

Document of  
The World Bank

Report No: 25871

IMPLEMENTATION COMPLETION REPORT  
(Cr. 3115-UG, TF020516)

ON A CREDIT

IN THE AMOUNT OF SDR 9.1 MILLION (US\$12.37 MILLION EQUIVALENT)

AND A GRANT

IN THE AMOUNT OF SDR 1.5 MILLION (US\$2.0 MILLION EQUIVALENT)

TO THE

REPUBLIC OF UGANDA

FOR AN

INSTITUTIONAL CAPACITY BUILDING FOR PROTECTED AREAS

MANAGEMENT AND SUSTAINABLE USE PROJECT

June 13, 2003

**Environmental and Social Development Unit  
Africa Regional Office**

## CURRENCY EQUIVALENTS

(Exchange Rate Effective June 6, 2003)

Currency Unit = Uganda Shillings

UgSh 1 = US\$ 0.0005

US\$ 1 = UgSh 1997

## FISCAL YEAR

July 1 - June 30

## ABBREVIATIONS AND ACRONYMS

AOP	Annual Operating Plan	NGO	Non-Governmental Organization
CITES	Convention on International Trade of Endangered Species	NP	National Park
DAM	Department of Antiquities and Museums	NSP	National Shopping Procedures
ED	Executive Director	PAMSU	Protected Areas Management and Sustainable Use Project
EU	European Union	PA	Protected Area
FD	Forestry Department	PCU	Project Coordination Unit
GD	Game Department	PPF	Project Preparation Facility
GEF	Global Environment Facility	QAG	Quality Assurance Group
GOU	Government of Uganda	QENP	Queen Elizabeth National Park
GTZ	German Cooperation Agency	SDR	Standard Drawing Rights
HTTI	Hotel and Tourism Training Institute	TA	Technical Assistance
HQ	Headquarters	TOR	Terms of Reference
IA	Implementing Agency	UMMA	Uganda Ministry of Museums and Antiquities
ICB	International Competitive Bidding	UNP	Uganda National Parks
ICB-PAMSU	Institutional Capacity Building for Protected Areas Management and Sustainable Use	USAID	United States Agency for International Development
IDA	International Development Association	UTB	Uganda Tourism Board
IDF	Institutional Development Facility	UWA	Uganda Wildlife Authority
IUCN	World Conservation Union	UWEC	Uganda Wildlife Education Center
MTR	Midterm Review	UWTI	Uganda Wildlife Training Institute
MTTI	Ministry of Tourism, Trade and Industry	WD	Wildlife Department (Ministry of Tourism, Trade and Industry)
NCB	National Competitive Bidding		

Vice President:	Callisto E. Madavo
Country Director:	Judy M. O'Connor
Sector Manager:	Richard G. Scobey
Team Leader:	Nathalie W. Johnson

**UGANDA**  
**INSTITUTIONAL CAPACITY BUILDING FOR PROTECTED AREAS MANAGEMENT AND**  
**SUSTAINABLE USE PROJECT**

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**MAP**

IBRD 29597

<i>Project ID:</i> P035311	<i>Project Name:</i> Institutional Capacity Building for Protected Areas Management and Sustainable Use Project
<i>Team Leader:</i> Nathalie Weier Johnson	<i>TL Unit:</i> AFTES
<i>ICR Type:</i> Core ICR	<i>Report Date:</i> June 13, 2003

## 1. Project Data

*Name:* Institutional Capacity Building for Protected Areas Management and Sustainable Use Project      *L/C/TF Number:* Cr. 3115-UG, TF020516

*Country/Department:* UGANDA      *Region:* Africa Regional Office

*Sector/subsector:* Central government administration (77%); Other social services (11%); Vocational training (7%); Other domestic and international trade (5%)

*Theme:* Other environment and natural resources management (P); Other financial and private sector development (P); Biodiversity (S)

### KEY DATES

	<i>Original</i>	<i>Revised/Actual</i>
<i>PCD:</i> 05/12/1995	<i>Effective:</i> 01/19/1999	03/25/1999
<i>Appraisal:</i> 05/12/1997	<i>MTR:</i>	02/26/2001
<i>Approval:</i> 07/09/1998	<i>Closing:</i> 01/31/2002	12/31/2002

*Borrower/Implementing Agency:* GOU/MIN OF TOURISM; WILDLIFE AND ANTIQUITIES

*Other Partners:*

STAFF	Current	At Appraisal
<i>Vice President:</i>	Callisto E. Madavo	Callisto E. Madavo
<i>Country Director:</i>	Judy M. O'Connor	James W. Adams
<i>Sector Manager:</i>	Richard G. Scobey	Cynthia C. Cook
<i>Team Leader at ICR:</i>	Nathalie W. Johnson	Agi Kiss
<i>ICR Primary Author(s):</i>	Karen Richardson and Jack Ruitenbeek	

## 2. Principal Performance Ratings

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HL=Highly Likely, L=Likely, UN=Unlikely, HUN=Highly Unlikely, HU=Highly Unsatisfactory, H=High, SU=Substantial, M=Modest, N=Negligible)

*Outcome:* S

*Sustainability:* L

*Institutional Development Impact:* SU

*Bank Performance:* S

*Borrower Performance:* S

	QAG (if available)	ICR
<i>Quality at Entry:</i> S		S
<i>Project at Risk at Any Time:</i> No		

### **3. Assessment of Development Objective and Design, and of Quality at Entry**

#### *3.1 Original Objective:*

The PAMSU project concept was conceived in 1994 as an ambitious program of support that would re-establish Uganda's wildlife and national parks estate, which had been all but decimated during years of poaching, encroachment, civil wars and domestic unrest. The program supported a long-term vision that included abundant wildlife numbers, protected habitats in diverse montane, savannah, and riparian settings, a vibrant tourism industry that mirrored the experience of its East African neighbors, and a strong core of governmental and civil society support. The vision was consistent with country priorities to revitalize stagnant economic sectors, and with GEF global priorities that sought to reverse the downward trends in biodiversity loss in critical ecosystems. Uganda – bordered by Africa's largest lake, its highest mountain range, and the Rift valley, and containing the headwaters of the Nile – merited (and, indeed, *demanded*) international attention. The situation and vision were a natural fit for the joint environmental and development objectives espoused at the Rio Summit in 1992, and in the World Bank's subsequent project work that supported "sustainable development."

Sustainable development was commonly depicted as an approach that supported the three dimensions of social, ecological, and economic sustainability. But PAMSU also included within its vision a fourth element – *institutional sustainability* – as a cornerstone to realizing and securing the positive longer term impacts for conservation and human well-being. Without sustainable institutions, sustainable resource use would be impossible. The Bank initially prepared the PAMSU project to support high priority capital investment in rehabilitation and improved operations of the PAs, however at appraisal it was agreed that the institutional framework was too weak to proceed without a precursor project to build institutional capacity. That, in a nutshell, was the driving force behind the design of ICB-PAMSU's objectives.

ICB-PAMSU's objectives directly addressed the PAMSU vision, within the reality of conditions that unfolded during almost three years of project preparation. This reality was a difficult one. National parks staff had been unpaid for almost a year and were themselves poaching animals. Illegal encroachment continued apace with no evident political will or regulatory power to enforce compliance. Staff morale was miserable as corruption appeared to go unchecked at high levels of decision-making. Financial controls were non-existent, with accounting standards in some cases so low that some institutions did not even realize that they were insolvent. Moreover, ongoing risks were varied and real. As a project – it was clear that the highest priority objectives would be to address the evident institutional weaknesses, while also providing some safety net mechanisms that protected the resource base. And so emerged the ICB-PAMSU objectives.

Specifically, the objectives of the ICB-PAMSU became: (i) to establish effective institutional capacity within the wildlife and tourism sectors for strategic planning, program development and implementation, and to promote long-term sustainability; and (ii) to secure the vital natural resource base, particularly the protected area estate and wildlife resources, during the period that the institutional capacity is being strengthened.

These objectives were suitable to the situation, and highlighted that ICB-PAMSU was very much intended as a transitional project, focusing on institutional sustainability and risk management.

#### *3.2 Revised Objective:*

The objective remained unchanged throughout the project.

#### *3.3 Original Components:*

The project consists of five components relating specifically to various institutions, plus a sixth component to provide implementation and coordination support. Within all institutions, capacity building activities focused at three levels: (i) ensuring an effective and efficient overall institutional framework, in which the roles of the various sectoral institutions are well coordinated and their functions and capabilities are complementary. This includes promoting an effective partnership among the public and private sectors and NGOs; (ii) strengthening the planning, management and implementation capacity, and ensuring the sustainability and accountability of the individual institutions; and (iii) strengthening overall human resource capacity and promoting professionalism within the sector. The Ministry of Tourism, Trade and Industry (MTTI) housed the primary coordinating functions.

***Strengthen capacity of Uganda Wildlife Authority (UWA):*** The aim was to establish UWA as an effective and efficient organization that is able to ensure the conservation of a representative portion of Uganda's biodiversity heritage. The project provided the basis for growth of sustainable nature-based tourism, while generating revenues to cover an increasing proportion of its recurrent and capital costs. Within this component, support was provided primarily to: (i) a transition management team and structure at UWA central HQ to improve accountability over operations, while also reconciling past liabilities; and, (ii) operations at the protected areas to protect the integrity of the resource base. Support was carefully coordinated with other donors to ensure that all protected areas were covered without duplication.

***Strengthen institutional capacity of other selected conservation-related institutions:*** This component provided targeted support to a network of four institutions that complemented UWA's mandate. Subcomponents included: (i) Wildlife Department (of MTTI), to enhance its capacity and support its core functions within the national laws and international conventions to which Uganda is a signatory; (ii) Uganda Wildlife Education Centre (UWEC), to facilitate the on-going transition of the old Entebbe Zoo into a positive and effective center for conservation education, aimed at both the local population and tourists; (iii) Forestry Department (of Ministry of Land, Water and Environment), to develop capacity in forest ecotourism; and, (iv) Uganda Wildlife Training Institute (UWTI), to evaluate the overall financial feasibility of UWTI and develop a strategic and general business plan.

***Strengthen the Department of Antiquities and Museums (DAM):*** This component focused on the cultural aspects of Uganda and their potential for tourism development as complementary products to wildlife-based tourism. The component supported institutional development and capacity building, including assistance in developing a business plan and modest maintenance and rehabilitation of existing facilities at the museum in Kampala.

