. These funds will be released in tranches on the basis of validated confirmation of proper use of previous tranches and demonstrated progress in achieving planned performance indicators that will be linked to the PEAP and PRSP and that will lead to the development of strategic plans for performance improvement by sector agencies.

MDAs will access funds from CAPEF on the basis of presenting funding proposals that are backed by annual work plans and budgets for capacity and performance improvement. These plans will specify the outputs to be attained by the MDA in each of the four key results areas outlined above. Linkages with the PEAP and PRSP will have to be clearly identified. Flexibility implies that funds will be disbursed from CAPEF, in the form of scholarships, grants and other financial awards, and not as discrete inputs.

The activities covering each of the key results areas for each MDA will be funded under the CAPEF as a package, based on activity-specific annual work plans and budgets. The annual work plans and budgets will derive directly from the MDAs' medium-term strategic plans that specify the outputs and outcomes for enhancing capacity and performance improvement related to government's overall poverty reduction strategy. Each MDA's medium-term plan will be consistent with its sector development plan and the MTEF. The annual plans and budgets will reflect the operationalization of ROM and OOB by the MDA. But, as mentioned previously, CAPEF would also support multi-MDAs initiatives or even broader, across-government capacity building activities for functional skills. However, it is understood that the interventions would have to be closely linked to the overall objective of performance improvement of the public service, and that MDAs' strategic plans will generally be the basis for support.

An Inter-Ministerial Group (IMG) of senior officers from MFPED, MPS and three or some

selected MDAs will make decisions as to which MDAs and sector capacity building plans will be financed under the CAPEF. The IMG will be technically supported by, possibly, the proposed Capacity Building Secretariat at the MFPED. The Secretariat will technically guide the preparation and control the quality of the proposals for funding by MDAs and the Sector Working Groups. The IMG will be responsible to assess the quality of these proposals, their adherence to the specified criteria and to formally approve the funding through CAPEF.

Details of the guidelines, evaluation criteria and technical support to enable MDAs to plan and prepare sound proposals for support under CAPEF, and to specify the institutional arrangements for the use of CAPEF will be developed during program preparation.

In the context of the above, it is envisaged that CAPEF will have three main components, two on the demand-side and one on the supply-side. The demand-side components will be:

- (i) Cross-sectors and sector-wide institution building.
- (ii) Support to Individual Public Sector Organisations.

The supply-side component will be:

- (iii) Support to select key local training institutions.

(i) Cross-sectors and sector-wide institution building component

Proposals to support sector-wide capacity building interventions may be spearheaded by a lead sector agency but would relate to the agreement reached with GOU for sector development under the PRSCs (poverty reduction support credits). They could also be the product of the sector working groups (SWGs) established under the MTEF initiative. In every case, nonetheless, the SWGs would need to endorse such proposals. The requests would follow the broad principles underpinning the public service reform program. Eventually, a MDA would need to develop a full strategic plan for performance improvement to continue to be eligible for support under CAPEF. A study conducted by WHO (case studies in the health sector, 2000) clearly links the issue of sector capacity to broader issues related to public service reforms.

Assistance at sector level for strategic development is the stepping stone for MDA-level strategic planning. Therefore, this particular component would support the identification of institutional issues and constraints to sector development, and provide assistance to specify strategic objectives and outcomes for sector-wide performance improvement.

During project preparation, more analytical work will be undertaken to underline the efficacy and scope of this type of interventions, and to specify guidelines for processes, procedures and formats for the proposals to be supported under the capacity and performance enhancement fund (CAPEF).

(ii) Support to Individual Public Sector Organizations Component

Experience shows that support for sustainable capacity building and performance improvement by the MDAs must be embedded in the management and service delivery systems and processes of these organizations. Too often, capacity building interventions have been unplanned and opportunistic. They have been targeted at individuals in those organizations irrespective of their status and roles and moreover of the pertinence to the responsibilities of these individuals in the organizations. Under CAPEP, training support to MDAs will be organizationally and not individually-based. Thus capacity building support will be designed taking into account a perspective that encompasses a "total-systems" approach.

Accordingly, sustainable capacity building in the MDAs will be pursued within a results-based performance improvement framework. The key elements of such a framework are either already in place or are being put in place. Through the MTEF initiative, MDAs have been oriented towards strategic allocation of resources according to priority policy objectives. An output-oriented budgeting (OOB) scheme spearheaded by the MFPED is now underway to enhance outcomes, efficiency and accountability in their use of resources. MDAs have also embarked on a parallel but complementary program of results-oriented-management (ROM). The ROM exercise is led by MPS under the Public Service Reform Program. From a strategic management and administrative perspective, ROM requires public service officers to produce and account for results in terms of service delivery. At the organizational level, however, the MTEF, OOB and ROM are operationalized within a sector development plan (SDP) and strategic plans developed by MDAs in the context of their contribution to GOU's poverty reduction goal and objectives.

