



The Republic of Uganda

**VEGETABLE OIL DEVELOPMENT PROJECT
PHASE 2 (VODP 2)**

**ANNUAL REPORT
JULY 2014 TO JUNE 2015**

PROJECT MANAGEMENT UNIT

Ministry of Agriculture, Animal

Industry and Fisheries

KAMPALA

OCTOBER 2015

SUMMARY OF PROJECT INFORMATION

IFAD LOAN NO: 806-UG

PROJECT NAME: Vegetable Oil Development Project -Phase 2

START DATE: 21st October, 2010

EFFECTIVENESS DATE: JUNE 2011

ORIGINAL PROJECT LIFE: 8 Years

COMPLETION DATE: 31st December 2018

CLOSING DATE: 30th June 2019

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CURRENCY EQUIVALENTS

Currency Unit	=	Ugandan Shillings (UGSh)
USD 1.00	=	UGX 3,650
SDR 1.00	=	USD 1.407

WEIGHTS AND MEASURES

1 hectare (ha)	=	2.471 acres
1 kilogramme (kg)	=	2.208 pounds
1 kilometre (km)	=	0.62 miles
1 square kilometre (km ²)	=	0.38 square miles
1 litre (l)	=	0.22 imperial gallons
1 metric ton (mt)	=	2,208 pounds

ABBREVIATIONS AND ACRONYMS

AWP & B	Annual Work Plan and Budget
BOPGA	Buvuma Oil Palm Growers Association
BOPGT	Buvuma Oil Palm Growers Trust
CC	Contracts Committee
COREC	Coffee Research Centre
DAO	District Agricultural Officer
DLG	District Local Government
FFB	Fresh Fruit Bunches
FLP	Farmer Learning Platform
FY	Financial Year
GIS	Geographic Information System
GPS	Geographic Positioning System
GOU	Government of Uganda
IFAD	International Fund for Agricultural Development
KOPGA	Kalangala Oil Palm Growers Association
KOPGT	Kalangala Oil Palm Growers Trust
M & E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MoFPED	Ministry of Finance, Planning and Economic Development
MTEF	Medium Term Expenditure Framework
NAADS	National Agricultural Advisory Services
NaCRRI	National Crop Resources Research Institute –Namulonge
NARO	National Agricultural Research Organization
NaSARRI	National Semi Arid Resources Research Institute – Serere
NEMA	National Environment Management Authority
NGO	Non-Governmental Organization
ONA	Over Night Allowance
OPUL	Oil Palm Uganda Limited
PDU	Procurement and Disposal Unit
PMU	Project Management Unit
SA	Special Account
SDA	Safari Day Allowance
SOE	Statement of Expenditure
UNBS	Uganda National Bureau of Standards
USD	United States Dollars
Ushs.	Uganda Shillings
VODP	Vegetable Oil Development Project

1.0. INTRODUCTION

1.1 BACKGROUND

The second phase of the Vegetable Oil Development Project (VODP2) was approved by the International Fund for Agricultural Development (IFAD) Executive Board in April 2010 and by the Parliament of the Government of Uganda (GOU) on 29 September 2010. GOU and IFAD signed the loan agreement in Rome on 21 October 2010.

The overall goal of the project is to contribute to sustainable poverty reduction in the project area. The development objective is to increase the domestic production of vegetable oil and its by products, thus raising rural incomes for smallholder producers and ensuring the supply of affordable vegetable oil products to Ugandan consumers and neighboring regional markets. This is being achieved by supporting farmers to increase production of crushing material (both oil palm and oilseeds) and helping them to establish commercial relations by linking them to processors.

The project has three components; the Oil Palm Development Component, the Oil Seeds Development Component and Project Management.

Under the Oil Palm Component, the project has continued the partnership with Oil Palm Uganda Limited (OPUL) in Kalangala District and is consolidating the current gains in smallholder oil palm development while expanding the area covered to the neighboring outlying islands of Bunyama and Bubembe. The component is being expanded to Buvuma Island, and new areas for oil palm development are being identified.

Under the Oil Seeds Development Component, the project supports smallholder farmers and engages other players to foster development of the value chains of sun-flower, soya beans, sesame and ground nuts. Interventions in this component are focused around Lira, Eastern Uganda, Gulu and West Nile hubs covering a total of 51 districts.

The Project Management Component ensures effective implementation of the Oil Palm and Oil Seed Components of the project.

1.2 OUTLINE OF THE REPORT

This report covers the activities of the project for the period of July 2014 to June 2015. It highlights the outputs of the project against the work plan targets, the innovations recorded during the period, the lessons learned and the challenges encountered. The report outlines the recommendations of the previous mission and actions taken. It also provides a summary of the key recommendations and actions from the Project Mid Term Review (MTR) that was undertaken in November 2014.

1.3 MAJOR ACTIVITIES IN THE PERIOD JULY TO JUNE 2015

Under the Oil Palm Component, VODP 2 targeted to follow up with NEMA to receive the Environment and Social Impact Certificates for oil palm expansion activities in Kalangala and Buvuma; support smallholder farmers to complete the planting of 450 hectares of oil palm in Kalangala (50 hectares on Bugala and 400 hectares on Bunyama island); support smallholders to maintain the maturing 3,863 hectares of oil palm in Kalangala, provide fertilizers and extension services to the smallholder farmers. It also targeted to continue supporting smallholder farmers in marketing oil palm fresh fruit bunches to OPUL. A total of 12,000 tons of ffbs were targeted to be sold by smallholder farmers to the OPUL mill. The Project also targeted to finalize the construction of the fertilizer store; put in place an alternative way of managing the road equipment in Kalangala and upgrading the road infrastructure for supporting oil palm farmers, among others.

In Buvuma, the project targeted to acquire 1,500 hectares of land as part of the required 6,500 hectares that government committed to make available for the nucleus estate.

The Oil Seeds Component activities targeted to support NARO to partner with smallholders to produce 12 MT of soybean foundation seed, 10 MT of hybrid parental lines of sunflower, 12 MT of ground nuts seeds, and 10 tons of sim sim. The Project targeted to support UNBS to ensure quality of the oil seeds products; seed certification to monitor the quality of seeds released to the farmers and regulate the seed industry; provide extension services to 1,500 farmer groups in the oil seeds project area through 6 pay for service providers; establish linkages between the farmer groups and the different oil seeds value chain players; engage 4 financial institutions to

provide credit and financial services to oil seeds farmer groups and associations to enhance production and; actively participate in the Oil Seeds Subsector Platform for better performance of the oil seeds value chains . The project planned to increase the number of the pay for service providers for oil seeds from six to eleven to move the oilseeds component forward in order to catch up with time lost as much as possible.

Under the Project Management Component, the project planned to finalise and publish the baseline surveys for Buvuma and Kalangala; support KOPGT in the process of institutional capacity building of KOPGT and KOPGA; complete the GIS based mapping of all project beneficiaries in Kalangala; introduce GIS in the oil seeds project area; draft the Terms of Reference for the project Management Information System; produce knowledge sharing products for stakeholders; implement the project 18 months procurement plan and; and ensure that funds are available for the activities and are applied to the implementation process with efficiency, economy and effectiveness in mind.

2.0 PROGRESS UNDER THE OIL PALM DEVELOPMENT COMPONENT

2.1 Oil palm consolidation and expansion in Kalangala

2.1.1 Farmers registered to participate in the smallholder scheme

Between July 2014 and June 2015, 90 new farmers were registered to participate in the oil palm smallholder scheme which increased the total number of farmers registered by KOPGT to 1,700 with 606 Fems (36%). Table 1 below shows the number of farmers registered between 2010 and June 2015.

Table 2.1: Number of farmers registered in Kalangala

Annual summary of farmers registered per block																
	2010		2011		2012			2013			2014			June 2015		
BLOCK	Male	Fem	Male	Fem	Male	Fem	Inst.	Male	Fem	Inst.	Male	Fem	Inst.	Male	Fem	Inst.
Bbeta East	130	72	136	81	165	130	5	235	160	5	235	160	5	239	163	5
Bbeta West	161	88	174	94	175	123	0	191	102	0	191	102	0	193	102	0
Bujumba	96	50	105	54	127	58	0	164	102	0	164	102	0	189	114	0
Kagulube	114	49	115	52	125	61	0	136	70	0	136	70	0	141	72	0
Kalangala	100	50	104	49	102	55	2	107	54	2	107	54	2	128	63	2
Kayunga	147	68	140	69	138	94	3	189	90	3	189	90	3	194	92	3
Sub-Totals	748	377	774	399	832	521	10	1022	578	10	1022	578	10	1084	606	10
Totals	1,115		1,118		1,353			1,610			1,610			1,700		

2.1.2 Oil palm planting in Kalangala District

A total of 414 hectares were planted in the period of reporting. 37 hectares were planted on Bugala Island and 400 hectares on Bunyama. This increased the total area planted by smallholder farmers in Kalangala from the 3,863 hectares in June 2014 to 4,277 hectares in June 2015.

The table below shows the hectares planted with oil palm by smallholder farmers in Kalangala between 2010 and June 2015.

Table 2.2: Hectares of oil palm planted by smallholder farmers in Kalangala

Block	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Jun-15
Bbeta East	301	334	576	629	629	645
Bbeta West	412	497	715	750	750	760
Bujumba	254	271	513	607	587	611
Kagulube	290	175	331	366	366	385
Kalangala	323	340	462	506	476	478
Kayunga	332	402	555	659	659	670
Bunyama	0	0	0	0	50	382
Outgrowers	346	346	346	346	346	346
Total	2,258	2,366	3,498	3,863	3,863	4,277

2.1.3 Loans provided to smallholder farmers for oil palm production

Between June 2014 and July 2015, Ushs. 3.65 billion was disbursed to smallholder farmers in Kalangala as maintenance loans to 1,249 smallholder farmers. This increased the total loans disbursed to smallholders for oil palm development activities to Ushs. 37.37 billion. Table 2.3 below shows the loans provided to the smallholders between January 2005 and June 2015.

Table 2.3: Annual loan disbursements* to smallholder farmers in Kalangala

YEAR	CASH LOAN		IN-KIND	
	UGX	USD	UGX	USD
2005/06	62,241,700	26,009	402,754,441	168,906
2006/07	286,477,950	119,710	169,682,080	71,161
2007/08	622,893,100	260,287	446,289,155	187,163
2008/09	1,062,776,460	444,100	931,960,126	390,843
2009/10	1,769,982,500	739,619	2,815,469,097	1,180,743
2010/11	1,759,682,590	735,315	4,622,631,188	1,938,625
2011/12	4,919,389,900	2,055,656	3,253,564,643	1,364,470
2012/13	4,297,398,265	1,795,745	2,237,787,372	938,476
2013/14	1,868,607,860	780,831	2,065,859,155	866,374
2014/15	1,798,995,093	751,743	1846165822	774,239
	18,448,445,418	7,709,016	18,792,163,079	7,880,999

2.1.4 Fresh fruit bunch harvest by smallholder oil palm farmers

In the period July 2014 to June 2015, a total of 14,559 tons of FFB were harvested by the smallholder farmers in Kalangala. This is an increase from 10,896 tons harvested between July 2013 and June 2014. The total quantity of FFB harvested between January 2010 and June 2015 is 43,069 tons. Table 2.4 below shows the monthly FFB harvests in Kalangala between January 2010 and June 2015. This is from 2,200 hectares that have reached harvesting, owned by 596 farmers, which is 34% of the total number of farmers involved in oil palm production.

Table 2.4: FFB harvests (in kgs) by smallholder farmers between January 2010 and June 2015

Month	Y 2010	Y 2011	Y 2012	Y 2013	Y 2014	Y2015
January	1,490	80,281	560,796	615,350	951,759	1,233,520
February	9,080	119,478	655,719	698,787	744,865	1,431,761
March	15,393	280,670	644,848	960,085	871,154	1,471,949
April	39,736	253,924	827,630	1,162,113	905,758	1,792,796
May	57,240	322,334	786,172	1,188,216	912,909	1,696,157
June	50,210	262,570	617,324	1,052,661	777,304	1,336,570
July	45,590	330,047	501,854	853,694	722,247	
August	57,083	276,397	627,690	789,549	787,040	
September	85,790	286,253	666,883	890,701	801,909	
October	88,088	316,285	636,410	1,085,660	1,137,623	
November	94,811	465,828	710,234	1,133,816	1,170,411	
December	108,969	561,777	492,362	978,682	977,139	
Total	653,480	3,555,844	7,727,922	11,409,314	10,760,118	8,962,753

Table 2.5: Harvesting Farmers per block as at end of June 2015.

BLOCK	No. Of Harvesting Farmers		
	Male	Fem	Total
Bbeta East	99	23	122
Bbeta West	104	54	158
Bujumba	40	14	54
Kagulube	60	21	81
Kalangala	48	14	62
Kayunga	76	43	119
Total	427	169	596

2.1.5 Price trends for the FFB harvests by smallholder farmers

To establish the monthly FFB price, the project used the pricing mechanism provided in the project documents. A pricing committee was established which determines the monthly FFB price following a formula shown below:

FFB Monthly Price = (H/J) * K where

FFB Monthly Price: Factory gate price per ton of FFB of standard quality

H: Price of crude palm oil ex-mill

K: Oil extraction rate per ton

J: Constant of 1.2.

The average price for January to June 2015 was Ush 383 per kg of ffb. The year 2011 had the highest annual average price per kg of FFB at Ushs. 431 per kg while Year 2010 had the lowest average price per kg of FFB at Ush 262. Table 2.5 below shows the price trends between January 2010 and June 2015.

Table 2.6: Price trends per kg of FFB in Kalangala

Month	Y 2010	Y 2011	Y 2012	Y 2013	Y 2014	Y2015
January	215	407	391	340	397	359
February	215	431	401	369	381	373
March	227	434	397	378	396	379
April	247	410	443	371	431	382
May	246	398	466	358	407	401
June	248	466	422	365	398	402
July	252	428	386	370	390	
August	256	436	393	357	393	
September	280	468	408	377	355	
October	285	465	393	371	334	
November	328	422	349	379	346	
December	348	411	348	403	373	
Average annual price	262	431	400	370	383	383

2.1.6 Gross income for the farmers from their FFB harvests

In the period July 2014 to June 2015, the smallholder farmers earned a gross income of Ushs. 5.5 billion. This is an increase from Ushs. 4.2 billion earned between July 2013 and June 2014. The gross income earned by smallholder farmers between January 2010 and June 2015 is now Ushs. 16.6 billion.

Table 2.7: Gross income from FFB harvests (Ushs) between January 2010 and June 2015

	Y2010	Y2011	Y2012	Y2013	Y2014	Y 2015
January	320,350	32,674,367	219,271,236	209,219,000	377,848,323	442,833,680
February	1,952,200	51,495,018	262,943,319	257,852,403	283,793,565	534,046,853
March	3,494,211	121,810,780	256,004,656	362,912,130	344,976,984	557,868,671
April	9,814,792	104,108,840	366,640,090	431,143,923	390,381,698	684,848,072
May	14,081,040	128,288,932	366,356,152	425,381,328	371,553,963	680,158,957
June	12,452,080	122,357,620	260,510,728	384,221,265	309,366,992	537,301,140
July	11,488,680	141,260,116	193,715,644	315,866,780	281,676,330	
August	14,613,248	120,509,092	246,682,170	281,868,993	309,306,720	
September	24,021,200	133,966,404	272,088,264	335,794,277	284,677,695	
October	25,105,080	147,072,525	250,109,130	402,779,860	379,996,082	
November	31,098,008	196,579,416	247,871,666	429,716,264	404962206	
December	37,921,212	230,890,347	171,341,976	394,408,846	371932847	
Total	186,362,101	1,531,013,457	3,113,535,031	4,231,165,069	4,110,443,405	3,437,057,373

2.1.7 Loan repayments by smallholder farmers in Kalangala

Between July 2014 and June 2015, smallholder farmers paid back Ushs. 1.4 billion. This has increased the total loans recovered between 2010 and June 2015 to Ushs. 4.5 billion. A total of 320 farmers have been weaned off the development loan because they have reached commercial phase.