***Strengthen the MTTI and the Uganda Tourism Board (UTB):*** This component focused its attention on the relationships between the government and the private sector in tourism development. It sought to: (i) develop a realistic and pro-active policy framework for the tourism sector, including an overall vision and objectives and targets at the national and local levels; (ii) formulate a strategic plan to achieve these objectives; and (iii) enhance the capacity of the MTTI and UTB to play their respective roles in establishing an enabling environment for environmentally sustainable investment and private sector led tourism development.

***Strengthen Tourism Training Capacity:*** (1) To ensure the availability, quality and reliability of tourism-related training in the country in order to increase the quality and professionalism of tourism services; (ii) to ensure the availability of adequate well-qualified human resources to support increased tourism investment and development; (iii) to enhance the opportunity for Ugandans to participate more fully in employment and other economic benefits of tourism; and (iv) strengthening capacity for human

resources development through a "train-the-trainer" program.

**Support a Project Coordination Unit (PCU):** The aim was to coordinate and oversee the implementation of all project components and activities. The PCU also provided support for donor coordination efforts that were ongoing in the sector, ensuring transparency, reducing implementation risks, and providing advisory services to MTTI in coordination. This coordination task was important because significant ongoing support was being provided by European Union, USAID, the Netherlands Embassy, and GTZ/KfW to the tourism sector. ICB-PAMSU was thus focusing on wildlife and habitats, but also providing support in specific tourism niches that supported overall project objectives.

### 3.4 Revised Components:

The components remained unchanged throughout the project.

The Forestry Department Sub-component within the “Other Conservation Agencies” Component was cancelled early in the project to avoid duplication with other donors. No Forestry Department activities were funded under this project.

Component	Cost	Rating
UGANDA WILDLIFE AUTHORITY	\$ 10,600,000	HS
OTHER CONSERVATION AGENCIES	2,300,000	S
DEPARTMENT OF ANTIQUITIES/MUSEUMS	700,000	S
MTTI & UTB	1,800,000	S
TOURISM TRAINING INSTITUTE	1,100,000	S
PROJECT COORDINATION & IMPLEMENTATION	1,000,000	S

### 3.5 Quality at Entry:

A Quality Assurance Group (QAG) assessment was carried out just prior to Effectiveness and rated the Quality at Entry to be fully SATISFACTORY(S) overall, and noted that it contained many elements of best practice. In particular, the QAG assessment supported the splitting of the larger PAMSU project into two distinct and separate blocks, the first of which was the ICB-PAMSU project and the second of which was the longer term PAMSU investment program. The QAG noted, “in short, the project team redesigned the project in real time into an adaptable lending instrument, even before such loan types were formally adopted by the Bank. The resulting product is a flexible, limited-scope operation which, with adequate support by the Bank during implementation, should ensure an adequate foundation for investment.”

The QAG Team thus supported the general theme of risk-management within a transitional project. Regarding the largest (UWA) component of the project, the QAG further noted that: “One of the consequences of the crisis of UWA’s insolvency in May 1997 was the decision to strengthen the aspects of the Project related to financial integrity and probity. Corruption all-too-often is like the weather: everybody talks about it but nobody does anything about it. The ICB-PAMSU project is focused explicitly on improving governance, financial integrity and honesty in contracting. It has strengthened project components on the limits of power (defining the responsibilities of the Board of Trustees and relationships with the Ministry and management of UWA, for example), merit-based staff recruitment, independent financial management, and a transparent process for selecting concessionaires to manage Park facilities and services. While it will take time to build capacity in these areas, the mechanisms and structures will be in place to help ensure proper accountability and financial integrity of UWA.”



## 4. Achievement of Objective and Outputs

### 4.1 Outcome/achievement of objective:

The benchmark for ICB-PAMSU is taken as conditions that existed upon project start-up. At that time, UWA had no financial management systems in place, had no operational principles, and was not audit compliant. Staff in the field were poorly paid, with salaries in arrears of up to six months; morale was low with very little operating equipment and no opportunities for training or personal improvement. Poaching in the protected area estate was persistent, frequently involving rangers and other government and military personnel. Encroachment in the parks was significant. Private sector and donor confidence in the sector was at its nadir; existing concessions performed poorly and were often subject to political interference. Most of the expenditures, decision-making, and management effort occurred at central headquarters, with weak support for decentralized management. Capacity in other government institutions was similarly weak, and civil society NGOs and the private sector had very little in the way of an enabling policy environment in which to function. This led the project team to set the following conditions for the project; an externally recruited international Executive Director (for UWA) and outsourcing the management and oversight of all financial matters at UWA.

By the close of ICB-PAMSU, this situation had been substantially reversed. The project achieved its objectives and laid the foundation for the follow-on PAMSU investment project. Institutional capacity development was substantial overall, although some of the activities related to tourism development fell short of the initial expectations. A strong indicator of the improvement is that the self-assessment capacity of key institutions had progressed profoundly, using such self-assessments as an objective and honest basis for preparing the follow-on PAMSU investments. By project closing, UWA had prepared a Strategic Plan for 2002-2007, including a self-assessment of progress against first year of 2001-2006 Strategic Plan. The self assessment included separate departmental reviews of UWA progress by those in charge of Community Conservation; Planning, Monitoring and Research; Tourism Development & Marketing; Financial Services; and Field Operations. Similarly, UWEC conducted a self-assessment of 3 years of progress under ICB-PAMSU, including separate departmental reviews.

Critical wildlife and their habitat were also protected. A rationalized Protected Area Systems Plan was passed, enforcement capacity was improved, and poaching was reduced. A significant challenge to the country and to the Project occurred in 1999 when a number of tourists were killed at the Bwindi Impenetrable Reserve during a period of civil unrest and a lapse in security. The resultant international reaction and drop in tourists, coupled with higher management and security costs, required rapid responses by key implementing agencies and by project management to permit necessary funding reallocations that addressed the short-term needs arising from that incident. The rapid and effective response exemplifies the success of the project's approach for pro-active risk management. The immediate response was a reallocation of funding towards some of UWA's critical operational costs, at the expense of some other activities in the project that were either performing poorly or were judged of lower priority. While this reduced the effectiveness of the outputs in some of the less critical components, the judicious reallocation permitted the project to achieve its broad objectives.

In brief, the project's strategy of transition management using active risk mitigation proved successful, placing key institutions and the resource base on a sound footing for future investments.

### 4.2 Outputs by components:

**Strengthen capacity of Uganda Wildlife Authority (UWA):** The main UWA outputs were institutional capacity building at UWA headquarters (HQ), and a series of outputs at the field level in the areas of decentralized decision-making, financial systems and revenue collection, enforcement, human resource

development, monitoring and research, and community conservation.

*UWA Capacity Building.* In its most recent self-assessment of its 2001-2006 Strategic Plan, UWA observed that it had successfully completed 49 out of 59 activities (83%) that it had planned to do. Shortfalls occurred in the areas of infrastructure in the PAs, revenue collection from concessions (only 27% efficiency), and completion of collaborative management agreements. Poaching and problem animal incidents still remained an issue at some PAs, and the organization was hampered by negative media perceptions. Mitigative actions were followed in all of these areas, and they do not detract from the significant positive achievements of UWA over the project period. These include: (i) organizational structure in place, establishment staffed including Management Team at HQ; (ii) Financial Management and Executive Director contracts completed with good results; (iii) UWA Strategic Plan completed and adopted and subsequently revised taking into consideration cost sharing mechanism as a result of HQ restructuring; (iv) UWA Board TOR and Procedures Manual completed and adopted; (v) Financial management system in place and functioning reliably (vis-a-vis budgeting, funds disbursement, accounting, revenue collection). UWA staff trained to use it (Financial Management Manual completed and in use); (vi) community-related policies approved relating to Revenue Sharing and Participation in PA Management; (vii) Training Needs Assessment and Training Plan completed, training plan revised cutting down on the original training program in view of the budgetary constraints and time availability.

*Decentralized Decision-making.* Perhaps the most noticeable and dramatic turnarounds have occurred at the field level. A notable organizational innovation has been the adoption of a “zonal structure” in which PAs close to each other are managed as a single conservation area. This structure improves administrative efficiency and enhances decentralized decision-making without compromising the policy-making role of the central offices or the on-the-ground effectiveness of individual PA management. There has been a significant enhancement in field-based decision making regarding budget allocations, staffing decisions, operational decisions, and general park management. Community collaboration initiatives and tourism related activities are also seeing improvements; whereas in the past many operational decisions required prior or ad hoc approval by HQ, field staff now have the capacity and authority to make such decisions locally. This shift in responsibility is largely attributable to the planning process; 6 new PA General Management Plans were completed under the project by the end of FY2001, and by project closure all PAs were disbursing funds and conducting activities according to Annual Operating Plans (AOPs). The AOP and other planning processes have involved significant input from local staff and stakeholders.

*Financial Systems and Revenue Collection.* Financial systems at the field are in place that permit reliable financial control and minimize the prospects for leakages. Field staff have been trained in financial systems. Each area has separate accounts for collected revenues (that are remitted to HQ after local revenue sharing agreements are applied) and for disbursements for operational activities. Funds are deposited monthly against AOP budgets. With the exception of some staff in remote parks, all staff now have bank accounts into which salaries are deposited. Cash flow is sufficiently regular that local PA offices have established routine supplier credit with local businesses and vendors.

*Enforcement.* Enforcement efforts have continued apace – with some successes – but poaching of animals and forest products (e.g., trees for poles) persists in some PAs; encroachment by grazing animals and community retaliations associated with problem animals also persist. Some capacity is now in place to deal with such problems – staff have been trained, relationships are being developed with neighboring communities, and communities are themselves becoming involved with enforcement – but infrastructure and equipment constraints remain the greatest barrier to more effective enforcement. While basic equipment is available, many PAs still suffer from transportation constraints, limited road access, inadequate communications, and inadequate housing or outposts that would permit an ongoing presence in those areas requiring enforcement.

*Human Resource Development.* Morale in the field has improved significantly. Salaries have increased and are being paid on time against clear contracts, medical care is being provided, staff have uniforms, and all staff have participated in various training programs that are intended to make them well-rounded in all areas: community conservation, first aid, enforcement, tourism, and monitoring. Communications between management and junior staff have improved through more regular contact, and staff are living in conditions of greater certainty and personal security. They are no longer struggling to meet their basic needs. Ongoing concerns of staff are related to the availability of adequate accommodation, and the provision of transport allowances to facilitate home leaves during their time off.

