



MINISTRY OF AGRICULTURE ANIMAL INDUSTRY AND FISHERIES

Operational Guidelines

for

Access and Management of Tractors provided

by GoU

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Foreword



The Agricultural Sector Strategic Plan (ASSP) 2015/16 -2019/20, priority 2 focuses on increasing access to critical inputs that include mechanization. The Ministry of Agricultural Animals Industry Fisheries (MAAIF) identified promotion of agricultural mechanization as a strategic intervention area towards improving productivity and profitability of strategic commodity value chains.

Government of Uganda is procuring tractors and implements for farming communities across the country under the MAAIF strategy for promotion of agricultural mechanization (ASSP 2015). For instance, through NAADS, the Ministry procured 110 tractors under Financial Year 2017/18 and is procuring 170 tractors this Financial Year 2018/19. In order to ensure effective and sustainable utilization of the tractors and implements by the beneficiaries, there is need for operational guidelines.

Accordingly, operational guidelines for tractor access and management have been developed. The main objective for the operational guidelines is to provide a framework for equitable access and effective management of tractors and their implements for profitable and sustainable utilization. The guidelines highlight the purpose, guiding principles, the beneficiary selection criteria, tractor access and management models, the roles and responsibilities of the key stakeholders involved in the utilization, management, supervision and motoring of the tractors and implements.

In this guidelines, four models for access and management of Tractors have been presented; Farmer organization tractor Management model, The Government owned and operated Tractor Management Model, Leased/ contracted tractor Management model and the Nucleus Farmer / Private Tractor Hire Service Provider Management model.

This document presents the operational guidelines for tractor access and management by benefiting farming communities.

A handwritten signature in black ink, appearing to read 'V. Sempijja'.

Hon. Vincent Bamulangaki Sempijja

Minister for Agriculture, Animal Industry and Fisheries

Abbreviations

AMT	Agricultural Mechanization Technologies
ASSP	Agricultural Sector Strategy Plan
CSO	Civil Society Organization
DAES	Directorate of Agricultural Extension Services
DLG	District Local Government
GOU	Government of Uganda
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry, and Fisheries
MDAS	Ministries, Departments and Agencies
MFPE	Ministry of Finance, Planning and Economic Development
MOU	Memorandum of Understanding
MTIC	Ministry of Trade, Industry and Cooperatives
MWE	Ministry of Water and Environment
NAADS	National Agricultural Advisory Services
NARO	National Agricultural Research Organization
FO	Farmer Organization
OPM	Office of the Prime Minister
OWC	Operation Wealth Creation
UBOS	Uganda Bureau of Statistics
UNBS	Uganda National Bureau of Standards
GDP	Gross Domestic Plan
CBO	Community Based Organization
MGLSD	Ministry of Gender, Labour, and Social Development
NPA	National Planning Authority
UNFEE	Uganda National Farmers' Federation
UCDA	Uganda Coffee Development Authority
DPMO	District Production and Marketing Officer

CAO	Chief Administrative Officer
DAO	District Agricultural Officer
DCO	District Commercial Officer
DCDO	District Community Development Officer
DVO	District Veterinary Officer
DAE	District Agricultural Engineer
UCA	Uganda Cooperative Alliance
GM	General Meeting
ZARDIS	Zonal Agricultural Research Development Institutes
PWDS	People with Disabilities

DEFINITION OF TERMS

Agricultural Tractor is most commonly used vehicle on farms. The Agricultural tractor is used for pulling or pushing agricultural machinery or trailers, for plowing, tilling, disking, harrowing, planting, and similar tasks.

Agricultural implements are devices attached to, pulled behind, pushed, or otherwise used with human, animal or mechanical power source to carry out an agricultural operation.

An “**agricultural machine**” is normally a mechanical device which has several moving parts; for example, combination seed drill powered by a tractor.

“**Agricultural equipment**” generally refers to stationary mechanical devices such as an irrigation pump-set. It may, however, also be used in place of the word “machine” to describe a stationary thresher or grinder, for example.

The term “**hire**” usually refers to hiring a piece of machinery/equipment (e.g. draft animal plough, or tractor-mounted plough).

Contractor is one who is both hiring out machinery/equipment and providing an experienced operator to use it (e.g. oxen, plough and operators, or tractor, plough and operator).

Climate smart agriculture is an approach that helps to guide actions needed to transform and reorient agricultural systems to effectively support development and ensure food security in changing climate.

Youth is officially defined as being persons from 18 to 30 years of age.

Leasing is renting out equipment to an individual to manage, operate or run as a business on ones behalf

Nucleus Farmer: According to this guideline, a Nucleus farmer is a model farmer in a community whose farm is used to guarantee throughput for produce processing or used for research or breeding purposes.

CHAPTER 1: INTRODUCTION

1.1 Background

Agriculture is one of the five strategic sectors, identified by the National Development Plan (NDP II) that will transform Uganda's economy from low to middle income status. The Agricultural Sector employs about 72 percent of the total labour force (including the disguised labour), 77% of whom are women and 63% are youth most of whom reside in rural areas (Statistical Abstract, 2017). With limited agricultural Mechanization, the sector accounted for 24.9% of the total GDP in the FY 2016/17 and the Agricultural exports accounted for 40% of total exports in 2014/15. Agriculture has a catalytic effect on other sectors and has capacity to play a critical role towards reduction of extreme poverty and hunger by sustainably intensifying production. The Investment Plan (DSIP) of the Ministry of Agriculture Animal Industries and Fisheries (MAAIF) gives priority to commercialization of the agriculture sector through development of commodity value chains.

The Agricultural Sector Strategic Plan (ASSP) 2015/16 -2019/20, priority 2 focuses on increasing access to critical inputs. The Ministry identified promotion of agricultural mechanization as a strategic intervention area. UBOS 2017 indicates that 43.2% (6.0 million) of the working population in Uganda is under subsistence agriculture characterized mostly by small holdings with farming system managed by small scale farmers who cultivate less than two hectares of land. ASDSIP. MAAIF, (2014) pointed out that, over 90% of the farm production-to-market transactions are done using rudimentary, inefficient and labour intensive hand tools with household labour, 8% manage to use animal traction, and less than 2% can afford the use of tractors for basic farming. In the emerging production system tractors and their implements are critical for land preparation, planting, weeding, harvesting, and water pumping among many other applications.

The application of farm power to appropriate tools, and implements (farm mechanization) is essential due to the following reasons;

- Improves the timeliness and efficiency of farm operations leading to cost savings and increased yields;
- It reduces drudgery in farming activities thereby enhancing lifestyles and
- It provides employment opportunities in communities and can lead to agriculture-led industrialization and rural economic growth Depending on varied circumstances,
- It has potential to address the problem of shortage of labour arising from high rural-urban migration of able-bodied persons

Government of Uganda is procuring tractors and implements for farming communities across the country under the MAAIF strategy for promotion of agricultural mechanization (ASSP 2015).

In order to ensure effective and sustainable utilization of the tractors and implements by the beneficiaries, there is need for operational guidelines. This document presents the operational guidelines for tractor access and management by benefiting farming communities. It includes sections on the purpose, guiding principles, the beneficiary selection criteria and tractor management models. The guide also highlights the roles and responsibilities of the key stakeholders involved in the utilization, management, supervision and motoring of the tractors and implements.

1.2 Target Group

These guidelines are intended for use by all stakeholders involved in the management and use of tractors (MAAIF and, other MDAs, Local Governments, NGOs, CBOs, Equipment Suppliers, Financial Institutions, Farmer Organizations and Individual farmers). The final beneficiaries for tractors and implements will be farmers as individuals or groups for agricultural activities.