Table 2.8: Annual loan recoveries from the smallholder oil palm farmers

Year	Period/Month	Ushs.
2010	January – December	25,993,654
2011	January – December	435,133,731
2012	January – December	898,867,496
2013	January - December	1,286,588,549
2014	January - December	1,218,994,574
2015	January - June	616,798,019
Total		4,482,376,023

Thirteen (13) smallholder farmers have repaid the principle of the loan and are awaiting calculation of the interest in order to complete loan repayment. Another three are about to complete repayment. (Table 2.9 below). They are awaiting calculation of the interest in order to complete their loan repayment obligations.

The loan has been repaid within 5 years of harvests (since 2010). This is a manifestation that once good agronomic practices are adhered to with proper marketing mechanisms, farmers are able to repay the loan in good time.

Table 2.9: showing farmers who have completed repaying the principle

SN	Name	BLOCK	KOPGT No	Principal Loan Amount	Loan Recovered	Principal Variance
1	Ssemanda Paul	KAYUNGA	ky/0047	47,458,100	64,515,573	(17,057,473)
2	Kisolo Jackson	KAYUNGA	ky/0018	23,668,200	49,506,015	(25,837,815)
3	Musanje Godfrey	KAYUNGA	KY/0067	24,111,600	22,303,848	1,807,752
4	Akirapa Tabitha	KAYUNGA	KY/0077	13,308,200	16,100,553	(2,792,353)
5	Ssonko Robert	KAYUNGA	KY/0053	20,653,300	25,300,535	(4,647,235)
6	Ssonko Patrick Robert	KAYUNGA	KY/0054	23,667,300	29,724,381	(6,057,081)
7	Kizza Robinson	BBETA EAST	BE/0003	29,362,996	38,124,003	(8,761,007)
8	Kiggundu Samuel	KAYUNGA	ky/0016	40,042,125	41,867,245	(1,825,120)
9	Kweyamba Augustine	KAGULUBE	kg/0190	2,307,550	3,555,505	(1,247,955)
10	Tibagirirwa Christopher	KAYUNGA	KY/0056	34,268,650	33,731,316	537,334
11	Ssembajja Paul	BBETA WEST	BW/0120	17,349,600	16,704,402	645,198
12	Mutagubya Lawrence	BUJUMBA	BJ/0001	37,522,300	41,199,907	(3,677,607)
13	Namugalura Rose	BUJUMBA	BJ/0004	20,818,510	25,309,291	(4,490,781)
14	Nassali Janet	KAYUNGA	KY/0040	14,180,600	16,527,694	(2,347,094)
15	Kalyango Kennedy	BBETA EAST	BW/0178	15,778,860	17,212,328	(1,433,468)
16	Semulyowa Milly	KAYUNGA	KY/0049	18,284,700	30,214,197	(11,929,497)
	Sub Total				471,896,793	

2.1.8 Supporting infrastructure for oil palm development

a. Road Demarcation on Bugala Island.

Identification and demarcation of new roads on Bugala Island has been completed. In total 65.2km (15km CARs, 50.2km farm roads) of roads have been identified against a planned target of 40km. This has a budgetary implication of USD 116,300 over the original estimate. The distribution of the new roads per block is as follows;

Table 2.10 showing new roads demarcated

Block	Number of Km demarcated
Bujumba	7.5km
Kagulube	11.9km
Kalangala	1.3km
Kayunga	24.1km
Bbeta East	10.9km
Bbeta West	9.5km

b. Road Demarcation on Outlying Islands.

Demarcation of Community Access (CAR) and farm roads on Bunyama Island is in advanced stages. 6.5km of CAR and 22 km of farm roads have been demarcated. The farm roads are in 3 clusters namely Mbalala (Muwanga's farm), Kagonya and Degeya. On completion, about 40km in total will be demarcated.

c. Road Maintenance:

In the period July 2014 to June 2015, 31 kms of roads in Bbeta East and Kagulube blocks were maintained. Kalangala DLG used her plant and borrowed others from development partners like OPUL. Spot gravel was done in the slippery spots and 70m of culverts installed.

d. Road Construction Equipment:

Procurement of the repair services for the road maintenance equipment is in advanced stages. Repairs are expected to be completed in two months. Kalangala DLG has agreed to release the

road equipment that will be managed under a new arrangement between HEME-LSTAMP and PMU. Under this arrangement, HEME-LSTAMP will partner with VODP-2 to operate and service the road equipment and will also train the District operators and mechanics in the best practices of handling the equipment.

e. Road Maintenance Plan

A draft road maintenance plan has been developed and is to be shared and discussed with the farmers and other stakeholders. The highlights of the plan are that farmers will be responsible for the maintenance of farm roads while Kalangala DLG will be responsible for maintenance of the Community Access roads. The farmers organized at block level will engage and contribute directly to the maintenance of the Farm roads.

f. Boats

Two types of boats have been agreed upon. A steel boat with a cargo capacity of 25tons with two 40hp out board engines and a GPR boat of 8 passengers seating capacity and trailer. The steel boats will be used to deliver fertilizers and ffbs to the mill as landing sites (and ferries) are being constructed. Preparation of specifications and drawings for the boats are being finalized.

g. Fertilizer store on Bugala:

The 700 m² fertilizer store was completed at a cost of Ushs. 1.05 billion and commissioned by H.E. the President in September 2015. This store is expected to handle up-to a maximum of 3,500 tons of stacked fertilizers. So far, the store has been stocked with 1,764.1 tons of fertilizer comprising of NPK Super (467.7 tons), NPK blue (450.5 tons), MOP (434.95 tons), Dolomax (281.95 tons), Kieserite (104 tons) and Rock Phosphates (25 tons).

h. Fertilizer stores and offices at Bunyama and Bubembe Islands :

Designs for the fertilizer stores at Bunyama and Bubembe have been finalized. The stores will be 250m² with a holding capacity of 500ton of fertilizers each. A request has been placed with Kalangala DLG to provide adequate land on which to erect the structures. The project is

exploring the possibility of using Hydraform technology to construct the stores. Since the materials for preparation of blocks using this technology are got from the construction site, a reduction in transport costs and construction time will be realized. The technology is also environmentally friendly. The savings realized will be used to provide water tanks and solar power.

i. Ferry services on the outlying islands

A four year plan was drawn to extend ferry services to the Outlying islands of Bubembe and Bunyama. It is aimed at establishing two landing sites and provision of a suitable ferry(s). The plan has been prepared in such a way that by the time of the first harvesting slated for FY 2019/20, both the landing sites and ferry(s) will in place in order to evacuate the ffb to the mill on Bugala island. The Ministry of Works is currently in the process of procuring a Consulting firm to study, recommend and design suitable ferry(s) and landing sites. The Contract for the provision of consultancy services has been approved by the office of the Solicitor General and is with Ministry of Works for signature.

2.1.9 Sustainability of the farmers institutions and the oil palm investment

The November 2014 Mid Term Review proposed some options for the institutional set-up in Kalangala to ensure sustainability of the oil palm investment. The MTR recommended that the leadership and management of KOPGT required strengthening to be able to provide the expected leadership and oversight of the management and operations of the Trust. The MTR also found that KOPGA as an institution had weak leadership and governance structures and required significant organizational development and capacity building to perform its roles and functions in representation and service delivery to its members.

To respond to the MTR recommendation, the project partnered with Uganda Cooperative Alliance (UCA) which trained 20 KOPGT and KOPGA leaders on organizational development and sustainability. UCA also held meetings at Unit and Block level to interact with the oil palm farmers and sensitize them on their role in KOPGA and the need to have a strong institution if sustainability is to be achieved. UCA has recommended to the farmers that the AGM be attended by delegates from the Blocks instead of all the farmers because it is difficult to have meaningful

discussions with all the 1770 farmers in one meeting. General meetings will be held at Unit level where representatives will be sent to Blocks and the blocks will send delegates to the District level. UCA has also recommended that the farmers put in place a vetting committee to assess the ability of the potential leaders of KOPGA. These ideas have been positively received by farmers. UCA is now working with the farmers to organise the next Annual General Meeting.

Discussions and consultations are ongoing on what institutional set up the oil palm farmers should adopt to organise. Some of the ideas being considered include: Cooperative; continuing as an association; New Generation Cooperative; and Company.

2.2 Oil Palm Development in Buvuma District

Under VODP2, it was envisaged that a 10,000 hectare oil palm scheme would be established in Buvuma under VODP 2 with 6,500 hectares under nucleus estate by Bidco Uganda Limited (BUL) and 3,500 hectares managed by smallholders. BUL was also to construct a palm oil mill and supportive infrastructure for the ease of transportation of inputs and produce. Activities to establish the smallholder scheme were tagged to the start of the nucleus estate. BUL however wrote to GOU that they were no longer interested in establishing the nucleus estate but would support the project in establishing a nursery and palm oil mill in Buvuma.

The MTR recommended that because of inadequate funds under VODP2 and the fact that BUL was no longer interested in investing in a nucleus estate in Buvuma, it would not be possible to implement the Buvuma subcomponent as had planned. There was therefore need to readjust the targets under the Buvuma oil palm development. With guidance from MAAIF leadership, It was agreed that the targets on Buvuma be reduced to 2,500 hectares of oil palm planting by smallholder farmers as Government with IFAD consider a new investment for Buvuma. The Project has now adjusted the targets in the logical framework to reflect this recommendation.

2.2.1 Progress in land acquisition

The land acquisition process has targeted Public Land, and Private Mailo Land (land owned by individuals or families). Every effort has been taken by the project to ensure that the rights of any person affected are respected and compensated for through willing buyer willing seller principle.

The tenants have been consulted and those who have agreed to be compensated, their properties have been valued, while those who opted to stay on their ‘bibanja’ were let to stay. Table 2.7 below shows the land that has been acquired by the project.

Table 2.11: Status of land acquisition in Buvuma

Status	Amount in Hectares	Funds required in Ushs	Remarks
Available and free of encumbrances (HA)	4,833.7	-	Tenants have vacated and boundary roads have been opened around the land
Land committed but awaiting tenants to be compensated before it is available for development	1,607.5	Estimated Ush 16 billion required	Landlords paid. Field inspection of tenants’ properties undertaken. Funds are now available with my Ministry, awaiting conclusion of valuation and disclosure before payment is effected.
Land acquired through compensating tenants- former public land	890	A total of Ush 6.6 billion would be required as per Buganda Land Board asking price.	Conclusion of negotiations awaited.
Total	7,331.2		

The project has bought/committed 7,331.2 hectares of land in Buvuma. This comprises the land available and free of encumbrances (4,833.7 hectares) and the land purchased but with tenants undergoing evaluation (1,607.5 hectares). The project has compensated 1,246 tenants for their interests on the land acquired by the project.

2.2.2 Other Activities undertaken in Buvuma

An additional 60 kms of boundary roads have been opened using equipment from Ministry of Agriculture and Animal Industry and Fisheries Mechanization department at Namalere to avoid

encroachment on the acquired land. This brings to the total of boundary roads opened to 130km in Buvuma.

Land documentation for all potential land for purchase was expedited including undertaking searches to ensure authenticity of land documents from the Mukono District Land offices. The project has supported processing of land documents and letters of administration.

The project facilitated and undertook several land mobilization and tenant sensitization meetings in various villages in Buvuma to ensure buy-in by the local communities

2.2.3 Strategies to achieve the targeted 2,500 hectares of oil palm plantings in Buvuma

- The Project has requested for a quotation for supply of oil palm seedlings from Bidco and have submitted a proposed planting schedule to them for planning purposes
- Registration of the smallholder farmers has commenced in Buvuma to facilitate the planning process
- The Project will access the loan reflows from Kalangala to fund the startup farmer activities in Buvuma
- The project has budgeted for operating costs for Buvuma under GOU counterpart funding.
- Following registration of the farmers, survey of their lands will commence to confirm how much land will be committed for oil palm development. From the registration, preliminary analysis indicates that there are 601 interested smallholders. If each farmer grows at least one hectare of oil palm, a total of 601 hectares can comfortably be said to be available.
- The project plans to recruit core staff for Buvuma by April 2016, who will support the Buvuma activities.
- A draft Cabinet paper has been prepared and will be presented to Cabinet on the alternative approach for Buvuma Oil Palm Development.
- A smallholder oil palm development proposal has been prepared by FAO/TCIA
- Discussions have been held with Bidco who have confirmed their commitment to establish a palm oil mill once 3000 hectares of oil palm plantations are established. They have also committed to provide seedlings and fertilizers and technical assistance.

2.3 Oil Palm Research Activities

Oil Palm Research is a continuation from Phase 1 of the project during which oil palm trials were established in different parts of the country. The outputs under oil palm research include maintenance and data collection on growth and yield from the on-farm trials, collection of information on the economic benefits of growing oil palm, establishment of new trials in target areas, collection of climatic data and soil status data, and provision of information on the viability of growing oil palm in specific areas.

The following was achieved during the reporting period,

- Research finalized the recruitment of 3 new Research Scientists namely; Alex Asimwe, Andiku Charles and Mwebaze Martin in addition to appointing a focal person Damulira Gabriel all based at NaCCRI.
- Identification of 3 sites in Gulu for establishment of new trials.
- Land preparation for planting of oil palm trial at Namulonge -3 hectares
- A fact finding trip to Kalangala on preliminary assessment of the status and knowledge farmers have on non-uniform ripening.
- Conducted surveillance and data collection on oil palm pests from Kayunga, Mugoye Bumangi Buziga Bbeta East and West and Lusenke villages.
- Dissemination of information at Jinja Agriculture show on oil palm production.

To enhance trial management and data collection, it has been advised that new trials be set up at institutions for instance at NARO zonal centers in the target ecological zones. In addition, there is need to establish oil palm seedling nursery for research to complement the OPUL nursery in order to meet the research requirements and also generate knowledge on how to handle oil palm seedlings.

The Project plans to partner with Mukwano to undertake research on the oil palms established in Kiryandongo district. Mukwano has planted 1000 acres of oil palm on their farm there.

3.0 OIL SEED DEVELOPMENT COMPONENT

The Oil Seeds Development Component interventions are focused around four (4) regional hubs of; Lira, Eastern Uganda, Gulu and West Nile; covering 51 districts and targeting 136,000 households. The project aims at imparting knowledge and skills to smallholder sunflower, soybean, groundnuts, and sesame farmers so that they can run their farms as business entities, supply crushing material and grain to the processors and traders, and improve their incomes. Other value chain activities under the component include; social inclusion focusing on gender, and HIV/AIDS awareness building.

The West Nile hub covers 7 districts, Gulu hub covers 8 districts, Lira hub covers 16 districts and Eastern Uganda hub covers 20 districts. Details of the hubs districts are presented in Table 9.

Table 3.1: Start-up Districts by Hub engaged during 2013/14 FY

Hub	Districts where activities were implemented
West Nile	Arua, Zombo, Nebbi, Yumbe and Moyo , Koboko and Maracha.
Gulu	Gulu, Amuru, Kitgum, Pader, Lamwo , Adjumani, Nwoya and Agago.
Lira	Lira, Apac, Masindi, Serere, Kaberamaido, Oyam, Amuria, Soroti, Kiryandongo , Dokolo, Katakwi, Amolatar, Alebtong, Kole, Otuke and Ngora.
Eastern Uganda	Mbale, Bukedea, Kumi, Manafwa, Pallisa, Sironko, Bulambuli, Bugiri, Tororo, Busia, Jinja, Iganga and Mayuge , Bududa, Budaka, Bukwo, Butaleja, Iganga, Jinja , Namutumba, Kaliro, Kapchorwa and Kamuli.