*Monitoring and Research.* Most rangers have been trained in Ranger Based Data Collection techniques and some experimentation has taken place using various information management systems. Some PAs are starting to enter information into the MIST program developed for UWA as a pilot exercise under GTZ/KfW funding, although reactions to MIST have been mixed. Some PAs find it useful, others find that it lacks adequate feedback mechanisms and have adopted simpler systems locally while shipping the raw data to HQ for entry into MIST. Some are concerned that MIST may not be supported over the longer term. Notwithstanding this, the information systems have provided enough data to show that wildlife numbers have been increasing in some PAs, and that poaching and encroachment are less pervasive.

*Community Conservation.* A number of initiatives have been started in this area, but capacity remains rudimentary. It is acknowledged that such initiatives take a long time to generate tangible results, but some of the basic building blocks have been put in place. Wardens and rangers have been trained, some revenue sharing agreements have been put in place, and communities have been involved in specific conservation activities (e.g., buffalo wall at Mgahinga NP, elephant trenches at Kibale NP).

*Summary.* The merger of the Uganda National Parks (UNP) and the Game Department (GD) to form the UWA in 1996 was fraught with financial, management, morale and human resource problems. The investment by the ICB-PAMSU project has promoted substantial changes in the institution, most notably changes in the financial management, strategic planning, field capacity and overall morale. The transitional strategy has been successful, and risks have been intelligently addressed and managed. The overall performance is regarded as HIGHLY SATISFACTORY (HS).

***Strengthen institutional capacity of other selected conservation-related institutions:*** Outputs associated with this component were associated with the Wildlife Department, UWEC, and UWTI.

*Wildlife Department (WD) of MTTI.* WD has achieved most of its objectives set out under ICB-PAMSU. Some of the planned training was not implemented because of lack of available staff, and the Wildlife Policy prepared by WD remains unratified. Notwithstanding this, the most significant achievement of the WD was its facilitation of the revised Protected Area System Plan that was put into force in early 2002. The revised plan introduced changes that eliminated most of the boundary issues and historical encroachment through redrawing park boundaries, while also improving the representativeness of the overall protected area estate. In addition, the WD: (i) participated in meetings and workshops related to international agreements; (ii) facilitated ratification of 2 new wildlife related conventions and selected CITES regulations; and, (iii) established internet communication links between WD and other related bodies. The overall performance is regarded as SATISFACTORY (S).

*Uganda Wildlife Education Centre (UWEC).* UWEC has achieved all of its objectives set out under ICB-PAMSU. The UWEC Business Plan was rated satisfactory during the Midterm Review, and was subsequently reviewed to address the issues of competitive strategy, pricing strategy, risk assessment and controls over revenue collection as per the MTR recommendations. Civil works were completed including

animal holding facilities dormitory and classroom blocks, coffee shop and staff houses; some lower-priority facilities were deferred during the MTR reallocation. The education and information program is ongoing, which directly targets a growing number of visitors of all categories (total reached 132,000 in 2002). Five new wildlife exhibits were established and one was expanded, and the project successfully supported educational programs and linkages with schools and teacher volunteers. A closing achievement was that a locally recruited Executive Director took over in 2001, phasing out the expatriate ED. In brief, the overall performance is regarded as SATISFACTORY (S).

*Uganda Wildlife Training Institute (UWTI).* While a feasibility study was completed during the ICB-PAMSU period, no further actions were taken. As Government did not remove UWTI from the Ministry of Education and Sports and restore its standing as an autonomous parastatal under the MTTI, the potential role of UWTI within the sector remains unclear; demand for its services is also not evident. For example, UWA staff training occurred apace without significant reliance on UWTI. The overall performance is regarded as SATISFACTORY (S).

***Strengthen the Department of Antiquities and Museums (DAM):*** DAM has substantially achieved its objectives set out under ICB-PAMSU, and has provided an important contribution to the cultural aspects of the project's longer-term vision. The establishment of Ministry of Uganda Monuments and Museums Agency (UMMA) was approved by the Ministry of Public Service under the Executive Agencies Bill. Just before project closing, the Ministry of Public Service authorized the recruitment of the Executive Director and appointment of an advisory Board. Civil works (minor rehabilitation of National Museums) were completed, 2 graduate students were trained, and the project supported operational equipment purchases. A preliminary Business Plan was commenced but was not completed because of funding reallocations at mid-term. The overall performance is regarded as SATISFACTORY (S).

***Strengthen the MTTI and the Uganda Tourism Board (UTB):*** MTTI has substantially achieved its objectives set out under ICB-PAMSU. While MTTI completed several key activities, the impact of the institutional capacity building activities cannot be evaluated yet. MTTI developed a comprehensive Tourism Policy and Strategy through a consultative process involving key Stakeholders. It also established a Licensing and Grading system for tourism facilities, and a Tourism Statistical Database is fully operational. A Human Resource Development Plan and Strategy for the sector were developed arising from a manpower needs assessment. Finally, Uganda attended trade fairs to present itself as an emerging tourism destination. Following the participation in the fairs, a number of enquiries have been made and contacts established between a number of local and international operators. Delivery delays were experienced for some activities, including: (i) dissemination of the tourism policy; (ii) support for zonal tourism plans; and, (iii) strengthening the tourism statistical database system. It should be noted that a number of these activities also complemented extensive EU support, which has taken the lead in the tourism sector. The overall performance is regarded as SATISFACTORY (S).

***Strengthen Tourism Training Capacity:*** All of the activities contemplated under ICB-PAMSU have been undertaken and the component has contributed satisfactorily to building transitional capacity, consistent with overall project objectives. This includes, for example: (i) Training Programme Executive Committee established and a survey/assessment of tourism training facilities in the country undertaken; (ii) investment in equipment and infrastructure at HTTI completed; (iii) computers and software purchased and training on Fidellio front office system carried out; and, (iv) hospitality training curricular development was kick-started to be completed by the Minister of Education. At project closing, however, the tourism policy developed by MTTI has recommended that tourism training should be private sector led, and this calls for the review of the role and future of HTTI. The overall performance is regarded as SATISFACTORY (S).

***Support a Project Coordination Unit (PCU):*** Key tasks of the PCU included providing project-wide procurement and coordination in a timely manner, preparing and adopting semi-annual work plans, and producing a financial management procedures manual. Overall the PCU provided the necessary support to the project with minor delays due to procurement of computer equipment and software. The PCU played a critical role in ensuring financial management and delivery of outputs, and ensured an efficient delivery of resources in a multi-donor environment. From a project perspective, the primary drawback of the PCU – not uncommon with such arrangements – is that its efficient operation and its presence as a safety net for project management may have held up development of some of the internal capacity in the implementing agencies it was supporting; notably, procurement capacity in many IAs lags that in the PCU. The overall performance is regarded as SATISFACTORY (S).

***4.3 Net Present Value/Economic rate of return:***

N/A

***4.4 Financial rate of return:***

N/A

***4.5 Institutional development impact:***

The institutional development impact is rated as SUBSTANTIAL (SU). The main institution, UWA, came into being in 1996 when operations were at a fairly low level and financial management was weak. The project enabled the UWA to be transformed to an efficient, well-managed institution with proper financial management, decentralized decision-making and clearly defined work programs and strategic plans. Other conservation-related institutions benefited from the project interventions and the vast improvements in the UWA to lift the level of institutional capacity well above the benchmark before project implementation. Most significantly, the target institutions have fully internalized the PAMSU vision that calls for sustainable use and management of the protected area estate using appropriate risk management methods.

## **5. Major Factors Affecting Implementation and Outcome**

***5.1 Factors outside the control of government or implementing agency:***

Security was a key factor at several of the protected areas. Most notably, the tragic incident at Bwindi (1999), the closure of Rwenzori NP, and security incidents at Murchison Falls NP and Queen Elizabeth NP contributed to a dramatic decline in visitors to Uganda. This contributed to a decrease in the revenue generating capacity of the UWA and the attraction of Uganda as a tourist destination. The decline in tourism due to security issues was coupled with an industry still in its infancy following years of neglect and political upheaval. Poor infrastructure and limited professional capacity have led to a low tourist base (estimated at 3,000-5,000/year). The small tourist base cannot be expected to support the UWA in the short-term and will have to be built up as security issues are addressed and political stability is assured.

Apart from the general impacts of such security concerns, some activities were directly impacted. Of 14 non-performing concessions that had been addressed in a Ministerial Report, recommendations for a few of these could not be implemented because of on-going security concerns around the concession locations.

***5.2 Factors generally subject to government control:***

Project performance was diminished because of factors relating to counterpart funding and divestiture of government entities.

*Counterpart Funding.* The counterpart funding provided by the GOU amounted to 86% of the appraisal amount. The project endured long delays in obtaining counterpart funding in its initial years, which coupled with low level releases constrained project implementation, in particular UWA's component.

*Divestiture.* Many government parastatals and similar entities had been approved for divestiture or reintegration into the mainstream of their Ministries. In 2000, these divestitures were suspended until new policy frameworks were in place. This substantially delayed the conversion of the Department of Antiquities and Museums into the Ministry of Uganda Monuments and Museums Agency. Similarly, activities and support were reduced to the UWTI when the GOU transferred it to the Ministry of Education and Sports from an autonomous parastatal under the MTTI. Fortunately, UWA staff training occurred apace without significant reliance on UWTI. Last, the transfer of the HTTI to the Ministry of Education and Sports seriously constrained the viability of the HTTI.

### *5.3 Factors generally subject to implementing agency control:*

Performance of some of the implementing agencies was diminished by lags in filling staff vacancies, reluctance to cut operational costs as a risk management strategy, and inadequate attention to non-performing assets.

*Unfilled Vacancies.* Delays in implementation of the Wildlife Department sub-component were due to a substantial number of vacancies that remained unfilled throughout the project. The lack of GOU action on filling the vacancies raised questions about the Government's commitment to the proper functioning of this department and ultimately to the prospects of further development of this department. Serious constraints placed on the work program of this IA due to staff vacancies and delays in implementation meant that some important synergies foreseen in the project design between strengthening the wildlife and tourism sectors in tandem were not realized during the project life, thus delivery of certain outcomes had to be scaled back.

*Excessive Operational Costs.* While implementing agencies often spoke of cost reduction, such reductions were often achieved through reducing services rather than reducing unit costs such as salaries or other operational overheads. UWA's reluctance on this front was most pronounced. Recommendations to cut HQ operating costs from 50% of the total budget to 30% of the budget were never implemented. By contrast, UWA increased its salary scales significantly during the project life, in anticipation of a solid revenue base that in some years never materialized. Related to this, UWA Board of Trustee expenses have remained high, and the incentive structure of paying sitting fees without a cap has resulted in a proliferation of meetings that might be regarded as excessive to management needs.