1.3 Objectives of the guidelines

1.3.1 Main Objective

The main objective for these guidelines is to provide framework for equitable access and effective management of tractors and their implement for profitable and sustainable utilization

1.3.2 Objectives of the guidelines

1. Increase equitable access to tractorisation
2. Promote sustainable management and utilization of tractors
3. Provide a framework for utilization of Tractors

1.4 Rationale for Tractor Access and Management Services

The majority of Ugandan farmers are smallholders and most have a total land holding size of 1 to 3 acres (NPA, 2013). The acreage covered by single owner mechanized options is much larger than the average land size hold by majority farmers in Uganda. It is not economically viable to use Tractors by single owner unless the total land size is close enough to the capacity of the machinery selected by a particular farmer. If the machines are not fully utilized, the cost of mechanized farming will be higher than the manual farm operations. This is the main reason to encourage group tractor ownership and hire service system in Uganda.

Furthermore, to provide quality mechanization service and to ensure effective utilization of equipment, it is necessary to work with well-trained people. However, there is limited human resource, with prerequisite skills, in the country. As such, it is not feasible to focus on low level mechanization equipment such as ox ploughs, power tillers among others - despite their relative affordability, since it requires training of a tremendous number of operators and maintenance technicians.

Therefore, to get better access by the farmers in an economically viable manner, group tractor ownership and hire service system is more suitable under the current situation and four models of tractor access and management arrangement have been proposed on the basis on experience by various implement.

CHAPTER 2: ACCESS AND MANAGEMENT PRINCIPLES

2.1 Guiding Principles

2.1.1 Commodity Value Chain Approach

Farm operations in the Mechanized Production System are businesses - they exist to make profit. Mechanized farms must be supported by a sufficient and progressive value chain system which covers the production cost and leaves a decent profit margin for the farmer.

Therefore, tractors and implements shall be provided or acquired to address a gap(s) with in a particular commodity value chain from production level, Value addition/processing to marketing.

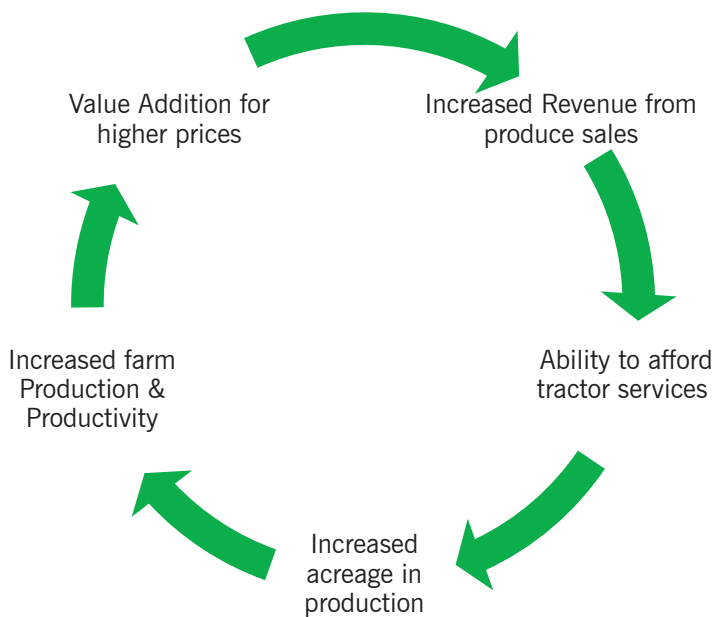


Figure 1: Sustainable Mechanized Agricultural Production System

2.1.2 Ownership & Stewardship

The guidelines are intended to promote ownership, stewardship and sustainability of the tractors and implements by the beneficiary farming communities. To enhance ownership and sustainability for access and use of tractors and implements, there're four (4) management models that can be used by the government and these include; *Farmer organization, Nucleus Farmer/Private Tractor Hire Service Provider, Leased/Contracted and government owned and operated models*

2.1.3 Demand driven

Tractors and implements shall be given to beneficiaries where there is a formally expressed and assessed need through the modalities in place.

2.1.3 Beneficiary Co-investment

This principle aims at leveraging funding from both the Public (Government) and Private (farmers) sectors towards farm mechanization. The benefiting farmer organizations will be expected to participate in the program by mobilizing and pulling of resources as co-investment. These resources may be in form of funds or ancillary infrastructure or equipment.

2.1.4 Equity and social inclusion

Support provided by government is for all. No discrimination along tribe, religion, gender, age, political, social and social-economic status. The support will be provided to cater for all regions and agro - ecological zones of the country where relevant agricultural value chains exist or are being promoted.

2.1.5 Capacity Building

The most important way of addressing the majority of the challenges is through building capacity of all stakeholders to efficiently identify and address the constraints to production, processing and marketing of agricultural produce.

Capacity building will:

- Be provided to beneficiary farming communities to ensure effective operation, maintenance, management, ownership, and sustainability
- Involve all stakeholders including farmers, District Production Officers and Extension Staff, technicians, Tractor Operators and other value chain actors.
- Embrace indigenous solutions and adopt cost effective and economical training strategies. The initiatives should embrace vertical and horizontal linkages.

CHAPTER 3: TRACTOR ACCESS AND MANAGEMENT MODELS

3.1 Farmer organization tractor Management model

Organized and registered farmer groups/ associations/ cooperatives in a given locality acquire tractors and implement and manage them on business principles. The association or group recruit appropriate and competent staff for the day-to-day operations and maintenance of the tractors. This model brings the management of the tractor facilities closer to farmers. Members set up appropriate charge/fees for different tractor operations with guidance of DAE to ensure sustainability. Under this model, a tractor management committee shall be established by election during a general assembly. The roles of this committee are spelt out in chapter 6, section 6.2.

3.2 The Government owned and operated Tractor Management Model

Under this management model, the government acquires tractors and implements, and operates a subsidized tractor hire service to farmers in different regions of the country. The current approved rate is 60% by government. The government recruits engineers, mechanics/technicians and operators for the day to- day operation and maintenance of the tractors. In addition, the government transports the equipment to the farm and meets the allowance cost for personnel involved.

This model has extra cost implications on government in terms of management and administration, repairs and maintenance, and costs related to direct investment in skilling and recruitment of operators and technicians.

Under this model, the focal point contact person at the district level is the DAE.

A sample of the MoU binding parties in this model is provided in Appendix 2

3.3 Leased/ contracted tractor Management model

A beneficiary after receipt of the tractor and implement may opt to get a competent firm/ individual to manage and operate the tractor on their behalf for a specified period of time. The ownership of the equipment remains to the beneficiary.

In order to generate revenue, a fee that is competitive on the market is charged to cater for operational costs, equipment servicing/maintenance, and the firm's markup.

The successful private firm/person signs a management contract with the Association or group stipulating the contract period, and roles and responsibilities of each party, equipment hire fees and related terms, service and maintenance schedules. The management contract should also clearly spell out consequences for breach of contract and rewards where applicable (Annex 5 Sample Management Contract).

3.4 Nucleus Farmer / Private Tractor Hire Service Provider Management model

In this Tractor management model, an Individual farmer (Nucleus Farmer) or Tractor Hire Service Provider with capacity to manage a tractor(s) will offer tractor services for his/her own farm use and to farmers at a fee that is competitive on the market. These individuals should demonstrate capacity and experience in running the tractor hire service business.

3.5 Management of Revenues

The underlying principle of this tractor program is to run and manage the tractors and implements on business principles. This focus is aimed at self-sustainability in management of the tractor hire services and to enable a revolving fund for further investment in mechanization of agriculture and as such, it is envisaged that the tractors will generate revenue. On this premise, qualified beneficiaries should have demonstrated capacity to manage and run the tractors and implements on business principles.