Bold: Start-up districts. Project rolling out activities to remaining districts in 2015

3.1 Oil seeds component strategy for engagement with partners in the value chain

The project works closely with various partners for the effective and efficient development of the oil seeds value chain. Key partners are District Local Governments for quality assurance, NARO's constituent research institutions (NaCRRI & NaSARRI) for research on improved varieties, Uganda National Bureau of Standards (UNBS) for product quality assurance, National Seed Certification Services (NSCS) to ensure seed quality, and, various private value chain actors and supporters. Memoranda of understanding (MoUs) were developed and signed with these partners to guide the implementation relationships. For other actors along the oilseeds

value chain, collaborative documents were agreed-upon and signed to strengthen collaborative roles.

3.1.1 Recruitment of Pay for Service Providers

Between July 2014 and February 2015, the project recruited 6 Pay for Service Providers (PSPs) to offer extension services to the farmers in the oil seeds project area. The PSPs were contracted to offer training to oil seeds farmers in oil seeds agronomy, group capacity building, post-harvest handling and marketing, and establish linkages between farmers and off-takers. Table 3.2 below shows a summary of the performance by the PSPs in terms of farmer groups reached.

Table 3.2: Number of farmer groups reached and trained by PSPs

Hub	Service Provider	Districts Covered	Targeted number of farmer groups	Groups supported January to September 2015
Eastern Uganda Hub	Eastern Private Sector Development	Bugiri, Busia, Bukedea, Kumi, Pallisa	252	252
	CARD Uganda	Mbale, Manafa, Bulambuli, Sironko, Tororo	220	225
Lira Hub	Uganda Oil Seeds Producers and Processors Association (UOSPPA)	Amuria, Soroti, Serere	100	135
	AFSRT	Kiryandondo, Apac, Kaberamaido, Lira, Oyam, Masindi	200	220
Northern Uganda Hub	IIRR	Gulu, Amuru, Lamwo, Kitgum and Pader	175	175
West Nile Hub	WENIPS	Arua, Yumbe, Moyo, Nebbi, and Zombo	175	189
			1,122	1196

3.2 Farmer learning platforms

The PSPs targeted to establish farmer learning platforms (FLPs) to demonstrate to farmers the performance of different varieties of oil crops under different treatments. The FLPs were also to be used for training oil seeds farmers on agronomic practices for oil seeds. In the period of reporting, a total of 1415 farmer learning platforms were established in both season A and B of 2015 as shown in table 3.3 below. Season B planting is ongoing because the rains were late.

Table 3.3: Farmer Learning Platforms established by pay for service providers

Hub	Service Provider	Targeted Number of FLPs	Achieved in Season A - 2015	Targeted in Season B – 2015	% performance
Eastern Uganda Hub	Eastern Private Sector Development	252	118	48	65.9
	CRDI Uganda	80	91	40	163.7
Lira Hub	Uganda Oil Seeds Producers and Processors Association (UOSPPA)	100	41	39	80
	AFSRT	228	112	98	92
Northern Uganda Hub	IIRR	1050	498	154	62
West Nile Hub	WENIPS	175	136	40	100.5
Total		1,630	996	419	

3.2.1 Group Participation in FLPs

In the period July 2014 to June 2015, a total of 1,415 learning platforms were established to 8,147 FLPs since start of activities. They have been hosted by 3,309 farmer groups, and benefitted 61,478 farmers/households. This is equivalent to 45% of the 136,000 targeted households to be reached by the project under oil seeds. Table 3.3 below shows the performance in terms of FLPs.

To achieve the target, the project is pursuing a number of strategies in order to increase coverage and deepen service provision. Some of the strategies include increase in the number service

providers, increasing the targets for the existing service providers, use of high level farmer organisations and use of district extension workers where they exist. Details are provided in table 3.16.

Table 3.4: Summary outputs from the Farmer Learning Platforms established by the project

Season		Number of FLPs established	Number of farmer groups (FGs) participating	Number of households (HHs) participating	Number of beneficiaries of the knowledge & skills
2013	A	1,164	362	6,806	34,028
	B	1,163	375	7,050	35,250
2014	A	1,727	960	18,048	90,240
	B	2,679	697	13,104	65,518
2015	A	996	915	16,470	82,350
	B*	418	915		
TOTAL		8,147	3,309	61,478	307,386

The number is expected to increase now that the rains have started

3.2.3 Outcomes of the Farmer Learning Platforms

a. Adopters of oil seeds/ farmers demanding quality declared seed

The information in Tables 3.5 below indicates that lessons from FLPs variety performance, assured market for sunflower grain by millers resulted in adoption of improved varieties by some members of the farmer groups creating demand for improved quality seed.

The linkage activities by VODP2 between farmers and input dealers; A.K. Oil and Fats (Mukwano) and Ngetta Holdings Ltd, seed producers like UOSPA, farmers in LSBs, and commercial seed companies; resulted in farmers from the 4 hubs purchasing quality seed (e.g Pannar 7033AGSUN 8251Soy bean –Maksoy 1N, 2N, 3N). The data further shows that farmers are willing to invest in quality seed (UgX 31,000 – 35,000 per kg) with an assured market and reasonable farm-gate price, which paints a bright future for seed market with increased adoption of improved seed.

Table 3.5: Adoption and use of improved seed

Hub	Service Provider	Number of FLPs	Number of Adopters Season B - 2015	Varieties adopted	Quantity of seed purchased
Eastern Uganda Hub	Eastern Private Sector Development		7 groups	Soy bean- Maksoy 1N, 2N, 3N	1,730 kgs
	CARD Uganda		20 groups	Maksoy 3N and 2N	1000 kgs
Lira Hub	Uganda Oil Seeds Producers and Processors Association (UOSPPA)	100	27 groups	Maksoy 3N, 1N	12,105 kgs
				Sunflower (sunfola)	405 kgs
	AFSRT	228	4 groups	Agsun 8251	6,400 Kg
Northern Uganda Hub	IIRR	1050	25 groups	Pannar 7033	365 kgs
				Agsun 8251	150 kgs
West Nile Hub	WENIPS		Nature harvest KK	Agsun 8251	200 kgs

3.2.4 Soybean and Sunflower Variety Performance Across Hubs During Season A 2015

The results of FLPs shows general good performance of soybean and sunflower varieties demonstrated indicating that with good management high production and productivity can be achieved. For sunflower, New Sunfola and Sesun 2H recorded lower yield compared to other varieties across hubs.

The overall good general performance of varieties gives hope to both the farmer and the market-offtaker to enter into production contracts. On the other hand it gives confidence to financial institutions in calculating loan repayments and better terms for the loan.

b. Soybean

Soybean variety	Yield per acre (Kg)		
	Eastern Uganda	Lira	Gulu
MAKSOY 2N	500.45	542.33	723.11
MAKSOY 3N	716.51	699.10	873.82
MAKSOY 4N	706.81	714.97	1,007.48
MAKSOY 5N	773.75	682.55	803.13
Crop average		659.74	845.35

c. Sunflower

Sunflower variety	Yield per acre (Kg)		
	Eastern Uganda	Lira	Gulu
PAN 7033	517.17	653.94	699.35
EASF1H	425.25	464.31	587.13
EASF2H	420.91	517.00	610.81
SESUN 1H	488.43	566.08	590.31
SESUN 2H	362.92	481.76	602.20
NKFERTI	515.97	407.64	567.71
New Sunfola	427.46	327.60	557.73
Total			

3.3 Farmer groups bulk selling

In order to benefit from the advantages of negotiating for and selling in bulk, the project has been encouraging farmers to bulk and sell their produce as a group. A number of groups are beginning to adopt the practice, thereby enhancing the market linkage efforts. The table below shows an example of how bulking among groups is building up in Gulu hub and Mbale hub.

Table: 3.6: Quantities of oilseed crop grains bulked and sold**Gulu hub.**

Crop	Soya bean		Sunflower		Groundnut	
Season	2014 B	2015 A	2014B	2015A	2014A	2015A
Quantity of grain bulked	742,210	1,360,735	207,380	456,470	48,426	70,322
Average price (UgX)	1,500	1,500	950	950	3,200	3,200
Income to farmer groups	1,113,315,000	2,041,102,500	197,011,000	433,646,500	154,963,200	225,030,400

Mbale Hub

Crop	Soya bean		Sunflower		Groundnut	
Season	2014 B	2015 A	2014B	2015A	2014A	2015A
Quantity of grain bulked (kgs)	262,500	650,000	207,380	90,000	504,000	800,000
Average price (UgX)	1,500	1,500	950	950	3,200	3,200
Income to farmer groups	393,750,000	975,000,000	197,011,000	85,500,000	1,612,800,000	2,560,000,000

3.4 Establishment of linkages to millers

Efforts to link farmers to millers are ongoing. In Gulu Hub, 15 farmer groups have been linked to Louise Enterprises and are selling directly to the miller. These millers are assured of a market for their produce and are able to gain a better price. In addition, the miller is able to provide transport to pick the produce. For instance in season A, the farmers were paid between 1,000 to

1,200 shs per kg, while the common price in the open market was between Ush 900 to 100 for the hybrids for sunflower.

In eastern Hub a total of 168 farmer groups from were linked to millers and a total of 1676 MT were traded in season A 2015, main buyers include Nile agro (CN cotton), Gill and Rose investments, Pikwi. Also traded was sunflower cake where over 350MT of sunflower cake from small local mills were traded in the Kenyan market.

In West Nile Hub, 2 new sunflower mills have emerged, Wadudu millers and Koboko mill. 2 groups from Zombo linked sold 2,013 kgs to Wadudu millers at price of 1000. A prison farm in Koboko has also picked up in growing sunflower hence increasing oilseeds acreage planted with improved varieties as a new technology in the region and encouraging the local community

3.4.1 Mills established in the Hubs

Promotion of oilseeds by the project has resulted in increased crushing material for the mills. This is providing opportunity for the private sector to invest in mills. The existing mills are also increasing the utilization of the existing installed capacity. In Gulu Hub, there are five mills installed since 2012 (Mabline Investment millers operation since January 2015 in Gulu; Mothers Union operational starting 2015 in Kitgum; Members Enterprises in Kitgum and started operation in 2015; Kitgum Farmers' Association operational since 2014 in Kitgum; and Global millers that started milling this year. While one mill that had been installed earlier (St Isidoro Mill) was not operational has now started operating in 2015. The total number of mills in Gulu hub is nine currently from only three before onset of project activities. In West Nile Hub, two mills have been installed (Wadudu millers and Koboko mill) and one mill that was not operational is now operating (Odokibo mission mill).

In Eastern Hub, eight new mills have been installed 2012. (7 small to medium scale and one big mill). These include, Nile Agro Ltd in Jinja; Gill and Roses Investments Ltd; Cottfield East Africa in Kibuku; Silver Oil Investments in Bulambuli; Mpima Jacobs in Bulambuli; Khaukha Stephen's oil mill in Bulambuli; Namisi Scani's millers in Sironko; Universal Oil millers in Mayuge; Busiu Tubana oil Mills in Busiu and Essense of Africa in Mbale. This brings the total number of mills in the hub to 11.

In Lira hub, there are many mills in the Lango region. However, in the Teso, region, there were only two mills in Soroti (TOFA Oil Mills and Plain Country Investments) at project onset. Currently another two new mill have been installed (DA Oil Millers and FRUNTY Enterprise) and are functional. Another mill has been delivered and is about to be installed.

The increasing investment in the oilseed milling industry has resulted in competition for grain, thus giving farmers an opportunity for improved farm-gate prices. For example, in West Nile hub, the price of sunflower grain reached UgShs.1,000/= from the previous buying price of UgShs. 600/=. Furthermore, the buyers/millers provided drying materials and bags to farmers as commitment to buy their produce at agreed price.

3.5. Sunflower processing & quality assurance standards

According to the recent oilseed processors survey report by UNBS, implementing partner for VODP2 quality assurance component, covering oilseeds processors for sunflower, sesame, groundnuts and soybean, all the four hubs have some operational mills. The mills assessed were located across twenty (20) districts providing employment to over 2,000 people directly.

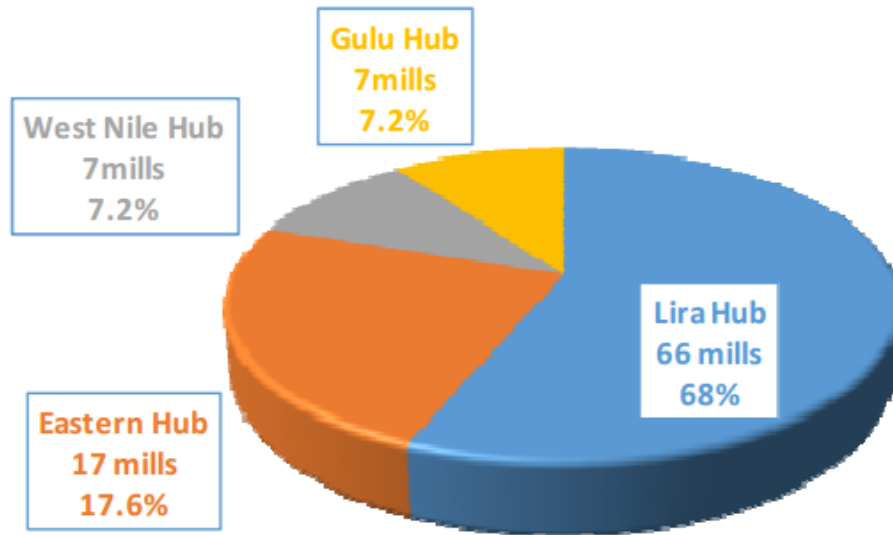
i. Lira Hub: Lira and Apac (Aboke Township), Kaberamaido, and Soroti.

ii. Gulu Hub: Gulu, Kitgum, Lamwo.

iii. West Nile Hub: Nebbi, Arua, Yumbe, and Moyo.

iv. Eastern Uganda Hub: Sironko, Kumi, Budaka, Bulambuli, Mbale, Bukedea, Tororo, Mayuge & Jinja.

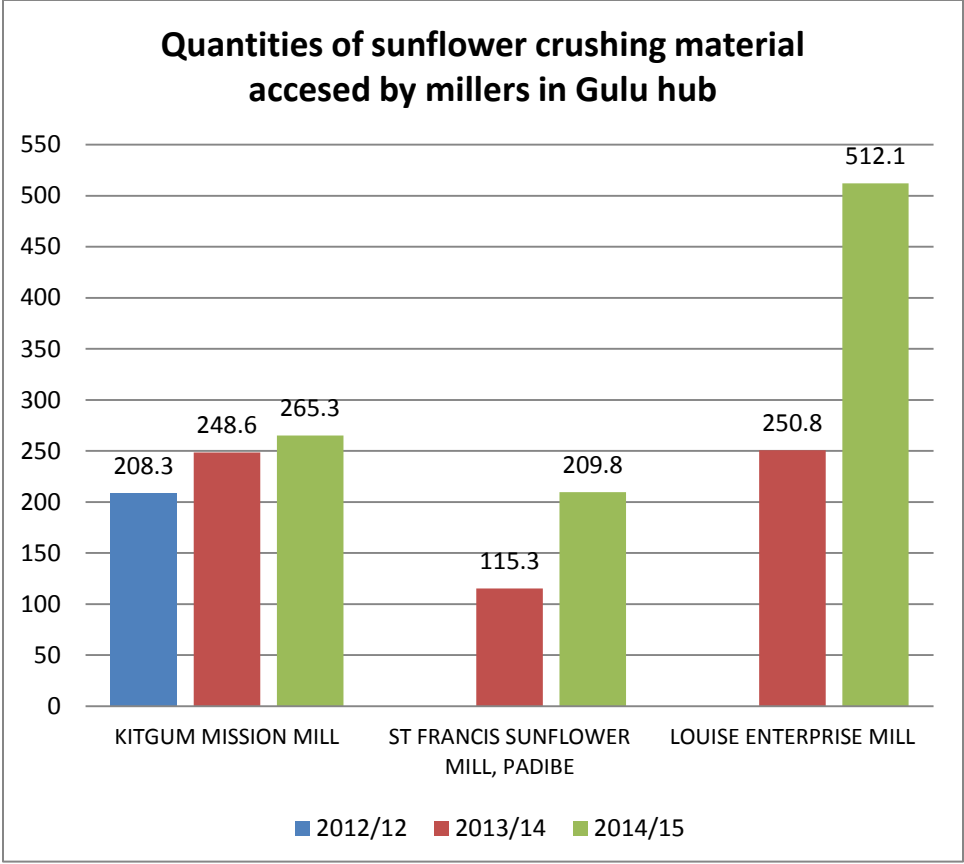
The distribution of the mills in the different hubs is presented in the pie chart below.