*Non-performing Assets.* The recommendations of the Ministerial Report on concessions, particularly non-performing concessions under the mandate of UWA, were not implemented in a timely manner. The issue of concessions was flagged at the start of the project as an important problem and remained an outstanding issue at the end, even though UWA undertook to make this a high priority. A number of new concessions were being negotiated at project-end using agreed guidelines and standard contracts developed under the project. But in mid-2002, only 4 out of 14 concessions identified in the Ministerial Report had been adequately addressed. Concerns at four operating concessions remain unaddressed in Queen Elizabeth NP (Mweya, Ishasha) and Murchison Falls NP (Sambiya, Paraa). Two concessions (Paraa Camp in MFNP; Sunshine in QENP) have been abandoned but remain potential outstanding liabilities and should have been legally cancelled. As noted previously, four concessions may continue to be untenable because security issues prevent renegotiation. The delay by the GOU to adopt the recommendations undermined the development of UWA's business plan and revenue generating projections, and has exposed it unnecessarily to financial and other risks.

#### *5.4 Costs and financing:*

The project cost of US\$14.3 million at appraisal was financed by an IDA Credit and GEF Grant. The disbursement of the IDA Credit and the GEF Grant was rated satisfactory (97% and 98% for the IDA Credit and GEF Grant respectively). Several minor reallocations of funds were made during the project to reflect changes in project activities, consistent with the risk management approach adopted by the project. Most notably, more funds were allocated to UWA from other components that under-performed to support the lag and decrease in counterpart funding. Procurement of consulting services, training and equipment was rated satisfactory, with minor delays in procurement of initial equipment for the financial management system.

## **6. Sustainability**

### *6.1 Rationale for sustainability rating:*

The overall sustainability of the project is rated as LIKELY (L).

As a transitional project, the primary basis for assessing the sustainability of the project rests on the degree to which lessons and good practice have been internalized within the culture of the implementing agencies, and the degree to which these can be carried forward to subsequent project phases or related activities.

A major strategy within ICB-PAMSU has been one of responsive adaptive risk management, coupled with institutional structures that are willing and able to put in place contingency planning and safety net mechanisms that protect critical habitats and the institutions that support them. By project closing, there was strong evidence that this approach had been partially internalized within some of the key agencies. In UWEC, for example, a share of each quarter's gate receipts were being placed into an endowment fund. The endowment had been originally launched through a US\$100,000 pledge by the President.

But UWA showed the most impressive advances in this arena. By late 2001, it had set aside an accumulated surplus of UgSh 1 billion, representing an operating budget cushion of about 3-6 months for vital needs in the event of operational revenue interruptions. Also, through the use of the new zonal structures for PA operations, it had successfully introduced a management technique that decreased overall unit costs while building in some redundancy to cope with unforeseen circumstances at the field level. Finally, just after project closing, political pressure came to bear on UWA to degazette one of the protected areas in favor of a cotton-growing scheme; taking a constructive proactive problem-solving approach, UWA has been able to identify and mediate potential compromises that would permit realizing some of the development objectives of the scheme, while still maintaining the critical parts of the ecosystem intact.

In spite of these highly positive implications for sustainability, there remain a number of concerns that in effect downgrade a potentially very high rating. Specifically, operational costs remain high. This comes from two factors: the large extent of the protected area estate; and, mismatch between operating costs and revenue generation capacity in the medium term. The 10 National Parks and 12 Wildlife Reserves that form part of the current PA system are an asset to Uganda, but it still remains to be seen whether the system is itself too large to be sustained using current management structures. More adaptation in such structures may be called for as more experience is gained. Second, the cost/revenue mismatch remains a concern, and was identified by at least one donor in the ICB-PAMSU wrap-up meetings as a cause for skepticism regarding the long-term financial sustainability of the organization. To overcome this will require ongoing reductions in head office costs (including Board overheads) and increased efficiency in concession management. It may also require some innovation (and good luck) in terms of capturing Uganda's rightful share of a volatile international tourism trade.



### *6.2 Transition arrangement to regular operations:*

The follow-on project from ICB-PAMSU is the Protected Areas Management and Sustainable Use Project (PAMSU). ICB-PAMSU closed about two weeks after the follow-on PAMSU project became effective on December 14, 2002. The ICB-PAMSU PCU continued uninterrupted during the transition and will be phased out by PAMSU mid-term.

PAMSU is a fully blended IDA Credit/GEF Grant in the amount of US\$27 million Credit and US\$8 million GEF Grant. PAMSU is under implementation with satisfactory ratings in all categories. The project has four implementing agencies: Uganda Wildlife Authority; Uganda Wildlife Education Centre; Ministry of Tourism, Trade and Industry; and the Department of Antiquities and Museums. UWA and UWEC have separate project agreements and are responsible for reporting directly to the Bank. The development objective of the PAMSU project is as follows: The sustainable and cost-effective management of Uganda's wildlife and cultural resources. Sustainability is promoted through a combination of: (i) providing funds for improving Uganda's ability to attract tourists to its wildlife and cultural heritage, while (ii) encouraging cost-effective management strategies so as to reduce overall operating costs of the institutions managing these resources. The aim of the project is to capitalize on the capacity built in these institutions under ICB-PAMSU, and provide a basis for long-term sustainability for each institution through investment in necessary infrastructure and equipment, training and strategic planning.

## **7. Bank and Borrower Performance**

### **Bank**

#### *7.1 Lending:*

The performance of the Bank is rated SATISFACTORY (S).

The Bank designed the project in full consultation with the Borrower in response to the umbrella "Conservation and Sustainable Tourism" program of the GOU. The Bank initially prepared the PAMSU project to support high priority capital investment in rehabilitation and improved operations of the PAs, however at appraisal it was agreed that the institutional framework was too weak to proceed without a precursor project (ICB-PAMSU).

Relating to this redesign, the QAG found "... that the task team and management had demonstrated a number of behaviors and attitudes which should be commended and encouraged: (i) intelligent and transparent risk-taking and risk-management; (ii) focus on demonstrated results rather than plans or promises; (iii) task manager tenacity and determination and strong management support; (iv) commitment to genuine partnership with other donors; (v) the application of good governance principles through practical action." The primary criticism by the QAG team was that some of the early warning signs had not been properly read that might have permitted the project to be restructured at an earlier point in the preparation process. Although the ICB-PAMU was prepared very rapidly once it was agreed to start with a project consisting of only the capacity building elements, the total preparation time for both the initial PAMSU project and the ICB-PAMSU project was 48 months.

GEF showed flexibility in allowing the previously allocated GEF grant of US\$10 million for PAMSU, to be split, allocating US\$2 million to ICB-PAMSU and reserving the remaining US\$8 million for PAMSU.

#### *7.2 Supervision:*

The performance of the Bank is rated SATISFACTORY (S).

In total, seven supervision missions took place. A Quality Assurance Group (QAG) Quality of Supervision Assessment was carried out for FY00 and the project was rated as Satisfactory (S) overall. Active

sub-categories of supervision (development effectiveness, safeguards, supervision of inputs) were assessed

as Satisfactory, while Reporting was assessed as Marginal. The lower rating on reporting provided an impetus for designing a more streamlined and relevant set of qualitative performance indicators during the Midterm Review, which was carried out in March 2001.

The Bank remained very proactive and responsive during the project and responded rapidly to requests for minor reallocations of funds, extension of the closing date by six months to December 31, 2002 and implementation queries. In summary, it fulfilled its commitment to active and constructive risk management in the interests of meeting project objectives.

### *7.3 Overall Bank performance:*

SATISFACTORY (S).

### **Borrower**

#### *7.4 Preparation:*

At preparation, the borrower's performance was rated SATISFACTORY (S). The Government of Uganda had prepared an umbrella program to support conservation of the country's wildlife and cultural heritage and assets (the Conservation and Sustainable Tourism Program) and was keen to implement its Integrated Tourism Master Plan. The GOU had secured parallel financing from the EU and USAID and sought Bank funding for capital investment. The main hurdle at preparation was the general weakness of the implementing institutions, which led to the development of the ICB-PAMSU project as a precursor to larger investment by the Bank.

#### *7.5 Government implementation performance:*

The Government's implementation performance is rated SATISFACTORY (S). The GOU had a shortfall of counterpart funding, which initially was significant (53% at mid-term) and impacted project implementation. By project end, however the shortfall was just over 10% and the GOU contributed an additional UgSh 500 million towards Bwindi following the tragic events and US\$100,000 towards the UWEC endowment. To date UWA has received UgSh 262 million for security purposes. Several audits were not carried out in a timely manner, however the GOU rectified the problem by project's end. The transfer of established entities, most notably the UWTI and the HTTI, back under the Ministry of Education and Sports forced the project to suspend further disbursement to planned project activities for those entities. Lastly, the GOU delays in filling staff vacancies at MTTI, transferring the DAM to the UMMA and in reviewing non-performing concessions caused implementation delays and some re-allocation of funds.

#### *7.6 Implementing Agency:*

The overall performance of the seven implementing agencies is rated SATISFACTORY (S). The performance of UWA, in particular, is rated HIGHLY SATISFACTORY (HS). Procurement, financial management and reporting functions were performed well throughout the project period and a "corporate climate" was established at the UWA. The Project Coordination Unit provided timely support and oversight for all IAs. Several of the other IAs suffered delays or cutbacks due to government actions outside their control, however these did not seem to impact the overall performance of the IAs themselves. After project closing, unqualified institutional audits were available for all IAs. The experience gained by the PCU team and UWA in the execution of this project made it possible for the larger PAMSU investment project to proceed.

#### *7.7 Overall Borrower performance:*

The overall performance of the Borrower is rated SATISFACTORY (S).

## 8. Lessons Learned

The project provided some generalized lessons that are of relevance to other projects.

*Phased Institutional Capacity Building.* An explicit separation between institutional capacity building and substantial field investment provides opportunities to reduce risks in the follow-on investments. First, it permits the policy framework to be placed on a sound footing. Second, it permits the identification and correction of existing institutional weaknesses. Third, where weaknesses can not be corrected in certain institutions, it provides an opportunity to exclude those institutions from subsequent investments. This latter lesson was ably demonstrated in this project whereby the most successful institutions – UWA and UWEC – received proportionately larger follow-on investment support, as well as greater independence in managing their own project.

*Decentralized Decision-making.* Decentralized institutional support is critical when protecting a vulnerable resource base. The decentralization of the decision-making process from UWA headquarters to the field, empowered the previously disenfranchised field-based staff and allowed some autonomy for each protected area in terms of the development of management plans, the disbursement of funds against annual operating plan and the evaluation of the revenue-generating potential of each PA. The phased capacity building of the financial management system at HQ and then in the field allowed for HQ to have careful control over the financial management system while vastly improving financial reporting from the field. All of these factors in turn contributed to more effective protection during a transition period.