This section provides guidelines on pricing of tractor hire services, and management of money accruing from such services.

3.5.1 Pricing of Tractor/Implements Hire Services

The charges and prices, therefore, will be set to ensure sustainability of the System as a whole and profitability for all actors. For sustainability, revenues accrued/generated should meet ownership and operational expenses, cater for capital development and ensure adequate savings for the group/association.

Pricing of the tractor/implements hire charges shall be guided by the mechanism in Annex 5.

3.5.2 Cost involved in Operation and management of Tractors and their implements

The beneficiary will incur the following costs and agree on the amount of money to apportion to each.

a) Ownership cost

This includes all costs incurred during acquisition of the tractor and implements. The beneficiary will contribute at least 20% of this cost payable within a period of 24 months according to modalities agreed to in the MoU.

b) Operational cost

Operational costs include repair and maintenance, labour, insurance, and fuel costs. The costs may include the cost of retooling operators and capacity building. These costs will be incurred by the beneficiary.

c) Administrative costs

These include cost of managing the business, security, shelter, and utilities.

d) Development funds/ savings

The beneficiary may charge an additional fee to the above costs towards acquisition of other implements/equipment, increasing dividends to shareholders, share capital of members, members' capacity development or any other eligible expenditures as may be decided by members in their general meeting.

CHAPTER 4: BENEFICIARY SELECTION CRITERIA

The beneficiary selection will be implemented by the responsible committees at the district and national level. The target beneficiaries are: farmer organizations (FOs) in the form of but not limited to; registered farmer groups, associations, and cooperatives. The nucleus farmers, Tractor Hire Service Provider, agro-processors', traders' associations, and other value chain actors may be eligible for support under strategic consideration as described in this chapter.

An appropriate selection tool will be used to identify the best suited beneficiary farmer association/group support/*Nucleus Farmer/Private Tractor Hire Service Provider* (see *Appendix VI the beneficiary assessment tool that details key requirements*).

The identification, selection and prioritization of the beneficiaries will be largely guided by the following conditions and criteria:

4.1 General Conditions for tractor allocation

The selection criteria should facilitate decision making based on fairness and proper justification such as the beneficiary district should be those of high agricultural production of the sector priority enterprises and/ or with high potential and demand for tractor services. The following factors will be considered during prioritization of beneficiaries for Tractors provided by GOU.

A. Existing Commodity value chain;

- Tractors and implements will be given to the existing farmer associations/groups/ individuals in a particular production locality involved in sector priority commodity value chain.
- Priority will be given to farmer associations/groups/individuals in a given community that are involved in a particular sector priority commodity value chain/enterprise at production level. However, farmers involved in commodities other than the sector priority enterprises may demand for the tractor services.
- As the Tractor Services are based on commercial principles, it is expected that farmers with commercial production tendency of a particular commodity are able to access/afford, demand and utilize tractor hire services, because of the operation and maintenance overheads.

B. Acreage and Potential for other Farm Applications

Farmer associations/Individuals who will commit more acreage to production, more cost-efficiency and maximization of tractor utilization will be considered first. Specifically;

- Farmers should be willing to progressively increase the land acreages under cultivation in subsequent seasons.
- Potential for irrigation and post harvest handling.

C. Equity in Allocation and Distribution

The allocation of tractors and implements shall be as to ensure regional balance in envisaged benefits, in principle of equity among the different commodity enterprises and geographical distribution.

Other than for special interventions cited by government, all potential beneficiaries will be selected on a competitive scale based on organizational capacity to manage the tractors and implements on business principles using an appropriate selection tool

4.2 Criteria for selecting Farmer Organization (FO)

- Farmers organized in groups shall be eligible for support with tractors and matching implements. *Existing and active FOs are preferred.*
- Consideration shall be given to only farmer groups (associations or cooperatives) whose registration is at- least up to district level.
- Total combined acreage available for production by the benefiting farmer organization should not be less than 50 acres in the locality where they operate, and this will be correlated with the tractor capacity.
- Farmer organizations committing larger acreages are preferred
- Farmer organizations (FOs) shall be required to present proof/ evidence that the group have been in operations and guided by the laws that govern the operations of such associations/groups (e.g. cooperative society bye-laws).
- The Farmer Organization/group should have a minimum of 20 members
- FO should have a track record of proper leadership structure and management of group assets and finances.
- The group should avail a competitive bankable business/tractor hire service plan. This should be supported by evidence of conducting profitable ventures within a particular commodity value chain.
- The groups should commit to use only qualified, certified and licensed tractor operators/ technicians who will be trained prior to delivery/receipt of the tractor. Ministry of Agriculture working with other relevant MDAs will ensure that these operators are certified.

4.3 Criteria for selecting Individual Beneficiaries *(Nucleus Farmer and Private Tractor Hire Service Provider)*

The nucleus farmer must:

- i. Be a model farmer within a particular locality;
- ii. Have at least 50 acres of land available for agricultural production.
- iii. Commit to offer tractor hire services to surrounding community.
- iv. Provide proof of past experience in managing similar assets.

The Private tractor hire service provider must;

- i. Be a legally registered Tractor Hire Service business by the Government of Uganda.
- ii. Provide proof of experience in Tractor hire Service Business and required implements.
- iii. Must be a Ugandan National.
- iv. Commit to offer tractor hire services to surrounding community.

4.4 Identification and screening FOs /Individual Beneficiaries *(Nucleus Farmer and Private Tractor Hire Service Provider)*

The District Selection Committee shall be constituted comprising of DPMO, DAO/DVO, DCO, DCDO, DAE, OWC, District FO representative, production secretary in the district chaired by the CAO with DPMO as secretary in order to:

- i. Identify the FOs/Individual Beneficiaries (Nucleus Farmer and Private Tractor Hire Service Provider), assess them based on the developed criteria and recommend/forward them to the MAAIF through the respective CAOs for further consideration. The request from the district will be supported by a district selection committee minutes seconding/recommending the group.

The political leadership in the district may also be involved in selection and prioritizing of beneficiaries of the tractors.

4.5 Prioritization of the FOs/Individual Beneficiaries *(Nucleus Farmer and Private Tractor Hire Service Provider)* **for Tractor support**

The MAAIF shall review and approve requests received from DLG. A technical committee on tractor access and management shall be constituted to further assess the FOs/Individual Beneficiaries *(Nucleus Farmer and Private Tractor Hire Service Provider)* for institutional capacity and potential to manage and run the tractors on business principles. This committee will comprise of representatives from; MAAIF and its agencies, UNFFE, tractor suppliers, MTIC and any other relevant entity.

CHAPTER 5: OPERATION AND MAINTENANCE OF TRACTORS AND IMPLEMENTS

5.1 Tractor Location

The tractor management committee will decide where best the tractor and implements will be kept. It is prudent that they come up with viable options on who should host the tractor and its implements. The location of the tractor and the place where it will be kept should be accessible and safe.

5.2 Person responsible for keeping the Tractors

The responsibility of keeping the tractors and its implements lies in the hands of the beneficiary acting through the tractor management committee.

5.3 Routine checks and Inspection

- i. The tractor operator should carryout daily routine checks, inspection, cleaning of the whole tractor and its implements and inform the tractor management committee on the need for routine fueling, oils, and repairs where necessary.
- ii. The operator should ensure that at no one circumstance that the tractor does run out of fuel.
- iii. Fuel and recommended oils should be accessed from reputable fuel stations. In cases where reputable fuel stations and dealers are not available, the committee should ensure stock of the necessary fuel and oils and that the right containers are used.
- iv. The tractor management committee in conjunction with the operator shall ensure the right fuel consumption is observed.
- v. Log books/sheets should be kept on daily tractor hours, acreage, application, millage and fuel consumed.