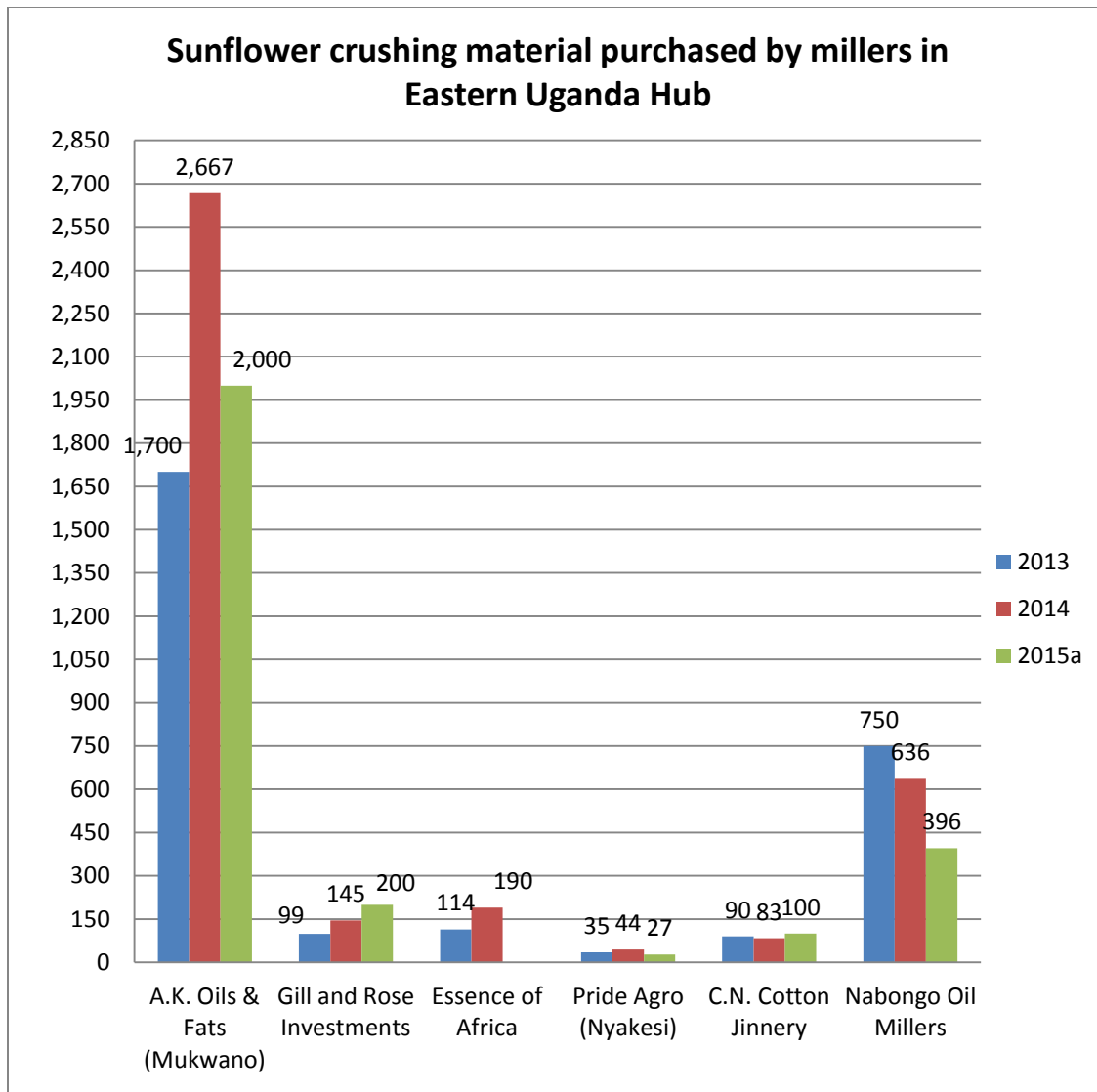
3.5.1 Millers access to sunflower crushing material

The data collected shows increasing quantities of sunflower grain being accessed by millers of all categories alike.

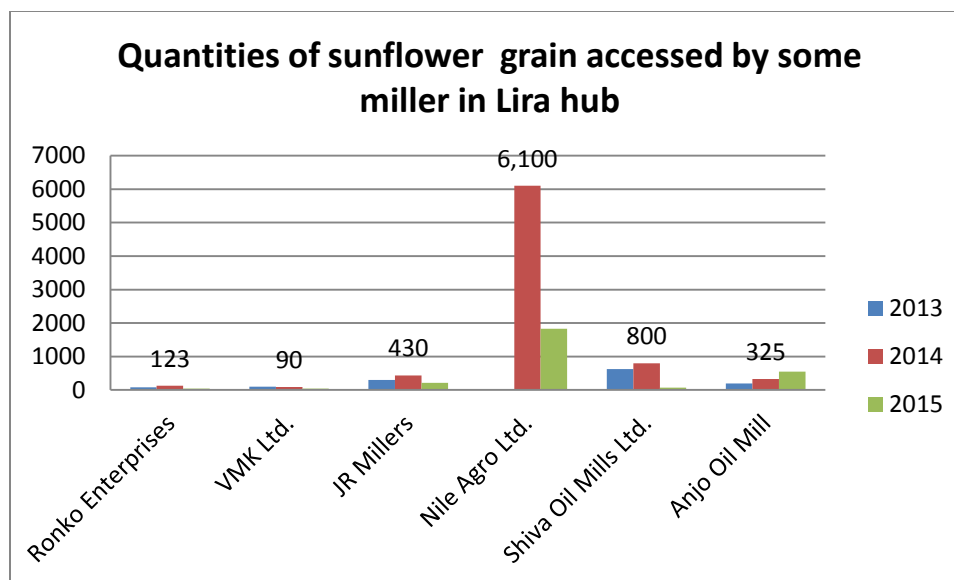
Data collected from Gulu hub shows general increasing quantities of sunflower crushing material is accessed by the three millers. The data further shows an average increase of 64.29% in access to sunflower crushing material by millers in Gulu hub between 2013/14 and 2014/15. This increase in access to sunflower crushing material could be attributed to adoption of sunflower growing with increasing market linkages between millers and farmers assuring market as well as better price offered and prompt payment for produce.



In Eastern Uganda hub, the main sunflower grain buyers are Mukwano and Nabongo millers as depicted from the graph above. In general, the quantities of sunflower grain purchased has been increasing, with a 20.37% from 4,801 tons in 2013 to 5,779 tons in 2014, while the 2,723 tons so far purchased for 2015 represent 47.12% of total grain purchased in 2014.



In Lira hub, although quantities accessed by A.K. Oils and Fats (Mukwano) and Mt. Meru Millers could not be readily available, the graph below shows that the big millers largely influence the market in Lira hub. Nile Agro Industries, a recent entrant took a lion's share of the sunflower grain for the millers information obtained. This however, could be attributed to the linkages with farmer cooperatives and the price offered in the arrangement with linked cooperatives, which may have attracted other farmers to sell to Nile Agro Industries.



3.6 Sunflower grain prices

The buying price per kilo varies from miller to miller and has been generally increasing for most millers since 2013. The increase in price from an average of Ugx 798 to Ugx 945 could be attributed to farmers getting more increasingly organized to sell in bulk and negotiating with buyers for delivery of bigger volumes of sunflower grain, coupled with increasing number of millers.

3.7 Access to Improved seed/ Seed supply efforts

One of the major challenges in oil crops production is access to improved seed. The project is pursuing a number of strategies to ensure access to improved seeds by oil seeds farmers. These include support to NARO/research to increase production of foundation seed; use of farmers to multiply foundation and produce quality declared seed; supervision and inspection by MAAIF Seed Certification and the researchers to ensure proper production of seed; and partnering with seed importers to import hybrid sunflower seed.

3.7.1 Importation of Hybrid Seed by Seed dealers

Seed importation has been undertaken by mainly Mukwano group who are major millers of sunflower. In the past, there was an apparent limitation because Mukwano had the dealership for importation of Panner seed from South Africa. In 2015, Mukwano imported a total of 260 tonnes of sunflower hybrid seeds (70 tonnes of Pan 7033 for season A and 180 of the same variety for B and 10 tonnes of NK FERTI for season B).

There has recently been a new entrant (Ngetta Tropical Holdings based in Lira) on the scene that is importing AGSUN 8251 sunflower varieties and Syngenta seed from South Africa. Last season the company imported 50 tonnes of AGSUN in season A and 22 tonnes in season B that has been sold to farmers on cash basis. They have received another 19 tonnes from Syngenta of Syngenta 8085 variety that is being marketed to farmers. The Company is planning to import more seed (about 60 tonnes) of AGSUN. This seed is currently being bought by all millers and is promising to perform better than the Panar 7033. The current price for the grain is Ush 1,200 per kg of sunflower.

Nile Agro Ltd is also importing hybrid seed for sale to farmers, information gathered indicates that they have are importing syngenta hybrid variety for next season.

There has been an improvement in the number of hybrids of sunflower seed from majorly one variety (PAN 7351 imported by Mukwano) to currently four varieties (PAN 7033, NK FERTI, AGSUN 8251 and Syngenta 8085). The number seed importers has also increased from majorly one (Mukwano) to four (Mukwano, Ngetta Tropical Holdings, MMP and Nile Agro).

3.7.2 Promotion of local Sunflower Hybrids

The local hybrids (SESUN 1H and 2H) are also being aggressively promoted to millers and farmers through FLPs and directly by UOSPA. In this year, a total of 14.6 tonnes was produced and marketed to farmers (Sesun 1H- 8tonnes and 2H – 6.6 tonnes).

3.7.3 Production of breeder and Foundation Seed

Under soybean, three new high yielding varieties (Maksoy3N; Maksoy 4N and Maksoy 5N) have been added to the previous three (Maksoy 1N; 2N and Namsoy 4M). A total of 22 tonnes of foundation seed was produced in season A of 2015 and available to seed companies and farmer groups for seed multiplication. Planting has taken place and they expect 20 tonnes of foundation seed from the current plantings.

Under sunflower a total of 200kg of parental lines for Sesun 1H and 2 H was produced and available to UOSPA for production of hybrid seed.

Under Sunfola, 50kg of foundation seed was available to UOSPA who produced 4.3tonnes of improved sunfola.

3.7.4 Seed Multiplication by farmers (farmer to farmer)

In an effort to ensure access to quality seed for oilseed farmers, the project is working with some farmers to multiply foundation seed in each of the Hubs. This is done in partnership with NARO and MAAIF Seeds Certification Unit. This enables farmers to access quality declared seed. The project is mainly handling Soybeans for seed multiplication because sunflower preferred seeds are hybrids. Some of the PSPs have worked with farmer groups and multiplied soybean seeds and enabled farmers to access seed. CRDI received 375 kgs of soybean foundation seed and distributed to 18 farmers that multiplied it and got 5290 kg of good seed. Of this, the farmers returned 386 kg of the seed to group Seed-bank for further multiplication and sold the rest to farmers within the group and to other groups for production. The farmers sold the seed at Ush 2000 per kg as seeds while the prevailing price for soybean grain was Ush 4,000/= per kg.

EPSEDEC in Mbale hub received 250kg of soybean foundation seed which they distributed to 10 host farmers for multiplication. These produced 3,060kg of soybean seed which was sold to other host farmer groups at an average of Ush 2000 per kg which is over the Ush 1,500 per kg.

The private service providers (PsP) with technical support from research and national seed certification services trained farmers in seed production and post-harvest handling. Details on quality declared seed production is presented below.

a) Eastern Uganda hub

Table 3.7 below shows that farmer groups produced 31.984 tons of quality declared improved soybean seed from 1,100 Kg of foundation seed. From this, 1771 tons was shared among farmer group members, leaving 30.212 tons for sell to community members. This not only increased access to quality declared seed within the community, but also enhanced the farmer groups income with an estimated total of UgX 60.4 million.

Table 3.7: Seed multiplication and utilization in Eastern Uganda hub.

PSP	Area planted (acres)	QDS seed produced (Kgs)	How the seed produced was used		Price/Kg	Income to farmer groups
			Amount shared among group members (Kgs)	Sold to community members (Kgs)		
EPSEDEC	22	15,766	933	14,833	2,000	29,666,000
CRDI	22	16,218	838	15,380	2,000	30,760,000
TOTALS	44	31,984	1,771	30,212		60,426,000

b) Lira hub

In Lira hub, seed multiplication was done for sunflower (OPV), sesame, soybean and groundnuts with a total of 22 farmer groups. The groups produced 87.5, 45.0, 11.97 and 57.6 tons of New Sunfola, Sesame, groundnuts and soybean quality declared seed respectively. Of the total seed produced, less than 10% was shared among the farmer group members for each of the crops and the balance sold generating between 33 to 164 million for each of the crops to the farmer groups.

Table: 3.8: Seed multiplication and utilization in Eastern Uganda hub.

Enterprise and Varieties	Acreage	Yield	No. of FGs	Members	Seed shared (Kg)	Seed balance (Kg)	Price/Kg	Income to farmer groups
Sunflower New Sunfola	175	87,500	10	250	6,000	81,500	2,000	163,000,000.00
Simsim Local, Sesame 1, Sesame 2 and Sesame 3	180	45,000	5	125	3,000	42,000	3,000	126,000,000.00
Groundnuts Red beauty, Sererenut 2, Sererenut 4, Sererenut 5R and Sererenut 6T	39.9	11,970	4	100	2,400	9,570	3,500	33,495,000.00
Soybean Maksoy 1N, Maksoy 2N, Maksoy 3N, Maksoy 4N and Maksoy 5N	72	57,600	3	75	1,800	55,800	1,200	66,960,000.00

3.7.5 Soybean Breeder seed and Foundation seed production by NaCRRI

The results show that for both soybean breeder and foundation seed production has been increasing each since 2013 giving a hope that if seed companies took all the foundation seed for multiplication, there would be enough quality improved soybean seed on the market to meet the demand by processors.

Table: 3.9 Soybean breeder and foundation seed production

Seed type	2013		2014		2015	
	Season A (Kg)	Season B (Kg)	Season A (Kg)	Season B (Kg)	Season A (Kg)	Season B (Kg)
Breeder	250	310	325	350	400	-
Foundation	5,906	16,262	8,857	16,466	23,585	-

3.7.6 Seed Quality Assurance

The Project has partnered with the MAAIF Seed Certification Unit who work with and inspect farmer fields for seed multiplication and also teach farmers the agronomy of seed production. In the period of reporting, the Unit inspected seed multiplication gardens in the Eastern Hub.

NaCRRI in liaison with PMU made field inspection of fields for farmer groups undertaking seed multiplication in 12 districts from Eastern Uganda, Lira and Gulu hubs. A total of 53 acres of soybean fields were inspected for variety purity, disease incidences, agronomic field management and farmers were advised on ensuring high quality seed production management practices and postharvest practices.

In order to ensure quality soybean production NaCRRI with support from VODP2 trained a total of 180 seed multipliers from 5 districts in seed production, with 44.6% percent women involvement.

Table 3.10: Capacity building in seed multiplication for farmer groups

District/Location	Category	Number	% of women
Masindi	Masindi Seed Co. seed growers Farmer groups	110	40
Gulu	Farmer groups -4	74	52.4
Pader	Farmer groups -4	62	50
Oyam	Farmer groups -1	27	62.96
Kamwengye	Farmers	17	17.65
Total		180	44.60

As a means of quality quality assurance for quality declared seed after harvest, NaCRRI in liaison VODP2 visited selected farmers from seed multiplication groups after harvesting with the aim of ensuring practices for genetic purity and seed viability of seed put on market. Eleven (11) farmers from Eastern Uganda hub were visited, seed sampled, physically observed for genetic purity and germination tests carried out on 30 samples collected.