CAPEP will support capacity building in MDAs within a results-based performance improvement framework in three important ways. Firstly, by fostering coordination of the ongoing and planned disparate initiatives so that they dovetail into a coherent framework for improved service delivery. Hence, CAPEP will support capacity building and performance improvement only in those organizations demonstrating commitment to achieving the objectives of their sector plans, MTEF, OOB and ROM through clear implementation plans. Secondly, CAPEP will make funds available to build the capacity needed for effective and sustained implementation of the programs, including supporting required systems and processes. Thirdly, the program would fund capacity building activities for multi-MDAs needs that could arise from the implementation of broad public service improvements.

The program interventions in support of capacity building and performance improvement will lead to planned specific outputs and outcomes. Support will be directed to four **target key result areas** for capacity building and performance:

- improved strategic leadership and management skills for decision-makers;
- increased number and quality of professional staff;
- efficient and up-to-date management structures and systems;
- improved work environment and retooling; and
- enhanced integrity, transparency and accountability.

During preparation, the team will have to address design issues related to the delivery mechanisms

for capacity building initiatives and criteria to access CAPEF considering the following factors: (i) MDA-specific skills (e.g., water engineers) as defined in a MDA strategic plan; (ii) multi-MDAs functional skills (e.g., accountants) specified in several strategic plans; and (iii) recognized functional skills gaps for which requests would originate not from the strategic plan of specific MDAs but which reflect a real across-government need identified through studies or expressed by a central agency such as MFPED, MPS, etc. This latter group in particular presents a specific challenge since it departs from the demand-driven approach associated with MDAs' strategic planning exercises. However, the needs would need to be related to improving the performance of the overall public service.

Improved Strategic Leadership and Management Skills for Decision-Makers

It is envisaged that these skills would be acquired mainly through on-the-job training by changing the processes of decision-making and putting demands on, and facilitating public service managers to produce specific and tangible outputs related to improved service delivery. However, a certain amount of training in-country and outside would have to be planned to provide top leadership with the latest thinking in strategic management and other skills required to spearhead reforms at the national level, and to develop a cadre of managers equipped to lead with vision and dynamism the development of Uganda. The use of global distance learning would also be considered to give greater access to the latest thinking from leading institutions across the world. These skills could be imparted to the senior management cadre of a specific MDA or could be provided to a multiplicity of MDAs depending on the particular circumstances, i.e., number involved, specificity or commonality of needs, practicability, etc..

Activities could include: (i) short-term and carefully selected and targeted training of top public officers (PSs, Directors, Commissioners, Assistant Commissioners, and equivalent) in policy analysis and formulation, planning and budgeting, strategic leadership and management, team building, and others; (ii) programs geared to reorient top public service officers from bureaucratic and reactive behaviors to strategic management behaviors. It is foreseen that the program will be implemented initially with the support of overseas institutions but will progressively shift to an in-country program and could possibly be supported by distance learning; (iii) in-country top management training program for public service officers to be developed and implemented possibly at Makerere University or the Uganda Management Institute (UMI) [this needs to be more fully assessed]; and (iv) a non-monetary recognition and reward system for top public service officers to be designed and implemented.

This training will not be tailored to the career aspirations of the beneficiaries but rather to the strategic challenges and opportunities facing top management of government and more specifically of MDAs. In other words, the need to strengthen leadership and management capacities will be determined with institutional and systems perspectives in line with a more sustainable approach to capacity development. Accordingly, the nature and scope of strategic leadership and management skills development will be assessed and defined within the processes of policy analysis and policy-making, planning, budgeting, M&E, and accountability. The training will be identified and solicited in conjunction with the complementary requirements for capacity building and performance enhancement, as reflected in the MDAs' strategic plans and MTEF and

reflecting the kind of overall leadership necessary to head Uganda's development.

Increased Number and Quality of Professional Staff

This is another facet of capacity building that the proposed CAPEP intends to support. The program would also provide training to upgrade existing professional skills and to improve capability in scarce, critical and cutting-edge skills. However, considering that it takes many years to develop a fully qualified professional, it is foreseen that while Ugandans are acquiring these skills, some "stop-gap" measures are necessary. To this end, funds would be made available to hire professional/technical staff in key areas while similar skills are being developed. In addition, to ensure sufficient professional support, CAPEP would also assist organizations that uphold professional/technical skills and ethos. The professional skills required will either be specific to a MDA or will cover several MDAs such as accountants, auditors, etc. For these functional skills, it might be more effective to consider a capacity building delivery mechanism that is "multi-MDAs" rather than MDA-specific unless the numbers are sufficient in a MDA to warrant a MDA-specific approach.