*Adaptive Management as a Risk Mitigation Strategy.* Adaptive management can be learned and, when learned successfully, can provide an effective means for mitigating risks. UWA demonstrated through “trial-by-fire” – when faced with dysfunctional Boards, insolvency, kidnapping and murder of international tourists, and media censure – that a professional approach to problem-solving and risk mitigation will overcome many of these challenges.

*Active and Flexible Bank Management Support.* High risk projects can be implemented successfully if Bank management is itself adaptive to situations and to potential solutions. Project experience, as well as various QAG reviews, showed that many correct – if unpopular or risky – decisions could be implemented effectively if there was strong management support for them. This started at the outset, when the abruptly scaled down ICB-PAMSU project still received strong management support, and continued throughout the project cycle. At times these decisions related to standing firm on conditions for effectiveness, through to with-holding non-objections until other capacity targets had been met, through to approving necessary reallocations after the Bwindi incident.

*Donor Coordination.* Effective donor coordination is itself an effective risk mitigation strategy. The focus of the EU and others on tourism permitted ICB-PAMSU to focus more effectively on its specific objectives relating to institutional capacity and protecting the critical habitats during the transition period.

## 9. Partner Comments

*(a) Borrower/implementing agency:*

The Borrower prepared its own implementation completion report (see Annex 8). The Government rated the overall project as SATISFACTORY (S).

The report recognizes the downsizing of the originally planned PAMSU project to the ICB-PAMSU as necessary for institutional capacity building and notes that after the ICB-PAMSU the management and sustainability of the institutions was sufficiently in place to warrant further investment by the Bank. The Government noted that the actions of the UWA increased its capacity to develop and implement good financial and human resource management systems, and significantly improve planning and field capacity. With regard to the other conservation-related institutions, the Government noted that most of the components fully achieved the objectives intended under the project, with notable exception for the Wildlife Department, due to late recruitment and lack of training; and the delayed transfer of the DAM to the UMMA. The Government commended the Bank's performance in providing advice and guidance and noted the consistency of task managers. The Government rated its own performance as satisfactory despite its slow start and problems with counterpart funding. The Government also provided several important lessons learned, most notably that project design should allow for flexibility to adapt to unforeseen circumstances (e.g. the Bwindi tragedy); IAs should fully participate in project design to facilitate implementation; and governance issues must be addressed at the project design stage to ensure accountability and transparency of project management and implementation.

*(b) Cofinanciers:*

N/A

*(c) Other partners (NGOs/private sector):*

N/A

## **10. Additional Information**

N/A

## Annex 1. Key Performance Indicators/Log Frame Matrix

### Outcome / Impact Indicators:

Indicator/Matrix	Projected in last PSR <sup>1</sup>	Actual/Latest Estimate
All IAs: Sectoral agencies have effective human resource management systems in place, including staff establishment, job descriptions, performance indicators, training needs assessment and training programs.	(i) Any recommended restructuring or revisions approved by respective governing bodies; (ii) a 5-year training strategy and first year training plan developed; (iii) finalized job descriptions and performance indicators for all positions; (iv) progress on developing/strengthening corporate culture.	The main implementing agency, UWA, has a functioning human resource division and all employees have current contracts with clear job descriptions. A training needs assessment was undertaken and a comprehensive training program was developed. Corporate culture in all IAs has vastly improved due to improved HR management.
All IAs: Sectoral agencies have effective financial management system in place (including needed hardware/software, trained staff, etc.) as demonstrated by audit reports etc.	(i) An acceptable audit report by independent auditor for one financial year; (ii) evidence of acceptable budget planning/management for one year; (iii) completed physical asset inventory and valuation, and inventory tracking and internal audit systems operational; (iv) completed, realistic business plan.	All IAs have provided the necessary audits. UWA has developed and implemented a financial management system. The necessary hardware and software have been installed and both HQ and field staff have been trained. Annual operating plans have been developed for PAs. The PCU has provided financial management support to the other IAs.
All IAs: Developed, and effectively deployed, capable staff and management systems; external TA being replaced by internal capacity, impact of training activities evaluated.	Management systems in place and being effectively operated by Agency staff; Major training activities completed and (most) trained staff retained and effectively deployed; Major TA completed and responsibilities handed over.	Training needs have been established but, implementation was delayed and programs are not complete. All the major TA was completed. Phasing out of UWEC and UWA expatriate ED began in 2001.
UWA: PA System revised to address need for: (i) coverage of main ecosystems and biodiversity resources; (ii) management efficiency and sustainability.	Revised PA System approved by GOU; implications for implementation (e.g. resettlement requirements if any, boundary demarcation and infrastructure development) identified and costs estimated.	The PA rationalization plan was completed. A revised Protected Area System plan was put into force in 2002 that eliminated most of the boundary issues and historical encroachment through redrawing park boundaries. The overall representation of major ecosystems was also improved. The PA planning process was decentralized, which lead to greater ownership by park management.
UWA: Concessions for private sector tourism facilities within PAs being awarded and managed in accordance with approved policies and procedures.	Recommended actions completed for all existing concessions and informal agreements; management of concessions (and award of any new concessions) following approved policies and procedures.	Recommendations of a Ministerial report on the status of the existing concessions were adopted, however the implementation of the recommendations remains slow. By mid-2002, recommendations had been implemented in only 4 out of 14 pre-existing concessions.
UWA: (i) Composition of BOT revised as needed for professionalism, effectiveness and efficiency; (ii) Appropriate Terms of Reference/responsibilities and operating procedures: documented, well understood and being followed.	(i) Changes to legislation made (as needed) and appropriately structured Board appointed; (ii) BOT operating effectively, in accordance with TORs and PM; demonstration that it is taking informed decisions reflecting its responsibilities and the best interests of UWA and Uganda.	The BOT have clear TORs, and a procedural manual endorsed by the GOU. The BOT was operating effectively at project end.
UWA: Management Structure appropriate to functions: appropriate deployment of staff and resources (e.g. HQ vs. Field); effective senior management team; decision making at appropriate levels; clear responsibilities, accountability and reporting at all levels; good communication channels, mutual confidence and respect between	Effective and efficient management structure-- designed to meet UWA's mandate and operational needs identified and largely in place; Evidence of progress towards "corporate culture" suitable to UWA mandate, functions and strategies; Appointment of qualified Executive Director.	An appropriate management system was in place at UWA comprising of a well-qualified executive director and several senior managers. The decision-making process was decentralized to enhance the capacity in the field and 6 new PA general managers were recruited. A new "corporate culture" was adopted and morale was greatly

management and staff.		improved.
UWA: (i) PA Management Plans developed/updated and being implemented ("planning culture" developed); (ii) Field staff operating effectively, properly equipped and trained; (iii) Mechanisms in place for local community consultation/participation; (iv) Innovative PA management models (e.g. involving private sector, NGO and community partnerships) actively explored and encouraged.	(i) 5 PA Mgmt plans under implementation and investment needs incorporated in UWA Development and Operational Plans; 5 additional PA Mgt. Plans under preparation/being updated; (ii) 2-year field staff training plan completed, additional training needs identified; (iii) 2-3 pilots of innovative PA management models identified and under development.	General management plans for 6 PAs and annual operating plans for PAs were prepared. Disbursement of funds in all PAs was approved against AOPs. Field staff were trained and equipped, although infrastructure and transportation constraints still plagued certain PAs. Further training needs assessment and training plan completed, however the scope of the training carried out was greatly reduced in scope due to delays in preparing the program. Enforcement efforts were continued and improved upon. Revenue sharing and community participation policies were approved for 2 areas. Rudimentary community-led alternative income generating projects established (e.g. wild coffee at Kibale). Associated financing from GTZ helped establish a monitoring and research program.
UWEC: Improved physical facilities, including Animal Holding facilities for WD and visitor facilities	All rehabilitation under allocated funds completed; feasibility studies and designs completed for further infrastructure rehabilitation/development (per strategic/business plan)	All civil works planned under the project for rehabilitation were carried out. A business plan was completed and rated satisfactory.
MTTI: Tourism Policy Paper and Strategic Plan, prepared through stakeholder consultation process	GOU approval of Policy Paper; Proposals for legislative revisions (as needed) completed and submitted to Parliament	Tourism policy paper developed and put forth for adoption by cabinet after several delays, through a consultative process involving key stakeholders.
MTTI: Licensing standards (including standardized curricula and examinations as appropriate) for tourism training institutions developed in consultation with private sector	Licensing standards finalized and adopted	Development of licensing standards and grading system established with participation of key stakeholders. Legal framework for enforcement has been prepared and was submitted to Parliament.

### Output Indicators:

Indicator/Matrix	Projected in last PSR <sup>1</sup>	Actual/Latest Estimate
All IAs: Adopt a "Mission Statement" and policy document, defining its short/medium/long-term objectives, including relationship to and interactions with the private sector.	Final policy/mission statement adopted by respective governing bodies.	All IAs developed a mission statement and policy document consistent with GOU policies.
All IAs: Develop: (i) an overall strategic ("corporate") plan, (ii) a proposed 5-year development plan (including financial analysis/feasibility studies of any proposed major investments, including specific investment proposals for PAMSU support), and (iii) a 1-2 year operational plan.	(i) Strategic and Development Plans finalized and adopted by respective governing bodies (and approved by GOU as required); (ii) Draft operational plans for following 2 years prepared (with completed financial analysis/feasibility studies for any commercially-oriented investments).	The main implementing agency, UWA prepared and adopted a Strategic Plan for the organization. Draft operational plans were developed for most IAs.
UWA: Comprehensive staff training plan refined and implemented.	2-year training plan completed; additional training needs identified.	A training needs assessment was undertaken and a comprehensive training program was developed.
UWA: Strategic Plan developed and adopted, including business plan; prioritized and covering both ongoing operations and proposed development.	(i) UWA Strategic Plan approved with substantial stakeholder acceptance; (ii) Realistic short and medium-term business plan (including projections of internally	UWA strategic plan completed and adopted with strong ownership throughout the UWA. Draft business plan completed to guide implementation of business plan.