5.4 Routine Services and Repairs

- i. Routine maintenance and service should be done as per the manufacturer's recommended schedule and manuals.
- ii. All forms of service shall be carried out by qualified and approved technicians.
- iii. Breakdowns and replacement of worn out parts will be undertaken by operators/ technicians approved by the supplier at the time of delivery of the equipment
- iv. Breakdowns requiring major repairs, the operators/ mechanics attached to the tractors may seek for technical support from authorized Mechanical Engineer at the MAAIF/ Chief Mechanical Engineer MoWT on the required repairs
- v. For the period under warrantee, the suppliers or agents of suppliers of tractors will carry out the routine tractor service depending on the terms of the contract for the particular supply lot.

5.5 Tractor/implement Spare parts

Genuine or approved replacement parts should be acquired from authorized dealers.

5.6 Field Checks and Assessment

Tractor operators should check and confirm the fields/farms condition and acreage before they are ploughed. This will ensure that correct acreage is ploughed and the equipment is not damaged by tree stumps, roots and rocks to enhance the service life of the tractors and its implements.

5.7 Service centres

- i. The equipment supplier/dealer will provide aftersales network to support all supplied equipment in a timely, efficient and cost effective manner.
- ii. The equipment supplier/dealer will appoint local services agents in areas where the equipment are located.
- iii. Beneficiaries should ensure that tractors are serviced/repaired by authorized personnel/service centers.

5.8 Tractor Deployment and Scheduling

The scheduling of field operations and services will be undertaken by the tractor management committee or relevant authority. The tractor management committee shall come up with terms of reference for deployment and payment for the services.

5.9 Safety of the tractor and implements

The beneficiary should ensure that the tractor and its implements are safe and secure at all times. The procuring entity should engrave the tractor and implements with relevant entity Logo and marks for identity. The beneficiary should provide a shade for the tractor and implements.

5.10 Reporting on Tractor operations and Services

The reporting on any issues affecting the tractor and related services should adhere to the organizational structure as illustrated in Appendix 1.

CHAPTER 6: IMPLEMENTATION OF THE GUIDELINES

MAAIF will coordinate implementation of these guidelines in collaboration with NAADS Secretariat and its agencies. Implementation of the guidelines will be done using Government Central and District Local Government service delivery structures. The roles of the various stakeholders shall vary according to their mandates and functions. Technical committees at National and DLG level shall be constituted and their roles are stipulated in the table of roles of stakeholders.

6.1 ROLES & RESPONSIBILITIES OF KEY STAKEHOLDERS

The various stakeholders in implementation of Operational Guidelines for Access and Management of Tractors shall perform roles and responsibilities under their mandates as indicated in the table below.

Institution/Key stakeholder	Roles and Responsibilities
A. Ministry of Agriculture Animal Industry & Fisheries (MAAIF)	<ul style="list-style-type: none"> i. Provide overall guidance and technical support ii. Appoint a technical committee that will review and assess requests submitted from DLGs for proper allocation of tractors & implements. iii. Take lead in formulation, review and implementation of policies, legislation, standards, plans and strategies in the areas of agricultural tractorisation and mechanization iv. Monitor, inspect, evaluate and assess the interventions v. Provide technical guidance for human and institutional capacity enhancement for delivery of agricultural mechanization services particularly in equipment operation, maintenance and management vi. Develop capacity of stake holders in the particular enterprise value chain to ensure quantity and quality produce/products vii. Support the Regional Cooperative in its work, and develop capacity of stakeholders to manage the System. viii. Work with higher level farmer organisations and communities to disseminate new technologies and information regarding tractorisation. ix. Provide soil testing and soil fertility maintenance advisory services
B. The Tractor Procuring Agency/Entity	<ul style="list-style-type: none"> i. Lead all processes involved in the sourcing/procurement, distribution, supervision and monitoring of the tractors and implements in consultation with MAAIF. ii. In consultation with MAAIF, Ministry of Works & Transport, and UNBS ensure the tractors and implements procured meet the required standards. iii. Collaborate with Ministry of Trade Industry and Cooperatives (MoTIC), and relevant agencies to ensure beneficiaries supported with tractors are provided

Institution/Key stakeholder	Roles and Responsibilities
	<p>with necessary institutional capacity development and business skills to sustainably manage and utilize tractors profitably.</p> <ul style="list-style-type: none"> iv. Develop targeted capacity building programs and implement activities that strengthen the utilization and management of the tractors and related implements. v. Will verify that beneficiaries of tractors are prepared and operators trained to receive the equipment allocated to them
C. District Local Governments	<ul style="list-style-type: none"> i. With guidance from MAAIF constitute a committee to identify potential beneficiary FOs and these will be forwarded to MAAIF through the Chief Administrative Officer's office. The committee shall be comprised of CAO, DPMO, DAO/ DVO, DCO, DCDO, DAE, OWC, District FO representative, production secretary in the district chaired by the CAO with DPMO as secretary. ii. Sign memoranda of understanding with the partners/ beneficiaries. Once the MOUs have been signed, the district through the District Production and Marketing Office will take first line oversight on the management and implementation of the partnerships, including technical follow-up, supervision, quality control and regular monitoring. iii. Build capacity of beneficiaries of tractors in acreage determination and other field requirements in preparation to receive the equipment allocated to the district iv. Continuously provide targeted agribusiness support to beneficiaries v. Ensure equipment delivered to the districts are effectively utilized vi. Develop capacity of farmers, associations/groups in the particular enterprise value chain to ensure effective utilization of the tractor services vii. Link the association or group to other service providers and regulatory bodies such as equipment suppliers, NAADS, DDA, UCDA, finance institutions, and Uganda Cooperative Alliance. viii. Support the Regional Cooperative in coordinating activities in their Districts. ix. Provide the FOs in their jurisdictions with Extension, Advisory and agribusiness Services. x. Vetting of the tractor management committees xi. Follow up on capacity development of farmers, associations/ groups in the particular enterprise value chain to ensure effective utilization of the tractor services xii. Support the Higher Level Farmer Organizations in coordinating activities in their Districts.
D. The Higher Level Farmer Organisations (HLFO)	<ul style="list-style-type: none"> i. Participate in selection of beneficiary farmers/FO in consultation with district Local Governments, and MAAIF. ii. Witness the MoU between Government, DLGs & the beneficiary/FOs in respect of the Tractors and their operations. iii. Monitor performance of the tractors and of the production

Institution/Key stakeholder	Roles and Responsibilities
	<p>system as a whole, and prepare quarterly and annual performance reports</p> <ul style="list-style-type: none"> iv. Lobby GoU through MAAIF and other agencies for support services such as water for production/irrigation solutions to increase farm productivity; v. Organize farmer exchange visits for benchmarking and participatory farmer learning and experience learning.
E. The Beneficiary	<ul style="list-style-type: none"> i. Manage the day to day operations of the tractor and implements depending on applicable management model, ii. Formulate and enforce Bye-laws for Tractor Services iii. Co-invest (financial Contribution) towards acquisition of the tractor and ancillary equipment for the various farm operation along the tractor iv. Members of the group should meet regularly to appraise themselves on the status of the tractor and its operations. v. Meet costs of maintenance and repairs of the tractor, implements and other facilities, during and after the equipment warranty. vi. Employ Tractor Operators, field supervisors and any relevant staff as deemed necessary for the day to day tractor operations and ensure regular payment of wages. vii. Identify the agent/mechanic who will be responsible for maintenance and servicing of the equipment (where applicable). viii. Ensure proper utilization of funds generated from the tractor services ix. Build farmers' capacity in produce handling, collective marketing, and managing community owned facility, business skills, customer care, value addition and quality control. x. Liaise with relevant district departments (such as Community based services, production, natural resources and health) to ensure that cross cutting issues are mainstreamed in the operations and management of the facility. xi. Keep an inventory of all inputs and assets. xii. Organize farmer exchange visits for benchmarking and participatory farmer learning and experience learning. xiii. The tractor management committee shall hold monthly meetings to review the tractor operations xiv. The beneficiary should avail the safety gears to the operators. xv. Ensure tractors are duly insured.
F. Farmer Organisations (FO)	<p>In addition to the general roles of beneficiaries, the FO will:</p> <ul style="list-style-type: none"> i. Mobilize farmers to join the associations and maintain an updated list of all members in the association. ii. Develop capacity of its members and staff in the particular enterprise value chain development to ensure demand and maximum utilization of the tractor services iii. Mobilize members to capitalize the association or group through buying more shares, and related subscriptions.