The results show that with over 90% of the seed produced by seed multiplication groups can be used as quality declared seed within their communities. With good guidance, farmer groups can produce 100% quality declared seed. This will not only improve access to quality seed, but also contribute to generating income to the group members involved.

Table: 3.11: Seed viability test (Germination percentage)

Number of samples	Number of samples	% of total number of samples	Recommendation
≥ 85%	13	43.3	Can be used for seed.
≤ 70 – 84.9%	15	50.0	Can be used for seed with 3 plants per hole and thinned to 2 plants per hole to ensure appropriate plant population
<70%	2	6.7	Should be sold as grain to traders/millers.

3.7.7 Soil fertility management for increased oilseed productivity

Soil analysis results by IFDC show that soils in most of the sunflower growing areas in Lango and Teso sub-regions are deficient in phosphorus, sulphur, nitrogen, boron, zinc and copper, although both areas have optimum levels of potassium. The data below shows nutrient imbalances that will not support high productivity even with adoption of high yielding varieties.

In response to low soil nutrient levels, VODP2 in partnership with fertilizer distribution companies run FLPs to demonstrate the advantage of BioDeposit application to sunflower and soybean.

Table 3.12: Soil nutrient levels in Lango and Teso sub-regions in Lira hub

Nutrient element	Nutrient level in	
	Lango sub-region	Teso sub-region
Phosphorus	Low to very low (10.0 – 25.0 ppm)	Low to very low (10.0 – 25.0 ppm)
Potassium	Optimum (90.1 – 300 ppm)	Optimum (90.1 – 300 ppm)
Sulphur	Very low (<10.0 ppm)	Very low (<10.0 ppm)
Nitrogen	Low for most areas (<0.1 0.2 %)	Low for most areas (<0.1 0.2 %)
Boron	Very low (<0.5 ppm)	Very low (<0.5 ppm)
Zinc	Optimum (2.1 – 20 ppm)	Low for most areas (1.1 – 2.0 ppm)
Copper	High to low (1.01 – 10.0 ppm)	Low for most areas (<1.01 – 2.0 ppm)

Source: IFDC (Uganda) Soil mapping Project 20113: Sunflower Growing Regions

BioDeposit® Agro has the following functions:

- Creates soil humus;
- Prevents soil humus of erosion;
- Restores soil fertility and improves its structure;
- Increases cropping capacity by 40-60% and reduces yield ripening time;
- Suppresses the growth of pathogenic nematodes;
- Increases soil moisture content by 4-5 time;
- Neutralizes excessive concentration of radionuclides in the soil, heavy metals, pesticides and chemical fertilizer salts in the soil;
- Improves fruit and vegetable taste and increases the amount of vitamins in it;

The results with sunflower Pannar 7033 variety show a 7.6% reduction in time to maturity over the control and 42% increase in yield. The results emphasize that these soils are nutrient deficient confirming IFDC soil mapping results.

Table 3.13: Response of soybean and sunflower to Bio-deposit application in Lira Hub

(a) Sunflower (PAN 7033)

Characteristic	Treatments applied		Remarks
	<i>Control</i>	<i>Biodeposit</i>	
Plant leaf colour	Normal green	Dark green	
Growth vigour	Moderate	Very vigorous	
Time to maturity (days)	105	97	7.6% reduction
Average yield (Kg/Acre)	407.5	578.7	42% increase

Like in sunflower, similar reduction of 10% in time to maturity and 40% yield increase was observed for soybean further emphasizing critical need for nutrient management.

(b) Soybean (Maksoy 3N)

Characteristic	Treatments applied		Remarks
	<i>Control</i>	<i>Biodeposit</i>	
Plant leaf colour	Normal green	Dark green	High chlorophyll content enables increased capacity for light capture
Growth vigour	Moderate	Very vigorous	Vigorous growth enables the plant to develop large photosynthetic surface and resist pest and disease attack.
Time to maturity (days)	120	108	10% reduction
Average yield (Kg/Acre)	356.7	499.4	40% increase

3.8 Access to production credit by oil seeds farmers

3.8.1 Access of loans from Financial Institutions

In an effort to support farmers to improve production, the project has facilitated linkages with financial institutions for farmers to access production credit. The project has established new partnerships with financial institutions; Post bank DFCU in Gulu hub and linked organized and ready groups to access credit. DFCU partnered with the project to extent financial literacy education on the agribusiness product to 78 groups prior to assessing groups their eligibility to access credit, of which 11 groups have registered with the bank. The project together with UDBL and Jubilee insurance also carried out sensitizations on crop insurance among farmers that have accessed UDBL loans in Lira and eastern hub. Farmers have been encouraged to insure their crop for future engagements with the bank. Jubilee insurance is to provide a multi-peril crop insurance cover for the yields shortfall below guaranteed levels resulting from physical loss or damage to growing crops.

Table 3.14 Showing Access to Credit by Oil Seeds Growers

Hub	Financial Institution	District	No. farmers	Amount disbursed (Ush million)	Crop	Product ion	Gross incomes (Ush million)	Remarks
Eastern Uganda Hub	UDBL	Mayuge	150	201.996	Soya	40 M/T	60.0	1 st loan
		Jinja	232	329.4	Soya	32 M/T	48.0	1 st loan
		Iganga	226	180.0	Soya	20330	30.5	1 st loan
Lira Hub	UDBL	Oyam	221	497.5	S/flower Soya	600MT, 300 MT	1,109.0	1 st loan
		Kole	453	738.0	S/flower Soya	110.5 MT	151.2	1 st and 2 nd loan
		Alebton g	273	500.0	S/flower Soya	326 MT	249.75	1 st loan
	FINCA	Oyam	120	25.0	S/flower Soya	32 M/T, 28.5	72.9	1 st loan
		Alebton g	71	34.55	S/flower			1 st loan
	OBUL	Dokolo	22	10.1	S/flower	180	0	1 st loan

						acres season B		
		Serere	18	8.0	G.nuts, Simism, S/flower			1 st and 2 nd loan
		Kabera maido	17	8.1	S/flower, Sova	5 M/T, 3 M/T	6.9	1 st loan
Gulu Hub	PBU	Lamwo	61	11.0	Simsim			1 st loan
	Total		1864	2,543.6			1,638.2**	

** Farmers income earned from harvested crops in previous season, crops financed in season B still in the field.

3.8.2 VSLA Savings by Farmer Groups in Gulu hub

In addition to extension provision the PsPs have supported the groups to mobilise savings and lend amongst the members for their needs in line with production, in Gulu hub all groups have been supported and trained in the VSLA methodology. See table below

Table 3.15 showing mobilized VSLA by Oil Seeds Growers

District	TOTAL SAVINGS	TOTAL LOAN	WELFARE	INTEREST	FINE
Lamwo	60,093,000	40,372,000	4,930,100	6,372,400	448,600
Kitgum	48,806,500	32,408,000	5,342,000	2,453,600	2,389,000
Pader	215,511,000	147,127,685	70,254,000	27,878,208	5,824,500
Gulu	35,522,000	22,147,500	5,739,200	5,031,500	753,000
Amuru	40,218,000	23,500,000	5,577,000	6,243,500	6,310,000
Total	400,150,500	265,555,185	91,842,300	47,979,208	15,725,100

3.9 Household mentoring

As a strategy to mainstream gender issues in the oilseed value chains, the project has piloted the household mentoring methodology to improve relationships in the households and include the views of all members in the decision making pertaining production of oilseeds and share of benefits that arise from production of oilseeds. The methodology has also been used to build strong farmer institutions, members need to have a clear vision for which they are joining farmer organisations. This has to begin with individual household vision and desires, which can be

realized by working as a group. The project worked with facilitators from Ministry of Local Government staff to train 76 mentors (44 PsP, & 32 sub county community development officers) in Household mentoring Methodologies. These Mentors have identified 200 pilot households within the project area communities and mentoring has started in all the 4 hubs. Baseline information on these households have been collected and households have been guided to develop their vision road journey to enable them, join and fully participate in farmer organization and develop themselves. A number of activities have been undertaken and details shown in table below.

i) Household mentoring

Hub	No. of TOT trained			No. of HHs targeted for coaching
	PSPs	CBOs-DLGs	Total	
Lira	12	13	25	75
Gulu	10	04	14	30
West Nile	6	4	10	18
Eastern Uganda	16	11	27	81

3.11 Awareness Creation and Information Dissemination Activities

During the March – September 2015 period, VODP2 revived efforts to engage the media, both print and audio in sharing information with oilseeds farmers and value chain actors. One article on oil seeds was published in an agricultural magazine. Radio talk shows were held in Lira (5), Gulu (5) and West Nile (3) hubs under a contract with New Vision Corporation to run radio talk shows in the hubs where they have local radio stations. The details are presented in the table below.

Table 3.15: Awareness radio programmes with New Vision Corporation

Hub	Radio Station	No. of programmes conducted	Participants involved in talk-show
LIRA	Etop FM, Soroti	3	DLG Focal Point UOSPA-(PSP) OSSUP Facilitator Hub Coordinator Farmer representatives Miller representatives
	Rupiny FM, Gulu	2	DLG Focal Point AFSRT-(PSP) & OSSUP Facilitator Hub Coordinator Farmer representatives Miller representatives
GULU	Rupiny FM, Gulu	5	DLG Focal Point IIRR- (PSP) OSSUP Facilitator Hub Coordinator Farmer representatives Miller representatives
WEST NILE	Arua-One FM, Arua	3	DLG Focal Point WENIPS- (PSP) OSSUP Facilitator Hub Coordinator/PMU Farmer representatives Miller representatives

3.12 Strategy for reaching of the targeted beneficiaries under the Oilseeds Component

In order to reach the project target of 5,900 farmer groups, thereby contributing 136,000 households to the overall project target, a three pronged approach is being implemented. (i) by taking on five additional private service provider who will bring in 1,780 groups, (ii) sixteen (16) selected DLGs with extension staff who are being supported to bring in 640 groups; and through the higher level farmer organisations (HLFOs) 600 groups will be reached. All together combined with the groups from old private service providers the project will reached the targets set at inception.

Table 3.16: Strategy to achieve targeted beneficiaries

Hub	Service providers	2014/15	2015/16	2016/17	2017/18	Total
LIRA	AFSRT	220	200	100	0	520
	UOSPA	62	150	150	0	362
	New	0	250	180	0	430
	5 DLGs x 40 FGs	0	100	100	0	200
	10 HLFOs x 20 FGs	0	100	100	0	200
WEST NILE	WENIPS	189	151	120	0	460
	New	0	200	100	0	300
	3 DLGs x 40 FGs	0	60	60	0	120
	5 HLFOs x 20 FGs	0	50	50	0	100
GULU	IIRR	175	200	195	0	570
	New	0	200	190	0	390
	3 DLGs x 40 FGs	0	60	60	0	120
	5 HLFOs x 20 FGs	0	50	50	0	100
EASTERN UGANDA	CRDI	341	150	100	0	591
	EPSEDEC	231	200	120	0	551
	New1	0	215	130	0	345
	New2	0	215	100	0	315
	5 DLGs x 40 FGs	0	100	100	0	200
	10 HLFOs x 20 FGs	0	100	100	0	200
	TOTALS	1218	2751	2105	0	6074

3.12.1 Higher Level Farmer organization (HLFO) identification and capacity assessment

The project embarked on identification of higher level farmer organizations in each of the hubs and in partnership with UCA planned to carry out assessment of the current status of these HLFOs; including their membership, distribution, capacity and willingness to take up oilseeds production. The exercise was carried out in Gulu hub and will continue in the remaining hub. So far the distribution of identified HLFO in project area is as seen below;

Table 3.17: showing the identified HLFO in each of the Hubs.

Hub	Number of HLFOs
LIRA	40
GULU	12
WEST NILE	19
EASTERN UGANDA	19
Total	90

4.0 PROJECT MANAGEMENT

The Project Management Unit (PMU) is responsible for effective and efficient coordination project activities to ensure delivery of high quality and cost efficient services in the project area. The roles of the PMU include working with other line ministries and government agencies as required for ensuring smooth project implementation; Planning and budgeting for project activities; reporting on project implementation progress; managing project activities and IFAD loan funds in accordance with IFAD's general conditions; intermediation on behalf of GoU with the Private Sector partners; Public relations role and provision of information to the public on project activities; supervision and monitoring project funding provided through KOPGT for oil palm development, leadership role as an OSSUP participant, contract and manage pay for service extension providers for oilseeds production. The PMU also manages the project procurements and provides technical backstopping to project implementers to ensure that the project achieves its objectives.

Progress between July 2014 and June 2015 under the PMU is below

4.1 Planning, Budgeting and Reporting

The project prepared quarterly and annual work plans and progress reports using GoU's Output Budgeting Tool (OBT) format and submitted them on time to MAAIF. Submission of the reports is the basis on which funds are released to the project.

In 2014/15 financial year, the approved budget was Ush 30.08 billion. A total of Ush 22.72 billion was utilized, which is 76% budget performance with GOU budget performance of 94% and IFAD financing at 66%. The percentage performance was affected by late coming on board of the pay for service providers, roads construction affected by break down of road equipment and slow uptake of funds under research.

The project prepared on-demand special reports to Members of Parliament, Cabinet Ministers and other stakeholders providing progress on the implementation of different project activities. The Project hosted His Excellency the President who commissioned the farmers' fertilizer store and laid a stone for the second mill in Kalangala, among others.

The project held hub review meetings in 2 of the 4 hubs which attracted the value chain stakeholders. Presentation of performance reports by the pay for service providers, discussions on the performance reports and a presentation on the project M&E, planning and reporting formats were among the activities undertaken during the review.

4.2 Communication and Knowledge Management (C&KM)

The following activities were implemented between July 2014 and June 2015 under C&KM.

- i. Exhibited at the Source of the Nile show where the project activities were show cased.
- ii. Exhibited at the World Food day in Fort Portal.
- iii. Video documentation is being finalized with 5 modules. The modules were reviewed and comments given to the producer. The videos are expected to holistically present the project and its impact in Kalangala from the beginning to date. The modules are below;
Module 1: How the oil palm investment started
Module 2: Doing it right
Module 3: The Public Private Partnership in Kalangala;
Module 4: Infrastructure Development;
Module 5: Women Empowerment and Social Interventions A video on the impact of oil palm in Kalangala was prepared for the Agriculture Sector Joint Annual Review meeting.

4.3 Results based Monitoring and Evaluation

The project is implementing the results based Monitoring, Evaluation and Learning approach where an M&E system customized for the VODP 2 is being implemented. The project has revised the logical framework, formulated planning and reporting formats and incorporated the use of geographic information systems (GIS) in the project surveys. The project also operates simple updated databases that record physical progress. The detailed progress under the results based M&E is below;

4.3.1 Project baseline surveys

The project shared the Kalangala and Buvuma baseline survey reports with IFAD and received comments which were shared with the Consultants for final incorporation. The consultants however had problems with Anthropometry, even after guidance was received from the IFAD Country Office. The project is now working with the Consultants to finalize the household anthropometry section after which the reports shall be published.

The project partnered with MAAIF Statistics and M&E Divisions and the Uganda Bureau of Statistics (UBOS). The report was shared with IFAD and comments were received which were incorporated in the report. The report is also being finalized with the section of household anthropometry after which it will be published.

4.3.2 Implementation of the GIS Based Impact Monitoring Tool

The project in partnership with the Global Land Tool Network of UN Habitat, initiated the implementation of the Geographical Information Systems (GIS) based impact tool “the farmer driven enumeration” in the project area. The tool is intended to enhance the project’s capacity for effective project management as well as monitoring and evaluation. The tool implementation involves farmer-led mapping of farmlands and garden numbering, data collection, data capture, management and analysis, and data validation and updating. The main objectives of the tool are to capture the impact of project activities on the beneficiaries, assess the productivity of the oil crops in relation to socio-economic factors, and, to document the farmers’ tenure rights and conflict mapping in the project area.