	generated revenue, GOU and donor support).	
WD: Amended WF Policy and amended legislation, or new regulations developed as needed, particularly with respect to Community Wildlife Management Areas.	Proposed policy/legislation amendments and regulations adopted, or submitted to Parliament, as appropriate.	A new wildlife policy was prepared but not ratified by project end. The WD facilitated the ratification of 2 new wildlife related conventions and selected CITES regulations.
UWEC: New conservation education exhibits.	Exhibits completed and open to visitors.	Expansion and improvement of conservation education program was completed.
UWEC: Strategic/business plan for UWEC developed to ensure fulfillment of educational mandate and sustainability.	Business plan completed, feasibility studies for proposed new developments completed.	The UWEC business plan was completed and is under implementation.
UWTI: Development Strategic and business plan for UWTI in progress, including market analysis and estimate of long-term WF sector training needs in Uganda and the Region (public and private sector) and assessment of UWTI's prospective role in meeting those needs.	Business plan completed, including feasibility studies of any proposed infrastructure development or expansion.	A feasibility study was completed. No further actions were taken after GOU transferred UWTI responsibility from MTTI to Ministry of Education and Sports.
MTTI: Tourism Database established, including collection, analysis and dissemination mechanisms.	Statistical Database fully operational; statistics for previous year published.	Tourism statistical database established and fully operational.
UTB: Uganda Tourism Board effectively promoting Uganda as a destination, diversifying tourism products, and increasing professionalism in the local tourism sector.	(i) second round of familiarization trips and sales calls (European market) completed; (ii) investment prospectus completed and distributed; (iii) public relations pilot initiative underway; (iv) Private tourism operators and associations identify UTB as a valuable resource and regularly benefiting from its services; (v) At least 20 well-established tourism operators in major source countries regularly accessing UTB website and including Uganda in their promotions and tour packages.	Focused trade fair participation was undertaken where Uganda was promoted as an emerging tourist destination. Contacts were established between local and international tour operators.
HTTI: (i) HTTI kitchen and "front office" training facilities rehabilitated/upgraded for use as a model training facility; (ii) "Train-the-trainer" short courses held, producing trained instructors, recommended training curricula, materials and aids; (iii) Mechanism for setting and maintaining standards for tourism training, including certifying/licensing tourism training institutions and graduates.	At least 6 (3 additional) short courses held. Evaluation of Train-the-Trainer program completed. Institutional structure for setting and maintaining standards of tourism training (including certification/licensing process for training institutions and graduates) identified and agreed by participating agencies and stakeholders.	Training program executive committee established and a survey/assessment of tourism training facilities in the country undertaken. Investment in equipment and infrastructure at HTTI completed. No further training was carried out. The tourism policy recommended that tourism training should be demand driven and led by the private sector and additional resources from the private sector were being sought.

<sup>1</sup> End of project



## Annex 2. Project Costs and Financing

### Project Cost by Component (in US\$ million equivalent)

<b>Component</b>	<b>Appraisal Estimate US\$ million</b>	<b>Actual/Latest Estimate US\$ million</b>	<b>Percentage of Appraisal</b>
UWA Capacity Building and Operations	10.53	10.59	101
Capacity Building for Other Conservation-related Institutions	2.42	1.50	62
Strengthening of the Department of Museums and Antiquities/National Commission for Antiquities and Museums	0.70	0.80	115
Capacity Strengthening Ministry of Tourism, Trade and Industry and the Uganda Tourism Board	1.76	0.24	14
Strengthening of In-Country Tourism Training Capacity	1.07	0.84	78
Project Coordination and Implementation	1.23	1.71	139
Unallocated		0.00	0
PPF Reimbursement			102
<b>Total Baseline Cost</b>	17.71	15.68	
<b>Total Project Costs</b>	17.71	15.68	
<b>Total Financing Required</b>	17.71	15.68	

### Project Cost by Procurement Arrangements (Appraisal Estimate) (US\$ million equivalent)

<b>Expenditure Category</b>	<b>Procurement Method</b>			<b>Total Cost</b>
	<b>ICB</b>	<b>NCB</b>	<b>Other</b>	
(1) Civil Works		0.48	0.11	0.59
(2) Equipment and Vehicles	0.65	0.50	0.30	1.45
(3) Consultants' Services and Training			6.04	6.04
(4) Operating Costs		0.61	2.26	2.87
(5) Refunding of Project Preparation Advance			1.92	1.92
(6) Unallocated			1.10	1.10
<b>Total</b>	<b>0.65</b>	<b>1.59</b>	<b>11.73</b>	<b>13.97</b>

**Project Cost by Procurement Arrangements (Actual) (US\$ million equivalent)**

Expenditure Category	Procurement Method			Total Cost
	ICB	NCB	Other	
(1) Civil Works	0.58	0.20	0.03	0.81
(2) Equipment and Vehicles	0.50		0.68	1.18
(3) Consultants' Services and Training	0.50	2.00	5.03	7.53
(4) Operating Costs		0.33	2.17	2.50
(5) Refunding of Project Preparation Advance			1.95	1.95
<b>Total</b>	<b>1.58</b>	<b>2.53</b>	<b>9.86</b>	<b>13.97</b>

**Project Financing by Component (in US\$ million equivalent)**

Component	Appraisal Estimate			Actual/Latest Estimate			Percentage of Appraisal		
	Bank	Govt.	CoF.	Bank	Govt.	CoF.	Bank	Govt.	CoF.
<b>UWA Capacity Building and Operations</b>	4.75	4.68	1.10	6.47	3.10	1.04	136.2	66.2	94.5
<b>Capacity Building for Other Conservation-related Institutions</b>	1.32	0.39	0.71	0.57	0.22	0.71	43.2	56.4	100.0
<b>Strengthening of the Department of Museums and Antiquities/National Commission for Antiquities and Museums</b>	0.57	0.12		0.74	0.06		129.8	50.0	
<b>Capacity Strengthening Ministry of Tourism, Trade and Industry and the Uganda Tourism Board</b>	1.18	0.59		0.22	0.02		18.6	3.4	
<b>Strengthening of In-Country Tourism</b>	0.78	0.30		0.80	0.04		102.6	13.3	
<b>Training Capacity</b>									
<b>Project Coordination and Implementation</b>	1.03	0.03	0.18	1.30	0.24	0.18	126.2	800.0	100.0
<b>Unallocated</b>	1.10						0.0		
<b>PPF Reimbursement</b>	1.92			1.95			101.6		

### **Annex 3. Economic Costs and Benefits**

It was not possible or practical to calculate the economic costs and benefits for such a project which by nature does not aim directly at economic benefits, but rather capacity building for further investment opportunities. Therefore, no economic analysis was prepared.

## Annex 4. Bank Inputs

(a) Missions:

Stage of Project Cycle	No. of Persons and Specialty (e.g. 2 Economists, 1 FMS, etc.)		Performance Rating		
	Month/Year	Count	Specialty	Implementation Progress	Development Objective
<b>Identification/Preparation</b>					
05/1994	7	Sr. Ecologist, Biodiversity Specialist, Institutional and Organizational Management Specialist, Protected Area Management and Associated Tourism Development Specialist, Economic and Financial Analysis Specialists (2), Private Investment Development and Financial Services Specialist.			
<b>Appraisal/Negotiation</b>					
05/12/1997	10	Sr. ecologist, Biodiversity Specialist, Institutional Specialist (2), Tourism Policy and Development Specialist, Tourism Business Development Specialist, Financial Management Systems Specialist, Economic Specialist, Wildlife Conservation Specialist, Project Assistant			
05/26/1998	10	"	S	S	
<b>Supervision</b>					
05/27/1999	2	Sr. Ecologist, Natural Resource Management Specialist	S	S	
12/21/1999	2	Sr. Ecologist, Natural Resource Management Specialist	S	S	
03/15/2000 and 04/30/2000	2	Sr. Ecologist, Natural Resource Management Specialist	S	S	
06/12/2000	6	Sr. Ecologist, Biodiversity Specialist, Institutional Specialist, Financial Management Specialist, Financial Specialist, Procurement Specialist.	S	S	
10/10/2000 and 12/12/2000	3	Sr. Ecologist, Natural Resource Management Specialist, Biodiversity Specialist	S	S	
03/16/2001	8	Sr. Ecologist, Biodiversity Specialist, Natural Resource Management Specialist, Institutional and Organizational	S	S	

<b>ICR</b>	07/05/2002	3	Management Specialist, Tourism Specialist, Protected Areas Management Specialist, Financial Management Specialist, Procurement Specialist Senior Environmental Specialist, Economic Specialist, Financial Management Specialist	S	S
	02/10/2003	3	Senior Environmental Specialist, Biodiversity Specialist, Economic Specialist	S	S

(b) Staff:

Stage of Project Cycle	Actual/Latest Estimate	
	No. Staff weeks	US\$ ('000)
Identification/Preparation	145.6	424.1
Appraisal/Negotiation	44.3	49.3
Supervision	80.2	412.0
ICR	4.2	46.5
Total	274.3	931.7

## Annex 5. Ratings for Achievement of Objectives/Outputs of Components

(H=High, SU=Substantial, M=Modest, N=Negligible, NA=Not Applicable)

	<i>Rating</i>				
<input type="checkbox"/> <i>Macro policies</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input checked="" type="checkbox"/> <i>Sector Policies</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Physical</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Financial</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input checked="" type="checkbox"/> <i>Institutional Development</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Environmental</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
 <i>Social</i>					
<input type="checkbox"/> <i>Poverty Reduction</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Gender</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input checked="" type="checkbox"/> <i>Private sector development</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Public sector management</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA

## Annex 6. Ratings of Bank and Borrower Performance

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HU=Highly Unsatisfactory)

### 6.1 Bank performance

- Lending
- Supervision
- Overall

### Rating

- HS  S  U  HU
- HS  S  U  HU
- HS  S  U  HU

### 6.2 Borrower performance

- Preparation
- Government implementation performance
- Implementation agency performance
- Overall

### Rating

- HS  S  U  HU
- HS  S  U  HU
- HS  S  U  HU
- HS  S  U  HU

## **Annex 7. List of Supporting Documents**

Uganda Institutional Capacity Building for Protected Areas Management and Sustainable Use Project Staff Appraisal Report.

Uganda Institutional Capacity Building for Protected Areas Management and Sustainable Use Project Development Credit Agreement (IDA 3115-UG).

Uganda Institutional Capacity Building for Protected Areas Management and Sustainable Use Project GEF Grant Agreement (GEF TF020516-UG).

Statement of mission objectives, back-to-office reports, supervision reports and aide-memoires 1998-2002.

Uganda Institutional Capacity Building for Protected Areas Management and Sustainable Use Project Midterm Review, March 2001.

Project Status Reports 1999-2002.