Institution/Key stakeholder	Roles and Responsibilities
G. Nucleus Farmer	<p>In addition to the general roles of beneficiaries, the nucleus farmer will;</p> <ol style="list-style-type: none"> Organise farmers in their communities to demand for tractor services Ensure that famers in the community access tractor services at competitive rates and for at least 30% of the time.
H. The Private Tractor Hire Service Provider	<p>In addition to the general roles of beneficiaries, the Private Tractor Hire Service Provider will;</p> <ol style="list-style-type: none"> Organise farmers in their communities to demand for tractor services Ensure that famers in the community access tractor hire services at competitive fee. Manage the day to day operations of the tractor and implements, Comply with the By-laws for management and use of the tractor and implements, Ensure cleanliness of the tractor and implements, Undertake routine servicing and minor repairs of the equipment, Keep an inventory of the Tractor's and its implements' records. Submit Quarterly Tractor performance reports to the MAAIF during the contract period.
I. Contracted or Leased Firm/Person	<p>In addition to the general roles of beneficiaries, the contracted firm/person shall;</p> <ol style="list-style-type: none"> Adhere to the terms of engagement with the contracting/leasing FO in Appendix 5.
J. The Farmer	<ol style="list-style-type: none"> Commit a minimum of two and half (2.5) acres of land for cultivation of particular commodity under mechanization. He/she will endeavor to maintain and progressively increase the acreage under cultivation. Ensure that the land is cleared of bush and free from tree stumps and other obstacles. Meet the payments set by the group with respect to the tractor services in land preparation, planting, harvesting etc. Practice soil and water conservation measures. The farmers with membership to FO will hold the tractor management committee accountable for the physical safety of the tractor and revenues generated.
K. Tractor operators	<ol style="list-style-type: none"> Ensure that he/she wears safety gear prior to operation Inspect and ensure the field is free of obstacles such as tree stumps and boulders prior to ploughing Ensure that, the tractor and implements are cleaned every after the day`s operation Adhere to the supplier/manufacture operator`s manual Adhere to the terms of reference to the tractor operations as

Institution/Key stakeholder	Roles and Responsibilities
	<p>specified in the below appendix</p> <ul style="list-style-type: none"> vi. Ensure safety of the tractor & implements during the season and off season. vii. Reporting any mechanical breakdown. viii. Record and report on operations, services and repairs in the tractor log book.
L. Suppliers	<ul style="list-style-type: none"> i. Conduct warrant repairs as per warrant terms ii. Ensure service centers and spares are close to the beneficiaries iii. Develop capacity of local mechanics in conducting repairs and maintenance and have them approved. iv. Conduct tractor specific training of operators in conjunction with MAAIF. v. Work closely with beneficiaries in identification and acquisition of extra equipment for other value chain activities as may be demanded.
M. Financial Institutions	<ul style="list-style-type: none"> i. Providing credit services & financial literacy to beneficiaries. ii. Liaise with government to develop affordable financial products for the beneficiaries to acquire implements and other inputs.

CHAPTER 7: CROSS CUTTING ISSUES

7.1 Gender, Youth, Elderly and people with disabilities

Gender: In agricultural development, men, women and youth are recognized as equally important players, but women and young farmers generally face more socio-cultural and socio-economic constraints than men. An important observation has been that majority of the farmers engaged in agriculture are aged between 50 and 65 years (elderly) and about 77% of the farmers in rural areas are women. It is very important to note that the division of labour in agriculture demonstrates that women have more demand on their labour due to their triple roles (reproductive, productive and community). In addition, they experience drudgery due to the kinds of technologies used, mostly hand tools. Women's burdens are worsened by the fact that they are involved in doing activities that are labour intensive and time consuming.

- Using tractors for farm production will reduce the time that farmers particularly women spend on farms.
- The benefiting farmer organizations/ community should have minimum composition of 30% women.

Youth: The main challenge for youth is providing employment opportunities and the training necessary to obtain higher-skilled jobs that help them break out of poverty. Many youths do not find traditional agriculture attractive and aspire to rural off-farm employment or urban occupations.

- Priority will be given to the youth to operate and maintain the tractors as a source of employment.
- The benefiting farmer organizations/ community should have minimum composition of 30% youth.

Elderly and People with Disabilities (PWDs): special consideration will be given to farming communities/ organizations with elderly persons and/or PWDs.

7.2 Climate change and environmental considerations

- Use of tractors and implements should be aligned to Climate smart agriculture
- Disposal of waste from tractors and implements (lubricants, used filters, tyres and etc.) should be in accordance with government of Uganda Laws and regulations
- Government will promote water and soil conservation, educate beneficiaries on smart pest control product uses, and promote seed varieties that are drought resistant.

CHAPTER 8: MONITORING AND EVALUATION

Monitoring of the implementation of the guidelines shall be carried out on a regular basis. Appropriate indicators shall be developed to monitor targets set across the guidelines. Guidelines indicators shall be integrated in the overall MAAIF indicator protocols. Continuous monitoring of the guideline implementation will adhere to the MAAIF's monitoring framework and the overall National Implementation Monitoring and Evaluation Strategy (NIMES). The MAAIF monitoring team in collaboration with the proposed Multi-Sectoral Technical Committee shall be responsible for monitoring the implementation of this policy.

The Technical committee which comprise of representatives from; MAAIF and its agencies, UNFFE, tractor suppliers, MTIC and any other relevant entity shall convene once a year to review the program and update the guidelines.

Evaluation of the guidelines will in addition draw lessons for further programming and guideline review.

CHAPTER 9: FINANCING OF THE GUIDELINES

MOFPED and MAAIF shall annually identify and allocate funds to implement these guidelines. The funds shall be used for: printing, raising awareness, dissemination/distribution, extension activities, inspections, field assessment, review meetings and reporting.