In Kalangala, farmer leaders were sensitized on the technology and the process, KOPGT staff have been trained on its application and implementation and the tool has been implemented in all the six blocks and the two outlying islands of Bunyama and Bubembe. The data is now being entered and a report shall be prepared before the end of December 2015

4.3.3 Piloting the GIS tool in the oil seeds component

There is no mechanism to capture the data on the farmers who have benefitted from the production credit and yet the financial institutions are depending on VODP 2 to provide location

specific performance data on the beneficiaries. The project would also like to capture the bio and socio-economic data on the beneficiary households, trends of production and productivity of the oil seed crops and to update the GIS database on the project beneficiaries. In this line, the project piloted the use of the GIS tool in Eastern Uganda and although many of the credit benefactors did not plant in the Season A, some data was collected.

With the recruited service providers now in place, the project would also like to capture geo-referenced data on the farmer learning platforms, adoption among the farmer groups, adoption among the neighboring communities, input dealers partnering with the farmers and the extent of partnership, multiplication gardens and the beneficiaries of the improved seed multiplied, processors buying the grain, price of the grain, incomes for the farmers selling the grain and change in the mill capacity utilization by the processors. This information will then be uploaded onto the project shapefiles and the findings, lessons learnt, challenges and outcomes will be captured.

A team from the Global Land Tool Network is expected in Uganda in early December 2015 where the entry screens will be finalized.

4.3.4 Impact survey in Kalangala

The project has started discussions with the Statistics Division of MAAIF and UBOS to carry out an Impact Survey in Kalangala. Draft Terms of Reference have been developed for the survey.

4.3.5 Establishment of the project MIS

The project would like to establish a Web Based Management Information System (MIS) which will enable the project to capture, analyze, store and produce reports on the progress being made by the project towards achievement of the project objectives. The MIS will be updated with all available data, and will be used by permitted implementation partners to update the data. Draft terms of reference have been developed and the procurement process initiated for the MIS.

4.3.6 Routine monitoring and supervision activities

The project in partnership with MAAIF carried out monitoring visits to validate the reports submitted by the different implementation partners. Recommendations from the field findings were made to management. The monitoring reports highlight the progress in the implementation

of the annual work plans, challenges being encountered and lessons learned that can be scaled up in other project areas.

The project also visited Northern Uganda and Lira Hubs and held in-house training meetings with each of the service providers and Hub Coordinators on monitoring, data collection tools and mandatory reports. The discussions also covered planning for impact and practical approaches to regular and acceptable data collection.

4.3.5 Environment and Social Impact Assessments for Buvuma and Kalangala islands

The project awarded contracts to Associates for Strategic Resource Development and Environmental Management (ASRDEM Ltd) and Atacama Limited to assess the potential environmental and social impacts of the proposed establishment of oil palm activities on the outlying islands around Bugala islands (ASRDEM) and on Buvuma island (Atacama Limited).

The ESIA certificate clearing oil palm development on the outlying islands of Kalangala was received from NEMA while the ESIA report on oil palm development on Buvuma is still being reviewed by NEMA.

4.4 Human Resources Management under the PMU

The position of the Communication and Knowledge Management Officer fell vacant after he retired. Efforts are under way to fill the post.

The contract for the Project Engineer was renewed for another two years, while that for the Lira Hub Coordinator expires in November 2015. A request for renewal has been submitted to PS MAAIF.

The Hub Offices continue to function with only the Hub Coordinator which is a challenge especially when the Coordinators are in the field or at the centre. Some services like security and cleaning of offices have been contracted out. Drivers from the Centre have been released to work at the hub offices.

Under KOPGT, contracts of four staff were not renewed (three field officers and one IT officer) while two staff have recently resigned (field officers) to join employment elsewhere. There is

therefore a challenge in terms of staff. Plans are underway to have the posts filled. The posts required include six field officers because of resignation and promotion of one of the field officer, a stores assistant, and an accounts assistant.

To improve teamwork and information sharing, the PMU holds regular staff meetings both at top management level and all staff level. In some meetings, the management of KOPGT secretariat participates. It is planned that KOPGT management will participate in the PMU monthly staff meeting regularly, to improve information sharing and determine areas for technical backstopping.

In terms of staff training, the Oil Seed Coordinator and the Hub Coordinator Lira were nominated for training in oilseeds technology in China for one month. The training is ongoing. Six staff from KOPGT and PMU have been trained in use of GIS technologies under the Social Tenure Domain Model.

5.0 PROJECT COSTS AND FINANCING

5.1 PROJECT COSTS, FINANCING AND PROCUREMENT (VODP 2)

5.1.1 Project Funding

The VODP 2 received funds from GOU as counterpart funds and from IFAD for implementations of project activities according to the 2015/16 project work plan and budget. IFAD was supposed to finance a total of UGX 19.68 billion (USD 7.55m), which accounts for 63.89%, of the total budget while GOU was supposed to contribute UGX 10.40 billion (USD 4.07m) accounting for 36.11% of the budget.

Table 5.1: 2014/15 FY Budget by category

FINANCIER	AMOUNT (UGX)	AMOUNT (USD)
GOU		
2 materials	162,000,000	51,529
4 civil works	149,400,000	58,588
5 Small holder Oil Palm	9,516,526,200	3,731,971
8 Extension service	160,120,000	62,792
9 Salaries	148,060,094	58,063
10 Operating cost	260,720,000	102,243
Subtotal GOU	10,396,826,294	4,065,187
IFAD		
1 Vehicle, Equipment and materials	595,400,000	233,490
2 materials	900,000,000	352,941
4 civil works	1,733,000,000	679,608
5 Small holder Oil Palm	5,445,950,240	2,135,667
7 Consultancy, training and workshops	2,905,536,917	1,139,426
8 Extension service	5,445,219,000	2,135,380
9 Salaries	1,680,862,586	659,162
10 Operating cost	973,138,004	411,035
Subtotal IFAD	19,679,106,746	7,746,709
Grand Total	30,075,933,141	11,811,895

Table 5.2: 2014/15 FY Budget by Component

COMPONENT	AMOUNT (UGX)	AMOUNT (USD)
Oil palm		
Kalangala Oilpalm Development	7,166,806,540	2,810,512
KOPGT support	2,562,991,684	1,005,095
Buvuma Mobilisation	315,400,000	123,686
Buvuma Oil plam development	9,347,119,250	3,665,537
New oil palm area identification	209,856,667	82,297
Subtotal Oil palm	19,602,174,141	7,687,127
Oil seeds		
Farmer groups extension	5,471,289,000	2,145,604
Seed production	1,402,000,000	537,804
Value chain	80,000,000	31,373
Subtotal Oil seeds	6,953,289,000	2,714,780
Project management		
Project management	3,520,470,000	1,409,988
Subtotal Project management	3,520,470,000	1,409,988
Grand Total	30,075,933,141	11,811,895

5.2 Release of funds during the Year 2014/15 – GOU Funds.

Government of Uganda was required to provide counterpart funds for some of the Project activities in accordance with the terms and conditions of the financing agreements. Government of Uganda allocated Shs 10.40 billion (USD 4.07m) for project activities. However, a total of Ushs 16 billion was released. Most of these funds were released for acquiring land in Buvuma for the nucleus estate.

5.2.1 IFAD funding

The project operates two special Accounts at Bank of Uganda; Farmers' account with a ceiling of USD 2.0M and VODP operations Account with a ceiling of USD 3.0M. A request to increase the Ceiling of VODP Operations account was made and granted to meet the increased liquidity requirements.

1. Release to the special account

A total of 10.35bn (USD 3.68m) was released by IFAD to the project's designated account in Bank of Uganda in accordance with the terms and conditions of the financing Agreement

WA	Amount USD	Amount (UGX)	Payee
026	732,266.15	1,933,620,082.76	Designated Account
030	913,460.00	2,386,149,346.60	Designated Account
034	1,037,338.81	3,029,060,445.36	Designated Account
035	1,000,000.00	3,000,110,000.00	Designated Account
	3,683,064.96	10,348,939,874.72	

2. Direct Payments

A total of 2.09bn (USD 0.64m) was made directly by IFAD from the Loan account to the specified supplier/service provider in accordance with the terms and conditions of the financing Agreement

WA	PAYEE	USHS	USD
033	Kampala Nissan	248,468,228	83,249.74
037	OPUL	1,846,165,822	558,298.83
Total		2,094,634,050	641,548.57

3.5 IFAD loan variances

During the Year ended 30 June, 2015, a total of UGX 12.95 billion was spent on project activities, representing a budget out-turn of 66%. Material variances are due the following reasons

- Salaries and allowances performed at 111% due the depreciating currency. The employee contracts are in dollars and the budget was prepared at UGX 2,550/USD but it moved to UGX 3296.77/USD by 30/06/2015
- Operating costs performed at 97% and Vehicle & equipment performed at 95%
- Materials performed at 73% due to late invoice by suppliers.
- Oil Palm development performed at 67% due to supply of some fertilisers in July which were planned for May/June 2015. Extension services performed at 54%
- Consultancy, training and workshops performed at 51%
- Civil works performed at 49% due to breakdown of the road equipment

3.6 Over all Loan Performance

The overall VODP 2 loan performance stands at 37.06% disbursement. However, when WAs in the pipeline, expenditures made and not yet claimed and commitments expected to be paid soon are included, the disbursement increases to 49.02%.

Table 5.10: IFAD loan 806 disbursements (SDR as at 30th June 2015)

Cat	Category description	% Financing	Allocated	Disbursed	Balance	% disbursed
99Z	Initial deposit- Farmers		0	2,026,096.07	-2,026,096.07	100.00%
99Z	Initial deposit- PMU			1,258,280.99	-1,258,280.99	100.00%
1	Vehicles and equipment	100	4,400,000	702,827.39	3,697,172.61	15.97%
2	Materials	100	1,430,000	70,168.53	1,359,831.47	4.91%
3	Pontoon landing sites	100	820,000	0	820,000.00	0.00%
4	Other Civil works	100	1,310,000	126,772.47	1,183,227.53	9.68%
5	Smallholder oil palm development	100	8,030,000	5,654,460.70	2,375,539.30	70.42%
6	Oil seed Guarantee Fund	100	920,000	0	920,000.00	0.00%
7	Consultancies, Workshops and Training	100	2,070,000	470,345.92	1,599,654.08	22.72%
8	Extension services	100	6,200,000	273,002.94	5,926,997.06	4.40%
9	Salaries and allowances	100	3,270,000	1,032,898.49	2,237,101.51	31.59%
10	Operating costs	100	1,980,000	798,608.04	1,181,391.96	40.33%
	Unallocated		3,070,000		3,070,000.00	0.00%
Total			33,500,000	12,413,461.54	21,086,538.46	37.06%

6.0 PROCUREMENT AND DISPOSAL OF PROJECT ASSETS

Under VODP Phase two (VODP2), the procurement function/ procurement and disposal activities have been handled by the Project's Procurement & Disposal Unit and approved by the Project's Sub-Contracts Committee (with delegated powers as per PPDA Act 2003) and has been operational for the last two years. The Project's Procurement Unit and Sub-Contracts Committee is supervised by, and reports to the Ministry Contracts Committee.

As of October 2015, the VODP2 Sub-Contracts Committee was constituted of four (04) members as the contract for the fifth member from the Solicitor General's office which expired in September, 2015 is yet to be renewed. Arrangements are underway by the ministry of Agriculture to get the contract renewed so that the committee can be fully constituted.

To-date, twenty seven (32) sub-contracts committee meetings have been held since July 2012 in which period 98% of the procurement requests have been approved. The total number of macro procurements (above UGX 2 million) handled since July 2012 to-date are one hundred ten (122). The total number of micro procurements (below UGX 5 million) handled to-date is 249. Total number of procurements handled to-date is 371.

Table 6.1: Summary of procurements processed from July 2012 to February 2015

SUMMARY NUMBER OF PROCUREMENTS PROCESSED									
	2012		2013		2014		2015		
Month	Micro	Macro	Micro	Macro	Micro	Macro	Micro	Macro	Totals
January	0	0	0	4	13	0	1	13	
February	0	0	9	3	18	0	5	5	
March	0	0	4	0	5	6	7	0	
April	0	0	10	9	12	8	6	1	
May	0	0	9	6	6	0	6	2	
June	0	0	9	5	4	6	12	0	
July	27	0	10	5	8	10	15	2	
August	0	2	0	0	5	0	15	8	
September	0	0	3	6	7	0	3	0	

<i>r</i>									
October	1	3	0	4	0	8	7	0	
November	0	2	0	0	-	-			
December	12	0		5	-	-			
TOTALS	40	07	54	47	78	38	77	30	
	Total Micro								249
	Total Macro								122
	Total Procurements								371

Note: The above figures exclude the procurements still in progress (where contracts are not yet signed)

The monetary value of all procurements handled (Value of all contracts placed including those not yet paid for) since July 2012 to October 2015 (40 months period) is UGX 9,257,324,649. The value of micro procurements (less than UGX 2 million later revised to less than UGX 5 million) is UGX 631,303,168 and the total value of macro procurements to-date is approximately UGX 8,626,021,481 (93.3%).

Table 6.2: Annual procurement figures from July 2012 to October 2015

ANNUAL PROCUREMENT FIGURES BY VALUE IN UGX'000								
2012		2013		2014		2015		GRAND TOTAL
Micro	Macro	Micro	Macro	Micro	Macro	Micro	Macro	
66,819.2	474,580	79,311.9	2,420,119	194,245	3,974,023	290,927.3	1,757,300	9,257,325.4

The Service Cost Panel (SCP) for Kalangala Oil Palm Growers Trust (KOPGT) has been fully constituted with all the six (06) members with the mandate to reviewing procurements requests for KOPGT for supplies, services and works including prices for agro-inputs supplies by OPUL and other service providers. The procurement manual for guiding the SCP and staff of KOPGT is in advanced stages of being reviewed and adopted.

1. CHALLENGES FACED

- i) The problem of realizing the Sub-Contracts Committee minimum Quorum of three (03) members to deliberate and clear procurement requests occasionally remains a challenge but is manageable
- ii) Delays due to difficulty by users to draw specifications/Terms of Reference/BOQs/statement of work has always posed a big challenge especially consultancies that have faced delays.
- iii) Bureaucratic delays especially in approval of procurement requisitions by the different authorities in the ministry have always caused delays in processing
- iv) Delays in paying suppliers/service providers have created some mistrust by service providers and may lead to increase in costs of future services/supplies.
- v) Currency fluctuations against the budgeted procurement amounts renders budget estimates unrealistic against prevailing market rates.
- vi) Fixed Contract prices for 2 years like the case for the Pay For Service Providers (PSF) may render contract implementation difficult.

2. POSSIBLE SUGGESTIONS.

- i) Continuous engagement by procurement office with users to submit specifications/Terms of Reference/BOQs/statement of work to procurement unit in a timely manner to fast track procurement processes.
- ii) IFAD could organize some regional procurement training workshops where procurement cadres from different countries could interact, learn, share experiences and templates so as to improve on procurement best practices and procedures.
- iii) Contracts for duration of more than one year should have a price variation clause to cater for possibility of inflation.