Disbursement database and reports Uganda Institutional Capacity Building for Protected Areas Management and Sustainable Use Project – World Bank’s Integrated Controller’s System 1999-2002.

Quality of Supervision Assessment Report 6/2000.



## **Additional Annex 8. Project Evaluation by the Borrower**

### **INSTITUTIONAL CAPACITY BUILDING FOR PROTECTED AREAS AND SUSTAINABLE USE (ICB-PAMSU) PROJECT**

#### **1.0 INTRODUCTION**

Protected Areas Management and Sustainable Use (PAMSU) Project was designed as part of a comprehensive study conducted for a period of over two years with support from the World Bank (PPF) covering the wildlife and tourism sectors in Uganda.

PAMSU project therefore aimed at supporting institutional development and capacity building of the then Ministry of Tourism, Wildlife and Antiquities (MTWA) and its key agencies and associated institutions, to enable them fulfill their roles of policy development, planning, promotion, regulations and human resource development in the wildlife and tourism sectors, and to maintain and manage the country's natural and cultural assets.

The project also aimed at supporting rehabilitation and improvement of high priority infrastructure and facilities in Protected Areas (PAs), and of relevant educational facilities and cultural attractions. The level and rate of investment in each aspect was to be based on the absorptive capacity of implementing institution and on the sustainability of the proposed development, as would be demonstrated by vigorous financial and other feasibility studies. IDA funds would be targeted primarily at general institutional and sectoral support and those PAs, which could be expected to yield a return on such investments through increased tourism revenues. While the GEF funds would be sought particularly for rehabilitation, restoration and management of PAs, which are of high international priority from the biodiversity perspective but are expected to provide less direct economic value to Uganda, at least in the near future.

The project would also catalyze greater private sector investment in tourism enterprises by: - supporting the Uganda Tourist Board's promotional activities, strengthening governmental support services such as collection of tourism statistics and hotel classifications, helping to ensure a conducive environment for investment in sustainable tourism enterprises, providing technical and other assistance to encourage the development of small and medium scale tourism related enterprises. A parallel program funded by the European Union would compliment these efforts.

In keeping with Government of Uganda policy, the project would promote the participation of District Governments and Local Communities in conservation and economic development activities, both by supporting the development of Uganda Wildlife Authority's (UWA) Policy of "Collaborative Management" of the PAs and by assisting Districts to incorporate tourism in their development plans and programs.

It was however, established in May 1997 that the PAMSU Project could not be appraised in the form it was due to the lack of adequate institutional capacity of the agency responsible for implementing the main component, the UWA. MTWA had recognized the serious nature of the problems prior to the arrival of the World Bank Mission Team, and outlined a plan of action intended to address them. The Plan of Action, which was endorsed by the Mission, formed the basis of the "Change Process" expected to result in a strong more sustainable UWA. The change process consisted of two steps:

- (i) an independent review of organizational structure of UWA, including a review of the job descriptions and qualifications for all technical and management staff.

- (ii) A recruitment of all management and technical staff against the job descriptions and qualifications to be undertaken by a professional Human Resource Consultants i.e. a “ Change Management team”.

Since PAMSU was designed as an integrated programme for support of the wildlife and related tourism sectors, major investments in other sectoral institutions could not be justified in the absence of UWA component because their technical and economic justification largely depended upon there being in place a well-developed and effectively management Protected Areas System. In addition, the sectoral institutions also had institutional weaknesses, which needed to be addressed. It was therefore agreed that the first priority would be to establish a strong and effective institution framework, through institution capacity building. This would include much of the institutional capacity building elements of the initially proposed PAMSU Project, with modification to reflect additional needs, thus the Institutional Capacity Building Project (ICB-PAMSU)

The realization of institutional capacity targets under ICB-PAMSU Project would trigger the launch of the rest of the PAMSU Project, which would be the follow-on investment phase.

However, this report outlines an assessment of the ICB-PAMSU Project objectives, design and implementation as well as operational experience. It also outlines an evaluation of the borrower’s own performance during the implementation of the project and an evaluation of the World Bank’s performance during project implementation.

## **2.0 PROJECT OBJECTIVES**

The objectives of the project were:-

- (a) to assist the borrower to establish effective institutional capacity for strategic planning, program development and implementation within the wildlife and tourism sectors;
- (b) promote sustainability of the wildlife and tourism sectors, and
- (c) protect the borrowers natural resource base.

The project consisted of the following parts, which were subject to such modifications as the Borrower and Association agreed from time to time: -

### **PART A: UGANDA WILDLIFE AUTHORITY(UWA)**

- 1) Strengthening UWA’s capacity to:
  - (a) develop a strategic plan and a business plan;
  - (b) develop and implement a financial management system;
  - (c) develop and implement human resources management systems;
  - (d) refine and implement a comprehensive training program to enhance staff skills in modern organisation and management of Protected Areas;
  - (e) design, construct, rehabilitate and maintain physical infrastructure

- (f) complete the process of rationalisation of the Protected Areas system with an emphasis on the effective participation of affected communities through the provision of technical advisory services.
- 2) Strengthening the capacity of UWA's Board of Trustees to carry out its duties under its statutes through the provision of training, team building workshops and refinement of its procedural manual.
- 3) Transformation of UWA into an organisation operating on a commercial basis through the provision of technical advisory services.
- 4) Strengthening UWA's field operations through the acquisition of equipment including computers, communication equipment, uniforms, camping gear and the provision of maintenance of vehicles and equipment.

#### **PART B: CAPACITY BUILDING OF OTHER CONSERVATION- RELATED INSTITUTIONS**

- 1) Strengthening the operational and managerial capacities of MTTI's Wildlife Department to carry out its statutory responsibilities through the provision of technical advisory services, training and workshops, and the acquisition of equipment.
- 2) Strengthening the capacity of Uganda Wildlife Education Centre (UWEC) to serve as a centre for conservation education through (a) the provision of technical advisory services for the management of the centre and the design of business planning and facilities, and (b) the physical rehabilitation and development of facilities and educational exhibits.
- 3) Strengthening the operational capacity of the Uganda Wildlife Training Institute so as to (identify the borrower's long term human resource needs in the wildlife sector, and (b) develop a strategy for training services to meet those needs.
- 4) Strengthening the capacity of the Forestry Department to support eco-tourism conservation activities in forestry reserves through (a) provision of technical advisory services (b) training (c) civil works, and (d) the acquisition of vehicles and equipment.

#### **PART C: DEPARTMENT OF ANTIQUITIES AND MUSEUMS (DAM)**

Strengthening DAM's capacity to preserve and protect Uganda's cultural assets through (a) the repair and rehabilitation of essential curation and exhibition facilities at the National Museum; (b) acquisition of equipment; (c) provision of technical advisory services; (d) carrying out a survey to identify and assess prospective sites for future development of cultural tourism.

#### **PART D: STRENGTHENING THE CAPACITY OF MTTI**

Strengthening the MTTI's capability to: 1(a) develop a tourism policy and Strategic plan; (b) fulfill its role in the collection, analysis and dissemination of tourism data statistics; (c) develop a tourism statistical database; (d) carry out visitors surveys through the provision of technical advisory services; (e) develop and implement appropriate schemes to ensure the maintenance of quality standard at private training institutions; (f) develop appropriate licensing standards for the main service sectors. (2) strengthening The Tourist Board's (UTB) management, promotional and marketing capacities through the provision of technical advisory services, training of staff and acquisition of equipment and materials.

## **PART E: HUMAN RESOURCE DEVELOPMENT AND TRAINING FOR THE TOURISM SECTOR**

Strengthening the training capacity of training institutions in the tourism sector through; (a) the development and implementation of a program for the training of trainers, and (b) the rehabilitation of Hotel Tourism and Training Institute (HTTI) in Jinja, for use as a facility for training in food preparation, and the provision of computer facilities for training staff to acquire appropriate skills in reservations and reception.

### **3.0 ACHIEVEMENT OF PROJECT OBJECTIVES**

The Project has by and large achieved its major objectives. Following is a summary of achievements by component.

#### **PART A: UGANDA WILDLIFE AUTHORITY**

- 1) Under the very able leadership of a dynamic expatriate Executive Director, the UWA Strategic Plan was completed and adopted (with strong 'ownership' throughout UWA) The Strategic Plan has been revised taking into consideration cost sharing mechanism which has led to the establishment of two approved community-related policies i.e. Revenue Sharing and Participation in Protected Areas Management. Due to inadequate financing under this phase of the Project, a Business Plan has not yet been drawn up. It is anticipated that this will be achieved during the follow-on project.
- 2) The new organisational structure at the Headquarters has increased UWA's capacity to develop and implement a good financial and human resources management system. There has been significant improvements in financial management, planning, field capacity and operations and overall "corporate culture" and "morale". However, UWA has to further improve financial management by completing the physical asset inventory.
- 3) A training needs assessment and training plan were completed. A pilot training programme for the rangers in First Aid management, Basic Community skills and Basic Principles in tourism has also been accomplished. A number of staff have been trained in financial management. What is not so clear is whether or not the improvements so far made are sustainable especially in the face of other competing organisations for trained personnel.
- 4) The murdering of eight foreign tourists in Bwindi National Park in March 1999, had a negative effect on visitors and consequently a negative impact on the number of tourists visiting the parks. This did not only reduce the level of actual and expected revenue to UWA, but it also delayed the start of implementation of the Project. Re-allocations had to be effected at the beginning of the project to basically support UWA's operational budget line especially with respect to salaries. However, with the implementation of the Project, there is some recovery of UWA revenues following the inevitable precipitous decline, needless to mention that low revenue (due in large part to low overall tourism rates due to external factors) continues to be a significant constraint on UWA operations and development, which in turn is a threat to its sustainability. There are also some significant improvements in the UWA-run tourism facilities, although substantially more could be achieved with well-targeted, modest facilities and less political interference in the area of concessions management. To obtain revenue for UWA and create economic benefits for Uganda, while maintaining the conservation value, there was need for concessions to be awarded on a competitive and transparent

basis. UWA's ability to approve and adopt standardised procedures for soliciting proposals, granting and over-seeing concessions, consistent with the recommendations of the GoU Concessions Committee Reports, was largely faced with political interference.

- 5) A new Board of Trustees comprising of nine members was inaugurated. The capacity to efficiently and effectively carry out its duties is strengthened by the refinement of the Procedurals manual
- 6) Transformation of UWA into an organisation operating on a relatively commercial basis has been attained by initially recruiting an expatriate Executive Director coupled with the recruitment of PricewaterhouseCoopers in the area of financial management. Appointment of a National Executive Director in March 2002 facilitated the smooth hand-over from the Expatriate Director who left in April 2002.
- 7) UWA's field operations have been strengthened through the acquisition of equipment, including computers, communication equipment, uniforms, camping gear and the provision of maintenance of vehicles and equipment. This has resulted in significant improvement in operational effectiveness and morale.