APPENDIX 1: ORGANIZATIONAL STRUCTURE FOR ACCESS AND MANAGEMENT OF TRACTORS

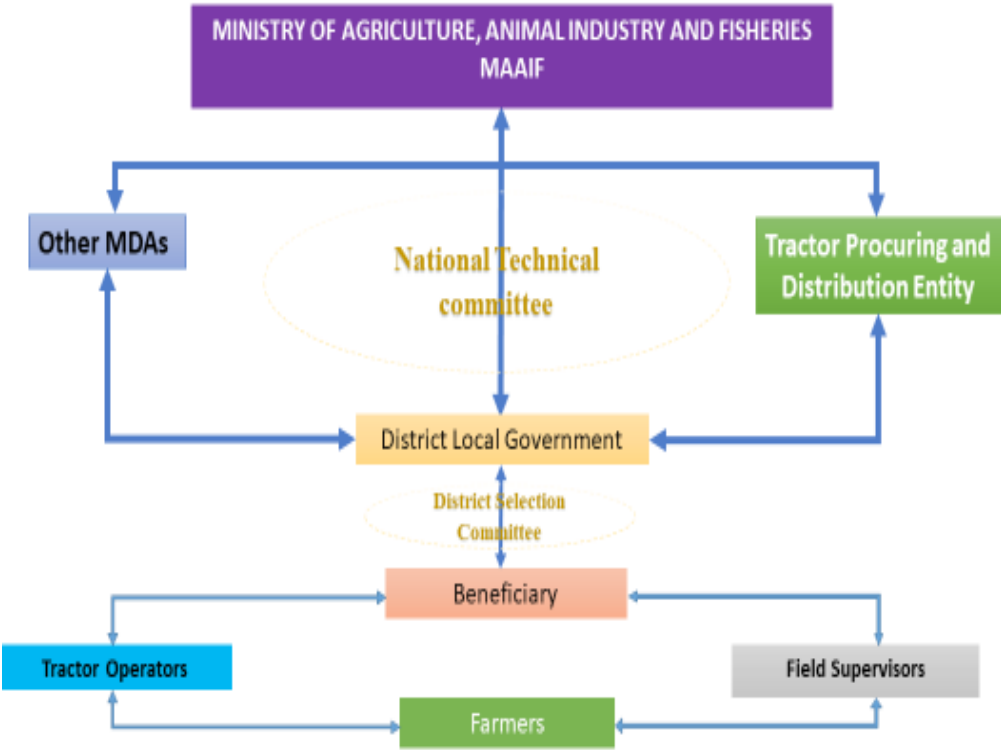


Figure 2: Organizational Structure for Access and Management of Tractors

APPENDIX 2: MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF UGANDA

REPRESENTED BY.....,

.....

DISTRICT LOCAL GOVERNMENT

AND

.....

(BENEFICIARY)

....., 20.....

This Memorandum of Understanding (MOU) is made this..... day of 20..... between the Government of the Republic of Uganda represented by P. O Box, (Hereinafter referred to as “The Government”) on the one hand,..... District Local Government (Hereafter referred to as DLG) P.O Box, , and..... of Sub County District (Hereinafter referred to as the “Beneficiary”) on the other hand.

A) **Purpose**

The principal objective of the MOU is to clearly spell out the commitments of each party in the management of the Tractor No..... and implements (plough SN..... other specify No.....) provided by the Government. This is to ensure optimum and sustainable operation of the equipment in order to improve incomes of the farmers and livelihoods of the community.

B) **OBLIGATIONS**

The implementation of this MOU shall be a responsibility of the three parties herein:

1., (the Government) and
2. (DLG); and
3. (Beneficiary).

The three parties shall work in close partnership with the responsible committee on behalf of Ministry of Agriculture Animal Industry and Fisheries (MAAIF).

Each of the parties will be responsible for specific roles and responsibilities as follows:

The Government

Shall in collaboration with the beneficiary DLG to:

- Supervise and Monitor the overall management of the tractor and implements through the responsible committee/body on behalf of MAAIF.
- Provide capacity building to the beneficiaries as well as the operators for efficient management and sustainable utilization of the tractors.
- Support the beneficiaries in acquisition of ancillary equipment and services
- Facilitate linkages between beneficiaries and relevant government institutions, and partners.
- Guide on smooth transfer or reallocation of equipment where necessary.
- Ensure operationalization of the development fund and/or contribution/co-investment funds by the beneficiary.

The DLG

The DLG shall:

- Supervise the overall management of the tractors on behalf of the Government and the beneficiary community.
- Provide technical guidance to the beneficiary through the district production office,
- Mobilize, sensitize and train beneficiaries on the effective utilisation of the tractor hire services,
- Through the District Commercial Officer (DCO) establish networks and linkages with produce buyers and other stakeholders for the purposes of marketing produce and securing advisory services,
- Through the DCO guide the beneficiary in the utilization of funds generated from tractor hire services for its sustainability.
- Keep an inventory of all the equipment and maintain updated records of the operations of the tractors and implements in the District,
- Ensure that maintenance and repairs of the equipment are undertaken by the beneficiary,
- Ensure safety of the equipment in conjunction with the beneficiary
- Guide on smooth transfer or reallocation of equipment where necessary.
- Arbitrate cases and disputes arising from the beneficiaries

The Beneficiary

The beneficiary shall:

- Mobilize farmers to demand tractor hire services
- Formulate and enforce by-laws for operations, maintenance and repair of the equipment
- Ensure timely servicing, maintenance and repair of the equipment,
- Solicit and link members to markets for their produce,
- Keep updated records for the tractor operations as well as the books of accounts such as the ledger, cash book and debtors' register,
- Plan and organise for capacity building of members in relevant themes in collaboration with key actors.
- Ensure proper utilisation of funds generated from service charges, to meet costs for operation, maintenance, and keep a development fund
- Liaise with relevant district departments (such as Community based services, production, natural resources and health) to ensure that cross cutting issues are mainstreamed in the operations and management of the tractor,
- Keep an inventory of all equipment such as the tractor, plough, harrow, trailer and other implements.
- Ensure tractors and related equipment are safe and kept in a good operating condition

C) **Agreement**

The parties agree that:

- Tractors and implements shall be utilized optimally and kept in the road worthy condition as per traffic regulations
- Tractors and implements shall be operated by certified and licensed operators
- Servicing, maintenance and repair of the equipment shall be done by qualified personnel authorized by the equipment suppliers and/or government/DLG
- The tractor and/or its implements shall not be used as collateral in accessing any form of credit from banks or any institution/entity.
- Operational and maintenance costs shall be met by the beneficiary
- Inventory of all the equipment and updated records of the operations of the tractors and implements shall be maintained by the beneficiary and presented whenever required.
- The beneficiary shall contribute minimum of 30 % of the initial cost of the tractor and implements within 24 months. The procuring entity shall provide terms/forms of payment.
- After a period of five (05) years, tractor ownership shall be transferred to the beneficiary that has complied to the terms of the MoU and the operational guideline.
- The tractor and its implements shall be operated within a maximum radius of 50km from the beneficiary headquarters. In case the services of the tractor are demanded beyond this radius, authorization should be sought from respective district CAO.

D) **Sanctions**

- Failure to meet cofounding remittances within the period of 24 months shall lead to withdraw of the tractor and its implements. The withdrawn tractors and implements shall be reallocated to another capable beneficiary.
- Breach of the terms of this agreement by the beneficiary will result in withdrawal of the tractor and implements.

E) **Effectiveness and Duration of MOU**

This MOU takes effect from the date of signing and shall continue until..... (day) (Month)..... (Year) or when either of the parties decides to discontinue, giving a 30- days written notice.

The MOU may be renewed for as long as there is need for continued collaboration and the concerned parties are still in existence.

F) **Amendment**

This MOU may be amended for mutual benefit of the parties, on consensus. Notice of amendment can be initiated by any party in writing in liaison with the government. A meeting with the government representative will be held and a decision taken.

G) **Dispute resolution**

Any disputes arising in connection with this MOU will be amicably resolved through negotiation by all parties. Failure of which, shall be referred to arbitration in accordance with the arbitration and conciliation Act Cap4, Laws of Uganda.

H) **Diligence**

This MOU shall be binding in full to all parties

Therefore, all parties hereby undertake to implement their obligations, as per this MOU, earnestly, steadily and with due diligence.

I) **Termination of MOU**

Any party may terminate this MOU by giving the other parties one-month prior written notice. The termination shall be effected by all the parties of this MOU on consensus.