Activities under this component could be: (i) provision of scholarships for specialized professional training (awards to be carefully targeted and administered so that they do not contribute to the brain drain, and to include sponsoring public servants for part-time in-service training in local institutions if possible); (ii) contract-hire of professionals (including expatriates) to close gaps in technical and profession skills in the public service; and (iii) development of professional organizations through various means, e.g., acquisition of up-to-date material, consultancy support and others.

In addition, since it takes many years to develop a fully qualified professional. Therefore, it is foreseen that funds would need to be made available to hire professional/technical staff in key areas while similar skills are being developed.

Improvements in structures and management systems in MDAs

Significant progress in this area has been made in recent years, especially in financial management through the first Economic and Financial Management Project (EFMP), the new second project and other projects/programs such as the Institutional Capacity Building Project (ICBP). Nonetheless, the results of the recent (2000) Country Financial Accountability Assessment (CFAA) have confirmed major weaknesses in financial management systems and practices. It identified the need for Uganda to put in place more efficient structures and management systems. This applies also to other public sector management areas such as human resources management (HRM). This was identified as an area of concern during the PRSC missions. These shortcomings affect the operations of all MDAs. Therefore, it is likely that interventions in these broader areas will need to be assessed for a multiplicity of MDAs. However, it is important to note that this would be done taking into account the major management systems that are being put into place through other initiatives such as EFMPII. CAPEP would seek to complement these initiatives if appropriate. Other MDA-specific needs would also be considered.

Thus to achieve results could involve such activities as: (i) the review and design of management structures taking into account efforts that are ongoing and possibly the need to reorient these efforts if necessary; (ii) the review, design and implementation of management systems (e.g., planning and budgeting, accounting and finance, audit, HRM, management information systems (MIS), records management, and others, particularly in the context of the implementation of SDPs, and rolling out the backbone systems introduced through EFMPII and LGDP on a demand-driven basis); and (iii) information technology (IT) applications to automate and modernize systems for efficiency and effectiveness, e.g., the installation of local area networks--LANs. These activities would be assisted through CAPEP if: (i) they were specified by a MDA in its strategic plan and MTEF; (ii) these needs fall within the other key results areas identified for support under the project; and (iii) they support and complement other across-government initiatives.

Improved work environment and retooling

The capacity to implement and to perform is hampered by lack of appropriate tools. Capacity entails being equipped with appropriate tools, and having an budget to manage and operate. Thus, the strategy for this component would include: (i) selection of structures and systems (institutional diagnosis and strategic planning); and (ii) design and implementation of structures and systems (staff development, technical support and necessary investments).

Enhanced integrity, transparency and accountability by the MDAs

Activities to be supported by CAPEP in pursuit of this key result area could include: (i) strengthening the service commissions (for timely and meritocratic appointments of staff, including due promotions); (ii) supporting the implementation of ROM in MDAs and LGCs; (iii) strengthening watchdog agencies such as the Auditor General and committees of Parliament; (iv) supporting public expenditure tracking studies, and service delivery and integrity surveys; and (v) providing targeted support to professional associations that promote ethical conduct such as ICPAU, the Law Society, Uganda Medical Association, Institute of Engineers, etc.

(iii) Support to Select Key Local Training Institutions Component

The limited supply-side interventions under the program are geared to ensuring that there is local capacity to provide some critical skills which would otherwise be too expensive, uneconomical and unsustainable to source from outside the country in the longer term. In particular, there are areas in which the Uganda public service already has or is projected to have a serious shortfall in professional and technical skills, and local training institutions do not have the necessary minimal capacity to produce these skills.

It will be cost-effective and sustainable that a few select local training institutions develop the capacity to supply a critical mass of professionals in areas of needs in the medium to long term (5-10 years). Possible target institutions under this component comprise Makerere University, the Institute of Chartered Public Accountants of Uganda (ICPAU), Uganda Management Institute (UMI) including the possibility to use more extensively its Global Distance Learning Centre

(GDLC), etc.

Under this component, studies may be undertaken to, for example, develop policies and strategies to enhance private sector participation in the development of highly skilled local technicians and professionals. These studies could examine options for incentive schemes such as a training levy, tax breaks for donations and endowments to local training institutions, etc. CAPEP could finance these studies.

Even for this supply-side interventions, nonetheless, it will be crucial to ensure ownership and commitment by the beneficiary organizations. To this end, activities to be funded by CAPEP under this component should be driven by demonstrated commitment and demand for support by the targeted organizations. Thus, these organizations will also be submitting proposals in a defined format and meeting specific criteria. The proposals will be scrutinized and assessed by an independent panel before they can receive financing from the Capacity and Performance Enhancement Fund (CAPEF). The modalities and institutional arrangements will be discussed during project preparation.