ANNEXES

Annex I: RECOMMENDATIONS BY SUPERVISION MISSIONS AND ACTION TAKEN

ACTION AND RECOMMENDATION FOR SUPERVISION MISSION OF OCTOBER 26TH TO 6TH NOVEMBER, 2015

Area	Agreed action	Responsible	Agreed date	Status as at October 2015
Status of Oil palm Development in Kalangala	Pay for the costs of repairing the machinery	PMU	May 2015 (Bugala) March 2016 (Bunyama)	Procurement of repair services in advanced stages. Original estimates were affected by the depreciation of the shilling. Submitted the request to contracts for authority to undertake the repairs.
	Machinery to be released to the project for the time necessary to complete all road works related to the oil palm plantations			Kalangala DLG has agreed to release the road machinery to be managed under a new arrangement between HEME-LSTAMP, PMU &
	Project will establish an alternative arrangement for operating the machinery and undertaking the works, to start with Bugala and continue with Bunyama later	PMU	May 2015 and March 2015	A new arrangement has been established under which HEME-LSTAMP will partner with VODP-2 to operate and manage the road equipment. An MOU is to be signed among the three partners (KDLG, PMU and HEME-LSTAMP) on the operation, maintenance and management of the equipment.
	The project to partner with UCA for the provision of the necessary support to KOPGT and KOPGA in the restructuring	PMU	30 May 2015	Draft MOU prepared and submitted to PS MAAIF for clearance.

Area	Agreed action	Responsible	Agreed date	Status as at October 2015
	process. PMU will ensure that this agreement be signed, to allow UCA to start its work on the ground by the end of June 2015.			In the meantime, the PMU has started working with the PMU to undertake strengthening of KOPGA/KOPGT. UCA has been to Kalangala and preliminary activities done, grassroots mobilisation and sensitisation completed and needs assessment carried out. Worked with all the units and blocks and is now guiding KOPGA on the way forward including holding and AGM during which the recommendations will be presented for adoption.
KOPGT Financial Management and Sustainability	Recruit external auditors for KOPGT and acceptable to IFAD	PMU/KOPGT	31 May 2015	KOPGT Board yet to appoint the external Auditors work expected to be complete in January 2016. Terms of reference for the audit have been prepared. A list of possible audit firms prepared. A KOPGT board meeting is planned for end of November 2015 when the audit firm to undertake the work will be selected form the list.
	Prepare financial statements for 2014/15	KOPGT	15 August 2015	Financial statements prepared with the support of the consultants- Backhouse and in place
	Carry out Audit for 2013/14 and 2014/15		30 September 2015	To be undertaken after securing the audit firm. Appointment is finalised in November 2015 by KOPGT Board
	KOPGT management to finalize draft financial sustainability model	KOPGT	June 2015	On going with support from Backhouse and UCA

Area	Agreed action	Responsible	Agreed date	Status as at October 2015
	to roll-out overall sensitization and discussions on the model after full restructuring of KOPGA and KOPGT	KOPGT / PMU		<p>With support from UCA, all the units and blocks have been sensitized on the different models with a view of letting the farmers decide what form they should organise themselves in the long run.</p> <p>A meeting to discuss and brainstorm on this was undertaken with support from IFAD. Agreed to go ahead and strengthen the units and block and district level organs of KOPGA as further discussions are carried out.</p> <p>The options being considered are:</p> <ul style="list-style-type: none"> i) The oil palm farmers to continue as an association, with strengthening of KOPGA structures for all oil palm farmers to identify with KOPGA, ii) Oil Palm farmers to organise themselves in Cooperative/ KOPGA to transform into a cooperative, with KOPGT Secretariat becoming the Cooperative technical arm. iii) KOPGA and KOPGT to merge and form a new generation cooperative with KOPGT as a technical arm/company handling member oil palm business, iv) KOPGT to transform into a company contracted by KOPGA to provide services to

Area	Agreed action	Responsible	Agreed date	Status as at October 2015
	<p>To explore the possibility of supporting the establishment of a legal advice centre, in partnership with the Ministry of Lands, and the Uganda Land Alliance (ULA), to assist farmers and the District government to deal with land issues</p>	PMU		<p>oil palm farmers v) Roll out awaits KOPGA AGM. Buganda Land Board has established an office which is offering lease hold certificates to tenants on Kabaka's land. Negotiations and engagement criteria are underway.</p>
	<p>Follow up with OPUL, ULC, the Ministry of Lands, Housing and Urban Development and other relevant stakeholders on resolving disputes over land granted to OPUL and on expediting the granting of leases and the remaining land to the company.</p>	PMU		<p>Uganda Land Commission has received the Certificates of Title for the land in question and are in the process of issuing a lease to OPUL. Valuation for stamp duty is being undertaken, after which it will be paid ad titles transferred to ULC names and then a lease will be issued. This is expected to be concluded by end of December 2015. Lease minute was issued on 14th October 2015 and awaits granting the lease to OPUL after the transfer of all titles into ULC names.</p> <p>Where there disputes, Kalangala District is working with Bidco to ensure they are resolved. Some require re-opening of boundaries while two are before Court.</p> <p>Focal Person is the District Agriculture Officer of Kalangala District Local Government who works closely with OPUL.</p>

Area	Agreed action	Responsible	Agreed date	Status as at October 2015
	The project will support the District local government with capacity for establishing a simple database for record keeping of key documentation related to land tenure issues and processes in Kalangala.	PMU		The process is underway and is to be completed by June 2016. Combined with the on-going GIS exercise. The exercise is covering the type of land, tenure type of farmer, whether the farmer has a written contract /agreement and the nature of agreement for each smallholder farmer and their oil palm garden.
	To facilitate discussions with key stakeholders to develop an action plan for addressing the concerns regarding the encroachment on the buffer zone. And to support farmers to replant areas of encroachment with indigenous trees.	PMU, District Agriculture Office and KOPGT		Procurement of services for production of maps showing the extent of encroachment of the buffer zone is in final stages. This will enable the project to roll out the replacement planting starting with the highest affected areas. District engagement with the Private Sector, distribution of the seedlings to farmers. Surveillance and observance of the environmental safe guards on going and District environment Officer rates compliance as good
	Government to commit additional UGX 200 million as part of the budget for the FY 2015/16 as counterpart funding for the oil palm component	GoU		A budget provision was made of Ush111.5 million in the 2015/16 project budget. More funds will be budgeted for in the 2016/17 budget, including utilization of the reflows.
	final decision on the way forward and the development model to be adopted for		End of June	<ul style="list-style-type: none"> • Buvuma Draft design for smallholder development in place need to be ratified by the

Area	Agreed action	Responsible	Agreed date	Status as at October 2015
	Buvuma will be taken		2015	<p>authorities</p> <ul style="list-style-type: none"> • A concept on purely smallholder oil palm development has been shared with MAAIF Top Management including the Hon Minister. • A meeting was held with Bidco management and they reassured MAAIF Minister of their commitment to work with Government to support a social oil palm project by smallholder farmers in Buvuma. Bidco is not able to start a nucleus estate as a “green field project” because of the international concerns on land issues and social impacts. • A draft cabinet paper has been prepared to be shared with the Cabinet on the smallholder model. • MAAIF leadership given a go ahead to register outgrowers to grow oil palm on their own land as clearance is sought on how to apply Government land. • Tool for data collection developed and information gathering on the potential outgrowers initiated. • A letter has been sent to Bidco for a quotation for supply of oil palm seedlings to Buvuma oil palm farmers.
	To reach an agreement with IFAD for the mobilization of additional financing for Buvuma investment, either through the reallocation of undisbursed ATAAS Loan funds to VODP2 in 2018 or through a new			Hoping that the Buvuma Development will be incorporated in the new investment plan for IFAD.

Area	Agreed action	Responsible	Agreed date	Status as at October 2015
	loan from the 2016-18 allocation or through a combination of the two. IFAD will continue to provide technical support to the Government in the design of the investment plan for Buvuma.	IFAD/GoU	Mid-2016	
Oil Seeds Development	To amend Situation Analysis Reports and strategic action plans, once specific alterations to annual plans have been agreed and ensure dissemination via the website/dashboard and OSSUP MSP.	Hub Coordinators		Annual work plans for PSPs, DLG and OSSUP shared and discussed and revised.
	To develop and use systematic data capture forms and sample frame to build yield models, gross margin analysis, etc.	Pay-for Service Providers (PSPs) and Hub Coordinators (HCs)		Templates developed and shared with the PSPs for data capture.
	Revise existing work plans running to fourth quarter where practical; work plans for contract renewal through 2015-16 to fully mainstream the agreed strategic changes	HCs / PSP		Have had discussions with PSPs. In the second year, the workplans and budgets will incorporate the adjustments as seen fit.
	To increase the PSPs operating in the four hubs by a total of five, two in the Eastern	PMU		Advertised for expression of interest. Short list prepared and submitted for no objection.

Area	Agreed action	Responsible	Agreed date	Status as at October 2015
	hub with one each in the other three hubs			NO awaits clearance of the MTR and assurance of availability of funds to meet the costs of the PSPs.
	To implement detailed data collection program to identify impacts and outcomes of extension delivery and impact of FLPs. Data collection will identify actual numbers of FLPs per District, which crops are demonstrated and yield outcomes achieved. This data will be fed into extension activity planning and provide an audit on the volumes of seed and inputs used in the FLP demonstration program.	PMU M&E		Detailed data collection tools designed for collection of data on Farmer Learning Platforms, Multiplication gardens, Adoption of Extension messages and tracking progress on achieving the project objectives. The data collection tools have been shared during the Hub Review Meetings and follow up field visits are being carried out to build capacity of the implementing partners to use them effectively.
	To model and forecast seed demand and circulate estimates through the value chain	PMU		Partnering with seed companies and NARO to ensure availability of seed. Ngetta Tropical Holdings is a new entrant in seed importation from South Africa. Imported 22 tonnes of AGSUN which have been bought by farmers. Company planning to import more seed (60 tonnes) of AGSUN before end of year. This variety is doing very well. The company has also received 19 tonnes of another variety from Syngenta which is being sold to farmers currently. Company in the process of securing agency for AGSUN variety in Uganda.

Area	Agreed action	Responsible	Agreed date	Status as at October 2015
	To closely monitor development partner's activities and ensure delivery of required seed to selected FLP and FGs.	HCs		Working with PSPs on forward planning to ensure timely delivery of inputs for the FLPs.
	Plan and coordinate FLPs growing soya to plant single varieties at each site, supervise the harvest and cleaning of seed and coordinate allocation to FGs for subsequent sale or planting in the following season.	HCs		Working with the MAAIF Seed Certification Unit to ensure quality declared soybean seed is produced. Also partnering with the Soybean researchers who are working with the farmers at FLPs.
	Model and forecast seed demand and circulate estimates through the value chain	PMU		Working with farmer groups and linking them to seed companies for purchase of improved seed. Also working with groups to produce quality declared seed with MAAIF seed Certification unit
	Secure trial "exclusivity" deal with NaSARRI and selected seed company and agree targets for subsequent seed delivery	PMU		Have held discussions with NASSARRI researchers who have taken up the issue with NARO management. Decision expected before end of December.
	Staff to continue linking millers, banks, FG/FOs and seed importers to predict seed demand and secure financing of sunflower hybrids imports as an alternative to domestic multiplication in its nascent stages.	PMU		Partnering with Mukwano and Ngetta Tropical Holdings on importation of sunflower hybrids. Partnering with UOSPA to produce and popularise the domestically bred hybrids of sunflower. Involving farmers in seed multiplication for

Area	Agreed action	Responsible	Agreed date	Status as at October 2015
	Undertake a quick inventory and classification of existing FOs at mid-tier level for subsequent detailed capacity needs assessment, capacity building and training by UCA	HCs		soybeans. Working with UCA on this activity. A team is in the field visiting higher level FG to identify the areas for support so they can take on the role of oil crops promotion with their members.
	Sign a partnership agreement for the undertaking of the agreed institutional development activities.	PMU /UCA		Draft MOU submitted to PS for approval
	to re-allocate funds identified at MTR for small infrastructure to other, more relevant investment.	PMU		Funders reallocated to PSP and research activities into improved varieties
	Continue following the current approach of facilitating linkages of value chain actors with FIs to develop appropriate loan products as FIs seek to increase lending to the oilseeds sector.	PMU		Continuing to partner with UDBL and Opportunity Bank. Repayments are ongoing.
	Continue coordinating oilseeds activities between the OSSUP facilitators and HCs with specific emphasis in Gulu and West Nile Hubs..	PMU		Active participation in regional platform meetings and at national level.

Area	Agreed action	Responsible	Agreed date	Status as at October 2015
Project Management	Provide technical support to KOPGT for participatory planning, data collection and analysis	PMU		On-going. Provided data collection templates. Also covered all the hubs under the Social Tenure Domain model
	KOPGT staff to explore options to purchase all rights to the farmer management system, obtain technical support to resolve arising issues, and thus make it more effective to meet the reporting needs	KOPGT		Refining of the system has been done to enable calculation of the interests; results of interest calculation will inform the decision of whether or not to buy rights.
	To finalize baseline reports and impact survey report.	PMU	30 th April and 30 th September 2015.	Guidelines for anthropometry shared with the consultants to finalize that section of the baseline surveys.
	Finalise the maps for the project areas based on the already acquired project satellite images, and post the maps on both the KOPGT and VODP websites	PMU	30 TH April 2015	Method of procurement approved by Contracts Committee. Recruitment being expedited
	Utilise the maps to monitor protection of the buffer zone both for the nucleus and small scale farmers	PMU		Will be undertaken after the Maps are produced.
	Revamp the website as fast as possible to ensure coherence of information, include	PMU		

Area	Agreed action	Responsible	Agreed date	Status as at October 2015
	more pictures and add social media platforms that will drive traffic to the website			
	Review and reinstate farmer-focused communications such as radio programmes and the Kalangala newsletter.	PMU		Weekly Radio programme on Radio Ssesse sponsored by KOPGT
	Revive media engagement events such as open days and share fares	PMU		Project interfacing with media at different for a like the President's visit to Kalangala, World Food day and National Farmers' shows. Prepared a 30 minutes video documentary on oil palm production segmented in five parts.
	Have all materials scanned and stored on a web-based platform so that the resources are accessible in the hubs and from anywhere else	PMU		This is yet to be undertaken.
	Develop simple planning and reporting templates for the different partners to ensure that recipients of funds provide detailed work/activity plans, as well as activity reports	PMU / KOPGT		Planning and reporting templates developed and shared with the implementation partners.
	Provide further training and start the implementation of household methodologies to help addressing issues of gender equity and equality, financial	PMU		On going. Training of trainers in all the hubs has been undertaken. A total of--- mentors trained and have started mentoring households. Preliminary

Area	Agreed action	Responsible	Agreed date	Status as at October 2015
	literacy and HIV/AIDS.			works has been done, mapping of areas and drawing action plan with the District focal person completed
Fiduciary Aspects	Continue to prepare and submit WAs as soon as the 30% threshold is achieved.	PMU		On going. Was being submitted as recommended. Challenge is the slow release of funds form IFAD which is affecting the cash-flow at project level.
	Review and finalise the proposal for the necessary amendments to the Financing Agreement as a matter of urgency with a view of submitting a formal request to IFAD	PMU	30 th April 2015.	Amendments reviewed and sorted out and are ready for submission

ANNEX II. THE REVISED LOGICAL FRAMEWORK

Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions/Risks
Goal:			
1.0 Contribute to sustainable poverty reduction in the project area.	<p>1.1 50% of households with improvements in assets ownership index at project completion.</p> <p>1.2 20% reduction in the prevalence of child malnutrition, by gender (height/age, weight/age, weight/height)</p>	<ul style="list-style-type: none"> • RIMS Baseline, and Completion Surveys. • Uganda Bureau of Statistics. 	
Purpose/Objectives:			
2.0 Increase the domestic production of vegetable oil and its by-products, thus raising rural incomes for smallholder producers and ensuring the supply of affordable vegetable oil products to Ugandan consumers and neighbouring regional markets.	<p>2.1 Level of vegetable oil self sufficiency increased from 30% (2008 baseline) to over 60% by project completion (2018).</p> <p>2.2 Increased per capita vegetable oil consumption from 5.6 Kg/capita in 2008 year to 7.0 kg by 2018.</p> <p>2.3 Oil palm and oilseeds profitably produced by smallholders.</p> <p>2.4 Households receiving project services</p>	<ul style="list-style-type: none"> • UBOS statistics on Ugandan vegetable oil production. • Project M&E database. • Baseline studies and PCR. • FAO food balance sheet 	<ul style="list-style-type: none"> • Absence of external and internal economic shocks. • Increased incomes will lead to more demand for vegetable oils
Outcome: Oil Palm Consolidation and Expansion			
3.0 An integrated oil palm industry to supply national and export markets in	3.1 Crude palm oil annual production increases from 0 tonnes in 2009 to 35 000 tonnes by 2018.	<ul style="list-style-type: none"> • OPUL and KOPGT databases • KOPGT reports 	<ul style="list-style-type: none"> • Oil palm production begins in Buvuma by 2013 • Liberal economic policies