Law applicable; this MOU shall be construed and governed in accordance with the laws of Uganda

J) **Commitment**

We the undersigned confirm and agree to the aforementioned clauses on behalf of the parties involved in this MOU.

Signed:

Beneficiary

Signed:
Name:
Title:
Date:
Official Stamp.....

District Local Government

Signed:
Name:
Title:
Date:
Official Stamp

Government

Signed:
Name:
Title:
Date:
Official Stamp.....

Witness

Signed:
Name:
Title:
Date:

APPENDIX 3: TRACTOR OPERATORS' JOB SPECIFICATION & TERMS OF REFERENCE

1. **Job Specification:**

The Tractor Operators will be responsible to do the following:

- Report to management committee any issues and defects that affects the normal operations of the tractor and its implements.
- Carry out daily maintenance checks on the tractor as prescribed by the manufacturer.
- Carry out routine maintenance repairs and maintain a service log.
- Requisition fuel and other requirements from the management committee for routine field operations.
- Requisition repairs from the management committee.
- Maintain a daily record of tractor operations: - date, location, farmer's name, hours worked per day, acreages, operations, daily fuel/ lubricants consumption.
- Keep the management committee informed of the location, program and condition of the tractor.
- In collaboration with the in-charge, visit and assess a farmer's field in advance to confirm that it is free of tree stumps, bushes, cliffs, pits, etc. and that it is clean, safe and ready to be worked by the Tractor.
- Take measurements of the field and determine acreages to be ploughed.
- Keep a written record of the tractor's daily operations.

2. **Eligibility Requirements:**

- Ugandan male or female aged 18 years and above.
- Must have a national ID.
- Should have a minimum of Uganda Certificate of Education ('O' level) or equivalent.
- Should have a clean driver's license with class H.
- Should be physically fit and healthy to man the tractor/ implement in the field.
- Must have exemplary behavior and will produce two reputable referees to vouch for his/her character.
- Must possess ability to make reports and communicate effectively to management committee.
- A certificate of any Mechanical course/training is an added advantage.

3. **Proposed Terms of Employment**

- Minimum Basic Wage UGX 150,000/month
- Field allowance (for acres worked) UGX 2,500/acre worked effectively

4. **Employment Contract**

Employment contracts will be signed between the management and the Tractor Operators. These will provide for 6 months' probation and contracts valid for 2 years, renewable on good performance.

APPENDIX 4: SAMPLE EMPLOYMENT CONTRACT

EMPLOYMENT CONTRACT

BETWEEN

..... (BENEFICIARY)

..... (SUB-COUNTY/DLG)

AND

MR/MS. (Operator)

Of / (Sub county/Tel.
No)

1.0 PERIOD OF APPOINTMENT

This appointment is with effect from (date, month, year) and for a period of (months/years) Renewable upon satisfactory performance of the employee.

2.0 JOB DESCRIPTION

The (Insert position of Employee) shall perform the following duties and responsibilities:

(Terms of reference attached)

3.0 REMUNERATION AND OTHER BENEFITS OF EMPLOYMENT

3.1 The Employer shall pay the Employee a monthly salary of (amount), payable by (Day of each month).

3.2 The employee shall be entitled to the following benefits:
(where applicable, insert benefits here)

4.0 TERMINATION OF CONTRACT/EMPLOYMENT

This employment contract may be terminated by either party upon issuance of 1 (one) month' written notice or by payment of 1 (one) month' salary in lieu of such notice.

4.1 Summary Dismissal

The Employer may terminate this agreement without notice if the Employee commits any of the following infringements:

- i. Theft, dishonesty, or willful damage to property of the employer and/or the client,
- ii. Physical assault on an employer, a fellow employee or a member of the public,
- iii. Willful endangering of the safety of the tractor and implements, the employer, a fellow employee or a member of the public.
- iv. Inability to perform work by reason of voluntary intoxication whether by drink or drugs; or other misconduct of similar gravity.
- v. Absenteeism from work for five consecutive days without authorization or genuine reason.

4.2 In the event of summary dismissal, the Employee shall be entitled to: The proportion of the monthly salary equivalent to the number of days worked in that month up to the date termination.

5.0 CONFIDENTIALLY

The Employee acknowledged that, in the course of performing and fulfilling his duties outlined above, he/she may have access to and be entrusted with confidential information

concerning the present and contemplated financial status and activities of the Employer.

The disclosure of any of which confidential information to competitors and other third party would be highly detrimental to the interests of the Employer.

Accordingly, the Employee agrees with the Employer that he/she will not, during and/or the continuance of this agreement, disclose any of such confidential information to any person, firm or corporation, nor shall he/she use the same, except as required in the normal course of his/her engagement as above, and thereafter he/she shall not disclose or make use of the same.

In witness whereof the parties hereto have executed this Agreement as of the date indicated below;

On behalf of Employer

.....

Signature

Date

.....

(Name & Title)

Employee (Operator)

.....

Signature

Date

.....

(Name)

APPENDIX 5: MANAGEMENT CONTRACT

MANAGEMENT CONTRACT

BETWEEN

.....

BENEFICIARY

..... SUB COUNTY DISTRICT

AND

.....

[PRIVATE FIRM/PERSON]

This management contract is made this Day of, 20.... between (Beneficiary) of Sub-county, District P.O. Box, Tel: (Hereinafter called the “Client”) on the one hand, and

(Private Firm/Person) of P.O. Box, Tel: (Hereinafter called the “Service Provider”) on the other hand.

Whereas the client is the owner of the tractor and implements, and whereas the service provider would like to lease/contract the above tractor and implements.

The parties hereby agree as follows:

1. OBLIGATIONS

(i) The Client shall:

- Act as a link between the Service Provider and the Farmers,
- Enact and enforce By-Laws for management and use of the tractor and implements,
- Monitor the operations of the Service Provider in regard to the tractor and implements.
- Share and remit user fees as defined in Chapter 4, Section 3.5.
- Ensure increased agricultural production among the farmers through training on production, handling and storage,
- Keep an inventory of all the equipment and records of the facility operations,
- In collaboration with the Service Provider undertake major repairs of the tractor and implements.

(ii) The Service Provider shall:

- Remit the agreed contract sum/fees to the Client,
- Manage the day to day operations of the tractor and implements,
- Comply with the By-laws for management and use of the tractor and implements,
- Ensure timely payment of all utility bills,
- Ensure a good working relationship with the Client,
- Ensure cleanliness of the tractor and implements,
- Undertake routine servicing and minor repairs of the equipment,
- Keep an inventory of all equipment and their records.
- Submit monthly reports to the client during the contract period.

2. REMITTANCE OF THE CONTRACTUAL FEES

The Service Provider shall remit a sum of Ug. Shs..... to the Client for the period of(months/years) payable per

(day/week/month/season/year)

3. **EFFECTIVENESS AND DURATION**

This contract shall come into effect on the date of signature by the parties and shall continue in force until the expiry of the contract period.

4. **AMENDMENT**

This contract may be amended for the mutual benefit of the parties, on consensus, in writing and signed by authorised representatives of both parties.

5. **DISPUTE RESOLUTION**

Any disputes arising in connection with this Contract will be amicably resolved through negotiation by parties. Failure of which, the Sub County shall arbitrate in accordance with the Arbitration and Conciliation Act, Cap 4, Laws of Uganda.

6. **DILIGENCE.**

- (i) This Contract shall be binding in full to both parties,
- (ii) Therefore, both parties hereby undertake to implement their obligations as per this contract, earnestly, steadily and with due diligence.