Components:

Support to Sector-Wide Capacity Building Programs Component
 CB for Performance Improvement of MDAs Component
 Targeted Support to Selected Local Training Institutions
 Program Management, Monitoring and Evaluation

I.A.4. Project Location: (Geographic location, information about the key environmental and social characteristics of the area and population likely to be affected, and proximity to any protected areas, or sites or critical natural habitats, or any other culturally or socially sensitive areas.)

Kampala, Uganda

B. Check Environmental Classification: C (Not Required)

Comments: This is a technical assistance project and there will be no civil works component under the project.

C. Safeguard Policies Triggered (from PDS)

(click on  for a detailed description *or* click on the policy number for a brief description)

	Policy	Triggered
	Environmental Assessment (OP 4.01, BP 4.01, GP 4.01)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Natural Habitats (OP 4.04, BP 4.04, GP 4.04)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Forestry (OP 4.36, GP 4.36)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Pest Management (OP 4.09)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Cultural Property (OPN 11.03)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Indigenous Peoples (OD 4.20)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Involuntary Resettlement (OP/BP 4.12)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Safety of Dams (OP 4.37, BP 4.37)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Projects in International Waters (OP 7.50, BP 7.50, GP 7.50)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Projects in Disputed Areas (OP 7.60, BP 7.60, GP 7.60)*	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD

Section II - Key Safeguard Issues and Their Management

D. Summary of Key Safeguard Issues. Please fill in all relevant questions. If information is not available, describe steps to be taken to obtain necessary data.

II.D.1a. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts.

NA

II.D.1b. Describe any potential cumulative impacts due to application of more than one safeguard policy or due to multiple project component.

NA

II.D.1c Describe any potential long term impacts due to anticipated future activities in the project area.

NA

II.D.2. In light of 1, describe the proposed treatment of alternatives (if required)

II.D.3. Describe arrangement for the borrower to address safeguard issues

NA

II.D.4. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

NA

E. Safeguards Classification (select in SAP). Category is determined by the highest impact in any policy. Or on basis of cumulative impacts from multiple safeguards. Whenever an individual safeguard policy is triggered the provisions of that policy apply.

- S1. – Significant, cumulative and/or irreversible impacts; or significant technical and institutional risks in management of one or more safeguard areas
- S2. – One or more safeguard policies are triggered, but effects are limited in their impact and are technically and institutionally manageable
- S3. – No safeguard issues
- SF. – Financial intermediary projects, social development funds, community driven development or similar projects which require a safeguard framework or programmatic approach to address safeguard issues.

F. Disclosure Requirements

<i>Environmental Assessment/Analysis/Management Plan:</i>	<u>Expected</u>	<u>Actual</u>
Date of receipt by the Bank	Not Applicable	Not Applicable
Date of “in-country” disclosure	Not Applicable	Not Applicable
Date of submission to InfoShop	Not Applicable	Not Applicable
Date of distributing the Exec. Summary of the EA to the Executive Directors (<i>For category A projects</i>)	Not Applicable	Not Applicable
<i>Resettlement Action Plan/Framework:</i>	<u>Expected</u>	<u>Actual</u>
Date of receipt by the Bank	Not Applicable	Not Applicable
Date of “in-country” disclosure	Not Applicable	Not Applicable
Date of submission to InfoShop	Not Applicable	Not Applicable
<i>Indigenous Peoples Development Plan/Framework:</i>	<u>Expected</u>	<u>Actual</u>
Date of receipt by the Bank	Not Applicable	Not Applicable
Date of “in-country” disclosure	Not Applicable	Not Applicable
Date of submission to InfoShop	Not Applicable	Not Applicable
<i>Pest Management Plan:</i>	<u>Expected</u>	<u>Actual</u>
Date of receipt by the Bank	Not Applicable	Not Applicable
Date of “in-country” disclosure	Not Applicable	Not Applicable
Date of submission to InfoShop	Not Applicable	Not Applicable
<i>Dam Safety Management Plan:</i>	<u>Expected</u>	<u>Actual</u>
Date of receipt by the Bank	Not Applicable	Not Applicable
Date of “in-country” disclosure	Not Applicable	Not Applicable
Date of submission to InfoShop	Not Applicable	Not Applicable

If in-country disclosure of any of the above documents is not expected, please explain why.

Signed and submitted by

Task Team Leader:

Project Safeguards Specialists 1:

Project Safeguards Specialists 2:

Project Safeguards Specialists 3:

Name

Denyse E. Morin

Serigne Omar Fye/Person/World Bank

Date

06/05/2003

Approved by:

Regional Safeguards Coordinator:

Sector Manager

Name

Charlotte S. Bingham

Brian David Levy

Date

06/05/2003

Comments

I am happy with this ISDS, which accurately describes the Uganda CAPEP operation, one of a half-dozen pioneering operations across the African continents which take a programmatic, performance-driven approach to capacity building.