In general, insecurity, continues to be one of the biggest threats to the achievements and progress gained in UWA. However, with the appointment of a sensitised Board of Trustees and a competent Executive Director, the organisation will be steered to a sphere where appropriate levels of operations can be maintained making room for (i) sustaining the substantial improvements that have been achieved especially in terms of establishing management systems and a 'Planning culture', (ii) improved PA Protection, (iii) readiness to absorb future investment by UWA.

In addition UWA needs to identify and pilot measures to provide incentives for continuous improved management of the PA level (e.g. setting and achieving specific performance targets through the Annual Operation Planning (AOP) process, improving cost effectiveness, increasing revenue generation), drawing upon models from Uganda and other countries especially those in the region. Continued well targeted external support over the next few years will be essential to achieving these objectives and thus putting UWA on tract towards long-term objectives of financial viability.

## **PART B: OTHER CONSERVATION ORGANISATIONS**

### **(a) Uganda Wildlife Education Centre**

- 1) A Business Plan that addresses the issues of competitive strategy, pricing strategy, risk assessment and controls over revenue collection was developed and is operational.
- 2) As part of a deliberate effort to strengthen the capacity of UWEC to serve as a centre for conservation education, modest physical rehabilitation has been done by setting up an office block, dormitory, classroom and educational animal exhibits.
- 3) Financial Sustainability initiatives have been launched. H.E The President inaugurated the fundraising for the endowment by pledging US\$ 100,000 towards the endowment fund

In general this component has fully achieved the objectives it was intended under this Project. Its' focus is now on achieving financial sustainability through increased emphasis on revenue generation and fund raising including seeking donor support for a modest endowment fund.

**(b) Wildlife Department**

- 1) The Protected Areas Rationalisation Plan has been completed and has been approved by Parliament. This activity was largely funded by EU (i.e approximately \$92,000), which also contributed to some temporary demarcation of Protected Areas boundaries. The Division coordinated the completion and Parliamentary approval of the plan.
- 2) The operational and managerial capacity of the Wildlife Division has been greatly enhanced through the provision of office equipment, a well-maintained vehicle and communication links through the provision of inter-net facilities. However, its ability to carry out its statutory obligations in relation to adherence by the Borrower to all its international obligations under wildlife related conventions, has greatly been impaired by the lack of adequate staffing for the bigger part of the lifespan of the project. Therefore, there has been limited participation in International meetings and workshops.
- 3) A Draft Wildlife Policy was prepared

On the whole, the Wildlife Division has not achieved all its objectives. Training of the Division staff was not undertaken under the Project due to late recruitment of additional staff. GoU has not yet ratified the revised Wildlife Policy or enacted the revised Wildlife Act.

**(c) Uganda Wildlife Training Institute**

In view of a long term strategy of strengthening its operational capacity, a feasibility study coordinated by IUCN was done to evaluate the financial viability of the Institute (including identifying an appropriate “market niche” for its services) and developing a general business plan.

It was concluded that in the face of competitiveness with other similar but already well-established institutions in the region, the suitability of UWTI as a wildlife-training institute is not feasible. Its present standing as a semi-autonomous parastatal under the Ministry of Education does not make it eligible for further financing under the Tourism Sector.

**(d) Forestry Department**

This component was dropped on grounds that funding was available under the European Union (EU) Forestry Support Project.

**PART C: DEPARTMENT OF ANTIQUITIES AND MUSEUMS**

Some of the objectives of this component have been achieved while other critical ones have not been achieved.

- 1) As part of the strategy to strengthen the capacity of DAM to carry out its mandate; (a) a facelift of the National Museum in Kampala has been done; (b) the repair and modest rehabilitation of some of the essential curation and exhibition facilities has been done; (c) some of the audio visual equipment for improving public educational programs was purchased; (d) operations of the Department have been greatly enhanced through the provision of office equipment and a vehicle; (e) prospective sites for future development of cultural tourism were identified and assessed.

- 2) On the other hand the objective of transforming the Department into a semi-autonomous body has not been attained under this Project. While the Ministry of Public Service has approved Uganda Monuments and Museums' (UMMA) establishment under the Executives Agencies Bill it has not been enacted by Parliament.

Therefore, enactment of the Executives Agencies Bill will lead to the formal establishment of UMMA and a realistic business plan if accomplished, will form the basis of its operations and sustainability. Business, development and investment plans have not yet been developed.

#### **PART D: STRENGTHENING CAPACITY OF MINISTRY OF TOURISM, TRADE AND INDUSTRY (MTTI) AND UGANDA TOURIST BOARD (UTB)**

- 1) (a) Using technical advisory services, a comprehensive Tourism Policy and Strategic Plan have been developed through a consultative process involving all the stake holders; (b) a Tourism Statistical Database has been established. This is enabling MTTI and the Bureau of Statistics to fulfill their respective roles in the collection, analysis and dissemination of tourism data and statistics. On the whole the project lead to significant improvements in availability of data for planning purposes particularly over the life span of the project. Tourist Expenditure surveys have been carried out with the assistance of more funding from the European Union What is not clear is whether or not the improvements so far made are sustainable in the face of shortage of staff to be trained on the use of the database. There is a need for MTTI to identify more than the one officer (the ministry statistician) to ensure sustainability of the capacity built; (c) the Human Resource Development Plan and Strategy for the sector have been developed arising from the manpower needs assessment undertaken. However, appropriate schemes to ensure the maintenance of quality standards at private training institutions could not be undertaken fully due to lack of a curricula whose development was only kick-started but not established under the project; (d) the licensing and grading system for tourism facilities has been agreed after a thorough a country-wide consultative process involving key stakeholders. The Legal Framework for enforcement of the system is yet to be submitted to Parliament for enactment.
- 2) In view of promoting UTB's management, promotional and marketing capacities, focused trade fair participation in key source markets have been undertaken where Uganda has been presented as an emerging tourism destination. The acquisition of equipment and materials under the project has enhanced the operational capacity of UTB.

#### **PART E: STRENGTHENING TOURISM TRAINING CAPACITY**

In order to ensure availability, quality and rehabilitation of tourism training and as a result increase the quality and professionalism of tourism services; (a) a train-the-trainer programme for all the hospitality discipline was undertaken through a consultancy contract awarded to CHL Consultancy firm. A total of 103 people from various institutions all over the country were trained in customer care, Food & beverages, Tourism Operations, Management Evaluation among others; (b) investment in both kitchen and office equipment as well as modest rehabilitation of the kitchen and front office at the Hotel for Tourism and Training Institute (HTTI) at Crested Crane Jinja, was completed and in essence provided the facilities for the "Train-the-trainer" programme; (c) Curricula development to be accomplished by the mandated National Curriculum Centre (Ministry of Education), was initiated under the Project.

#### **4.0 PROJECT COST/ACTUAL EXPENDITURE**

The Project was estimated to cost US\$20.29million financed as follows: -

IDA US\$12.37million; Government of Uganda (GoU) US\$5.92; Global Environment Fund (GEF) US\$ 2.00million. Actual expenditure to-date has been contributed as follows: IDA US\$ 12.03million; GoU US\$ 3.66million And GEF US\$1.95million. The actual expenditure differs from the estimated expenditure because, one, in the case of IDA/GEF the exchange rate between the US\$ and the SDR did not favour the borrower (i.e. IDA Credits are denominated in Special Drawing Rights (SDR) and two, in the case of GoU, the Ministry of Finance Planning and Economic Development failed to provide all resources necessary as Government contribution.

#### **5.0 BANK PERFORMANCE**

On the whole, IDA's performance, in providing advice and guidance on project implementation was excellent. The Project has had two Task Managers and since both of them were in the same sector, there was no time lost in understanding the conceptual framework of the project. There were no delays in providing "no objections" or other actions that was required from the Bank.

The frequent visits by the Task Managers provided opportunities for Government and IDA to discuss any difficulties that were hindering project implementation and hence provided needed solutions. The supervision missions also provided assistance at component level.

#### **6.0 BORROWER'S PERFORMANCE**

- The Ministry of Tourism, Trade and Industry's performance in the implementation of the ICB-PAMSU Project can be considered satisfactory despite the slow start in some components of the Project especially the Uganda Wildlife Authority (UWA), it took a bit of time for the expatriate Executive Director to settle down to work, but once settled, the Executive Director was able to steer the UWA component to the realisation of all the outputs.
- While the adoption of the Terms of reference and Procedures Manual for the Board of Trustees of UWA clarified the role of the board and Management, the composition and size of the Board remained a constraint to effective operation of the UWA until when the reduction of the Board size was made by Parliament towards the end of the Project.
- Late filling of key vacancies within the MTTI resulted in inadequate participation in the capacity building, training of the Wildlife Division staff was not undertaken as part of the capacity building process due to late recruitment of additional staff.
- The Borrower did not make available some of the counterpart funds agreed upon with the World Bank.

Despite these shortcomings, there were no serious effects on Project Implementation and achievement of most of the set objectives. Therefore the Borrower's performance was, in the borrower's view, satisfactory.



## **7.0 LESSONS LEARNED**

- Project design should allow for flexibility during implementation so as to take care of the unforeseeable circumstances, a case in point was the tragic Bwindi incident which together with the other security related problems resulted in a precipitous decline in UWA's internally generated revenues, project funds had to be re-allocated to address the critical UWA salary shortfalls. This however should be done without compromising with the need to achieve project objectives.
- It is of critical importance for the Implementing Agencies to fully participate in the design stage of the project, this facilitates the project implementation.
- Governance issues must be addressed at the project design stage to ensure accountability and transparency of project management and implementation. For example, the lack of terms of reference and clear guidelines for Boards can undermine the effectiveness of the institution.

## **8.0 CONCLUSIONS**

During the mid-term review of the ICB-PAMSU and the appraisal of PAMSU, the institutional, financial and management capability of the key Implementing Agencies; the Uganda Wildlife Authority and the Uganda Wildlife Education Centre was evaluated and determined to be satisfactorily improved and adequately developed to proceed with PAMSU project. Other components were also evaluated and found to have substantially attained the institutional capacity targets. In order to sustain the achievements made in these institutions, further assistance will need to be provided in selected areas.

In view of the foregoing, Government is grateful to the World Bank and Global Environment Facility (GEF) who provided funding for the project.