7. **TERMINATION OF THE CONTRACT**

Either party may terminate this Contract by giving the other a one-month prior written notice.

8. **LAW APPLICABLE**

This Contract shall be construed and governed in accordance with the Laws of Uganda.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed in their respective names or capacities as of the day and year first above mentioned.

On behalf of the Client:

CHAIRPERSON:

Name & Signature

TREASURER:

Name & Signature

SECRETARY:

Name & Signature

On behalf of the Service Provider

.....

Name & Signature

Witnessed by

Name:

Signature:

APPENDIX 6: BENEFICIARY ASSESSMENT TOOL

Assessment tool for Beneficiaries of Tractors & Implements provided by GoU

The due diligence/Assessment tool should be used only in the following circumstances:

- *The beneficiary has not been assessed before*
- *There is need to confirm the potential beneficiary's technical, management, and organisational capacity.*

The tool contains questions designed to review the potential beneficiary's suitability relating to: a) legal status of the organisation b) organisational and technical capacity c) experience in the agricultural production value chain where support is sought, and d) credibility & accountability. Based on the answers provided by the potential beneficiary, the technical team will be able to assess the best way forward regarding supporting the group.

Profile of the Potential Beneficiary

Date of Assessment:	
Details:	
Registered Name	
Date & Number of Registration	
Location (Village, Sub-county, District, GPS coordinate ...)	
Group Focal Contact: (Name, title, email, telephone, address)	Name:
	Title:
	Email:
	Contact:
Group Leadership Name of 3 key leaders ✓ (Chairperson, Secretary, treasurer): Name, email, NIN, Contact details,	

Information (technical and organisational) on the potential beneficiary

(Attach explanations and evidence (if necessary) as an appendices)

Topic/Issue	Yes	No	N/A	Remarks/ comments
1 Legal status of the group				
1.1 Is the group a legally registered entity? <i>Provide registration number of certificates as seen on the original documents; Type of group and Level of registration.</i>				
1.2 How many members are registered? ¹				
1.3 How many are – men, women, youth and PWD?				
1.3.1 How many are fully subscribed?				
1.3.2 How many are active?				
1.4 Does the group/cooperative have:				
1.4.1 Vision, Mission, and Values?				
1.4.2 Governing or Advisory Board				
1.4.3 Leadership and Succession Plan ²				
1.4.4 Constitution/Memorandum and Articles of Association, Operational Policies, Procedures, and Systems				
2 Organisational and technical capacity				
2.1 Is there a functional organizational structure of the group (<i>clearly showing the structure of group leadership, and the technical/business management team e.g. Accountants, marketers, extension or mobilisers?</i>) Attach an organization chart.				
2.2 Does the group have written position descriptions that clearly define duties, responsibilities, reporting lines and limits of authority for all members, leaders, managers and staff?				
2.3 Does the group have (or plan to have) the required human resource capacity e.g. Accountants/managers, Equipment operators, marketers, extension or member mobilisers?				
2.4 What are their qualifications (post graduate, graduate, diploma, secondary, primary and none)?				
2.4.1 Experience in the Value Chain (<i>Brief description of current business and markets</i>)				
2.5 Which commodity is the group/cooperative promote?				

Topic/Issue	Yes	No	N/A	Remarks/ comments
2.6 What is the average acreage of production for the community? ³				
2.7 How long has the group/cooperative been engaged in the commodity value chain?				
2.8 What services does the group/cooperative offer the members (e.g e.g. inputs, financing/credit, extension, etc)? <i>Give the terms and conditions</i>				
2.8.1 Do you have a cooperative/group bank account? <i>Which bank & what the account details? Avail an up to date bank statement.</i>				
2.8.2 Are there any group owned investments and assets? <i>List them</i>				
2.8.3 How is revenue shared in terms of: reinvestment/development fees; dividend shared among members/benefits/incentives or operational costs (<i>In terms of fuel, personnel, transportation, marketing, etc on a bi-weekly basis</i>)?				
2.8.4 Marketing (capacity to buy from the farmers/members in a timely manner)				
2.9 Are there effective linkages to profitable end markets? <i>Provide forward supply contracts where possible</i>				
2.10 What steps have been taken in terms of bulk/collective storage and marketing or Value addition?				
2.11 Does the group have plans to expand their business in terms of scale, marketing & value addition?				
2.12 What is the source of business financing? <i>SACCOs, Member subscriptions, Grants, other businesses, loans, Standing MoUs with financial institutions for financing facilities can be a proof</i>				
2.13 Do you have medium/long term plans specific to target commodities? <i>Provide your strategic plan if available</i>				
2.14 Have you invested in or do you have a business premise, warehouse/storage facility, transport facilities, processing facility.				
2.14.1 Monitoring, Record keeping and Reporting				
2.15 Are there production, sales, utilities, expenses records?				
2.16 Are there production/post-harvest handling follow-ups and back-stopping?				

Topic/Issue	Yes	No	N/A	Remarks/ comments
2.17 What is the frequency of reporting?				
2.18 What parameters/issues are monitored and reported on? How are these reports used by the management?				
2.18.1 Challenges and mitigation measures				
2.19 Are there challenges you face/ foresee in production and marketing? <i>List them</i>				
2.19.1 How do you/plan to deal with them?				

Key Documents required from the entity:

1. Copies of Registration certificate of the entity
2. Strategic/business plan
3. Constitution/Memorandum and Articles of Association
4. Organisational chart
5. Bank statement
6. Operations manual if any
7. Producer supply contracts if any
8. Forward contracts with end markets if any
9. Evidence of premise ownership or hire if any

Confidentiality: The GoU recognizes the importance of balancing organisation's concerns about confidentiality and competitive advantage with the need for transparency and accountability. As a result, only basic information about the organisation and its business linkage(s) will be made publicly available upon approval by the concerned party. All other information provided by the organisation will be held strictly in confidence by MAAIF and its agencies, unless the organisation indicates interest to make the information available in Case Studies, Videos, and other publications or promotional materials.

APPENDIX 7: ILLUSTRATED PRICING MECHANISM FOR COMMONLY USED TRACTORS TRACTOR HIRE SERVICE (60 – 80HP)

Item		Definition	Useful Formulae	Application
1	Fixed costs			
	FC%	Annual fixed cost %	0.03-0.05	0.05
	P	Purchase price		100,000,000
	AOC	Annual ownership cost	FC*P	5,000,000
	AU	Annual use (hr)		1,200
	HC	Hourly fixed cost	FC*P/AU	4,166.67
2	Operational cost			
2.1	RMC%	Repair & maintenance cost%	0.01-0.3	0.02
	ARMC	Annual RM cost	RMC%*P	2,000,000
	HRMC	Hourly RM cost	RMC/AU	1,666.67
2.2	Fuel cost			
	FC	Fuel consumption/hr		15
	FPP	Pump price/l		4,000
	F	Fuel cost/hr	FC*FPP	60,000
2.3	Lubricant			
	OC	Oil consumption L/hr		0.001
	OP	Oil price, l/h		7,500
	HOC	Hourly oil cost	OC*OP	7.50
2.4	Labour			
	LC	Hourly labour cost (UGX)		5,000
	THC	Estimated Total hourly cost	HC+HTMC+F+L	70,840.83
	T	Estimated Time for ploughing per ha		2.5
	C/ha	Cost per hectare	THC*t	177,102.1
	C/acre	Cost per acre	C/ha/2.47	71,701.24



**MINISTRY OF AGRICULTURE,
ANIMAL INDUSTRY AND FISHERIES**

P.O. Box 102 Entebbe-Uganda Tel: +256 414 320004/414 320327/8

Email: psmaaif@agriculture.go.ug

Website: www.agriculture.go.ug