<p>compliance with modern environmental standards and providing equitable returns to smallholder producers.</p>	<p>3.2 Smallholders earning incomes of USD 1 500 per ha per year at full development. 3.3 Operational self sufficiency of KOPGT in 2016 and BOPGT in 2018</p>	<ul style="list-style-type: none"> • BOPGT reports • Project M&E database 	<p>continue</p> <ul style="list-style-type: none"> • Smallholders receiving import parity prices for FFBS • OPUL and GOU maintain their commitment to oil palm development in Uganda • No drastic price falls in the international palm oil market
<p>OUTPUTS</p> <p>New oil palm areas identified</p> <p>Sustainable Oil Palm Development</p> <p>Kalangala Oil Palm Scheme completed and producing</p> <p>Buvuma Oil Palm Scheme established</p>	<p>4.1 40,000 ha identified for oil palm plantations by 2018</p> <p>4.2 6,500 ha of nucleus estate planted in Kalangala by 2016</p> <p>4.3 4 700 ha planted by smallholders in Kalangala by 31 Dec 2016</p> <p>4.4 1 800 smallholders served by KOPGT</p> <p>4.5 KOPGT re-structuring agreement signed by 31 Dec 2013.</p> <p>4.6 Four island environmental monitoring plans for smallholder oil palm completed and being implemented.</p> <p>4.7 6 500 ha nucleus estate planted by 2017 in Buvuma.</p> <p>4.8 3 500 ha smallholder land planted by 2018 in Buvuma</p> <p>4.9 1 100 farmers served by BOPGT.</p> <p>4.10 All oil palm activities (plantation, mill and refinery) are in compliance with NEMA regulations.</p> <p>4.11 Kms of farm roads constructed/ rehabilitated</p>	<ul style="list-style-type: none"> • Project progress reports and M&E database • OPUL and KOPGT databases • KOPGT reports • BOPGT progress reports • Special studies • District Local Government reports 	<ul style="list-style-type: none"> • Identified areas have land in blocks suitable for nucleus estate and smallholder development • Transport established to outlying islands • GoU able to purchase sufficient area of land for nucleus estate on Buvuma • Ferry service to Buvuma upgraded • No extreme climate or disease events affect palms

2. Outcome: Oil Seeds Development			
<p>5.0 Continued up-scaling of Lira to a modern agro industrial hub for oilseeds and the emergence of Eastern Uganda, Gulu and West Nile as hubs for oilseed production.</p>	<p>5.1 Mill capacity utilization increased from 30% in 2009 to 85% by 2018.</p> <p>5.2 Farmers growing oilseeds increased from 55 000 in 2008 to 140 000 by 2018, with net cash earning per ha per season of US\$350.</p> <p>5.3 Domestic oilseeds production of sun flower and soya bean increased from 70 000 tonnes in 2008 to 150 000 tonnes by 2018 of which 70% is from the new hubs of Gulu, Eastern Uganda and West Nile</p> <p>5.4 Number of farmers adopting quality controlled seed of released varieties</p> <p>5.5 Number of agricultural production groups operational/ functional</p> <p>5.6 Number of farmers using purchased quality controlled seed</p>	<ul style="list-style-type: none"> • Millers study • Baseline study, Completion report • Farm models • Production statistics from MAAIF • M&E system • UOSPA/UNFFE/OSS UP statistics • Mid-term/project completion reports 	<ul style="list-style-type: none"> • No disease outbreaks. • Farmers increase production of soybean
<p>OUTPUTS</p> <p>Production of certified good quality seed and oil</p> <p>Smallholders farming</p>	<p>6.1 Two improved varieties for each oilseed crop submitted to the Variety Release Committee by NaSARRI and NaCRRI annually</p> <p>6.2 90% of oilseed growers buying quality controlled seed by 2014</p> <p>6.3 Number of hectares under oil seeds cultivation increased to 140 000 ha by 2018, up from 80 000 ha in 2008</p> <p>6.4 Number of farmers reporting an average yield of 1.1t/ha</p> <p>6.5 5 900 farmer groups (with 30%</p>	<ul style="list-style-type: none"> • OSSUP reports • NaSARRI/ NaCRRI/MAAIF Seed Certification agency reports • UBOS reports • DAO quarterly reports • NAADS technical reports • Impact assessments 	<ul style="list-style-type: none"> • Millers and other private operators willing to undertake extension provision on a cost sharing basis • Increased crushing material attracts new investment in hubs.

<p>oilseeds as a business and operating in groups to sell increasing volumes of crushing material to millers</p>	<p>participation of women) receiving extension services from the project by 2018 6.6 1 000 farmer groups bulk selling by 2015. 6.7 90% of the medium/large-scale millers attain UNBS quality certification by 2018. 6.8 Amount of credit facility disbursed to value chain actors by participating financial institutions 6.9 Number of beneficiaries of the credit facility.</p>	<p>and surveys</p> <ul style="list-style-type: none"> • VODP2 progress reports • DAO quarterly reports • MAAIF farm survey reports • Impact assessments and surveys • VODP2 progress reports using information from millers, UBOS and UNBS reports, and mobile service provider 	
<p>3. Outcome: Project Management</p>			
<p>7.0 Project Management helping farmers to provide growing amounts of crushing material for processing in edible oil and earning better incomes</p>	<p>7.1 IFAD loan 55% disbursed by 30 June 2015 and 100% by 31 June 2019</p>	<ul style="list-style-type: none"> • VODP2 progress reports. • IFAD loan disbursement report • Audit reports in line with IAS. 	<ul style="list-style-type: none"> • Continued commitment to the project by GOU and IFAD
<p>8.0OUTPUTS 8.1 Project Management fully operational</p>	<p>8.1 Full staff of qualified professionals 8.2 Percentage of actions that OSSUP platform meetings agreed upon that have been implemented 8.3 Timely preparation and execution of</p>	<ul style="list-style-type: none"> • Audit reports • PMU financial reports • VODP2 project progress and M&E 	<ul style="list-style-type: none"> • Stakeholders buy into project-supported activities • Low staff turnover

8.2 Oilseed subsector platform (OSSUP) providing forum for stakeholders	AWPB. 8.4 Timely submission of mandatory reports 8.5 Timely submission of withdrawal requests	reports	
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ANNEX III: MAJOR PROCUREMENTS CARRIED OUT SINCE JULY 2012

The following major procurement items have been fully executed/delivered or are in the advanced stages of implementation;

- **The contract for construction and finishing of a 700 square metres fertilizer store** for Kalangala Oil Palm Growers Trust Secretariat in Kalangala district was signed on 2nd April 2014 with M/s Muga Services Ltd of P.O. Box 13130, Kampala at Ushs. 1,051,075,263= (Uganda shillings one billion fifty one million seventy five thousand two hundred sixty three shs only) and construction is nearing completion. Work is expected to be completed latest by May 2015.
- **The contract for consultancy services for financial management technical assistance** to Kalangala Oil Palm Growers' Trust (KOPGT) for one year was signed on 4th March 2014 with M/s BackHouse Certified Public Accountants, of P.O Box 25573 Kampala at Ushs 86,320,000 (Uganda shillings eighty six million three hundred twenty thousand) including re-imbursables and miscellaneous expenses, exclusive of local taxes. Final draft reports have been submitted for comments.
- **The contract for consultancy services for carrying out Baseline Survey** with GIS mapping for the Oil Palm Component in Buvuma (lot 1) was signed on 20th September 2014 with M/s Case International Consultants Ltd, of P.O Box 6916 Kampala at Ushs 124,970,000 (One hundred twenty four million nine hundred seventy thousand shs) including reimbursables and miscellaneous expenses exclusive of local taxes. The consultant has started on execution of the services.
- **The contract for consultancy services for carrying out Baseline Survey** with GIS mapping for the Oil Palm Component in Kalangala and outlying islands of Bukasa, Bunyama, Bubembe and Funve (Lot 2) was signed on 20th September 2014 with M/s GB Consulting Associates Ltd, of P.O Box 14602 Kireka-Kira Town at Ushs 121,000,000 (Uganda shillings one hundred twenty one million shs) including reimbursables and miscellaneous expenses, exclusive of local taxes. Final draft reports have been submitted for comments.

- **The six (06) contracts for consultancy services in Agricultural Extension Services and Business Partnerships Development** under the Oil Seeds Component in regional hubs of Arua, Lira ,Gulu and Mbale with;
 - ✓ **M/s West Nile Private Sector Development and Promotion Centre/ Nile-Pro Trust Limited/Arua District Farmers’ Association Joint Venture** of P.O Box 225 Nebbi, for Consultancy services in Agricultural Extension Services and Business Partnerships Development under the Oil Seeds Component-Arua Hub at a sum of Ushs 408,850,000 (Four hundred eight million eight hundred fifty thousand shs) for the first year operations, exclusive of local taxes. contract signed on 23rd July 2014
 - ✓ **M/s Agency for Sustainable Rural Transformation** of P.O Box 263 Lira, for Consultancy services in Agricultural Extension Services and Business Partnerships Development under the Oil Seeds Component-Lira Hub at a sum of Ushs 421,370,000 (Four hundred twenty one million three hundred seventy thousand shs) for the first year operations, exclusive of local taxes. contract signed on 25th July 2014
 - ✓ **M/s International Institute of Rural Reconstruction(IIRR)** of P.O Box 35536 Kampala, for Consultancy services in Agricultural Extension Services and Business Partnerships Development under the Oil Seeds Component-Gulu Hub at a sum of Ushs 379,913,750 (Three hundred seventy nine million nine hundred thirteen thousand seven hundred fifty shs) for the first year operations, exclusive of local taxes. contract signed on 15th October 2014
 - ✓ **M/s Uganda Oil Seed Producers’ And Processor’s Association (UOSPA)** of P.O Box 26357 Kampala, for Consultancy services in Agricultural Extension Services and Business Partnerships Development under the Oil Seeds Component-Lira Hub at Ushs 312,500,000 (Three hundred twelve million five hundred

thousand shillings) for the first year operations, exclusive of local taxes. contract signed on 15th October 2014

- ✓ **M/s Community Resource Development Initiative (CRDI)** of P.O Box 6653 Kampala, for Consultancy services in Agricultural Extension Services and Business Partnerships Development under the Oil Seeds Component-Mbale Hub at Ush 337,480,000 (Three hundred thirty seven million four hundred eighty thousand shillings) for the first year operations, exclusive of local taxes. contract signed on 15th October 2014

- ✓ **M/s Eastern Private Sector Development Centre(EPSEDEC)** of P.O Box 306 Mbale, for Consultancy services in Agricultural Extension Services and Business Partnerships Development under the Oil Seeds Component-Mbale Hub at Ushs 389,540,400 (Three hundred eighty nine million five hundred forty thousand four hundred shillings) for the first year operations, exclusive of local taxes. contract signed on 15th October 2014

- **Provision of annual Group Personal Accident/Workman’s Compensation insurance** cover for 24 (twenty four) VODP2 Project staff effective 3rd April 2014 was signed with M/s National Insurance Corporation Ltd of P.O Box 7134 Kampala at Ushs 20,012,058 annual premium and staff members are now covered.

- **Provision of private security services** for regional hub offices in Arua, Gulu, Lira and Mbale has been signed effective 4th March 2014 with M/s Security 2000 Limited, of P.O Box 4480 Kampala-Uganda at Ushs 49,800,000 (Forty nine million eight hundred thousand shs) annually, VAT@18% inclusive and the firm is providing security services in those hubs.

- **Office accommodation for PMU** at Jocasa House with Mr John G Rwambuya of P.O. Box 12225, Kampala was renewed effective 1st August 2013 for two years (till 31st July 2015) at US\$ 4,600 (Dollars Four thousand six hundred only) per month for the 320 square meters making a total contract sum of USD\$ 110,400 (United States Dollars one hundred and ten thousand four hundred only).

- **Supply of 22,000 copies of printed Oilseeds fact sheets** in English and 32,800 copies in local languages for sunflower, soybean, Groundnuts and Sesame highlighting agronomy, Post-harvest, and Economics analysis has been signed with M/s Selective Investments Ltd, of P.O Box 33300 Kampala at Ushs 81, 153,320 (Eighty one million one hundred fifty three thousand three hundred twenty shs) VAT 18% inclusive.
- **Supply of 4,000 copies of printed Oilseeds Field Hand Books;** 10,000 copies of Oilseeds flyers updates; 1000 copies of Oil Palm flyers updates ; 5000 copies of VODP profile & FAQ brochures; and other communication materials has been signed with M/s Supply Masters (U) Ltd, of P.O Box 26560 Kampala at Ushs 77,912,450 (Seventy seven million nine hundred twelve thousand four hundred fifty shs) VAT 18% inclusive.
- **Supply of 28 motor cycles** with M/s Nile Fishing Company Ltd at contract price of 253,120,000= (Shillings Two hundred fifty three millions one hundred twenty thousand shs only) CIP Kampala. The motor cycles have been delivered and payment is being processed.
- **Supply of 13 units of D/cabin pickups, 01 saloon car, 02 units of station wagons** by M/s Kampala Nissan Ltd at a price of USD 435,897 and EUROS 73,644. The Contract was signed on 26th September 2013. The vehicles have all been delivered and all payments cleared.
- **Dump trucks for ferrying ffbs in Kalangala;** Four (04) units of 4x4 Dump/ Tipper trucks for Oil Palm in Kalangala worth USD 437,156 CIP was signed on 4th April 2013 and the trucks were delivered in Kalangala in good condition and are functioning well.
- **ESIA studies for Buvuma and Kalangala;** The Contracts for Environmental and Social Impact Assessment study for Buvuma (USD 131,044) and Kalangala outlying islands of Bunyama, Bukasa, Bubembe and Funve (UGX 146,550,000 were signed on April 24,2013 and the two consultants (M/s Atacama Consulting/Coastal & Environmental Services JV and M/s Associates for Strategic Resource Development and Environmental

Management Ltd (ASRDEM) have each submitted final draft reports being discussed with NEMA/the project team.

- **Land purchase in Buvuma and Kalangala;** Contracts with two consultants (M/s First Land Surveyors and M/s S.M Catham Property Consults, Reev Consult International and CB Richard Ellis JV) were signed for identification, purchase of land and processing of land titles in Buvuma. To-date, both consultants have identified and processed documentation for 2618.5 hectares
- **Furniture and Computers for staff;** Furniture(Steel filing cabinets 10pcs;Steel cupboards -4pcs; High back chairs -26pcs, 12- Seater Conference table-1pc; 6-seater round conference tables-4pcs; Conference Chairs -36pcs; Office desks -18pcs; Fire Proof filing cabinet (4-drawer) -2pcs; Four- seater work stations-2pcs; Visitors waiting bench-four seater -4pcs) , office equipment (including a heavy duty printer/copier), computers and other accessories for PMU, KOPGT, Buvuma project office and regional hubs (laptops-30 pcs, Desktop computers-18 pcs, Office Printers-12pcs, UPSs-18pcs) were bought and are sufficient for the available staff. Payment was effected
- **Solar power installation;** Solar power was supplied and installed for KOPGT in Kalangala and Arua regional hub office in Arua town. At KOPGT Solar modules/panels are 10pcs of 140wp capacity each, Charge regulator is 01 pc of 12v/60A. Maintenance solar batteries are 5 pcs of 12v/200Ah, Inverter is of 1500 watts/1.5kva. At Arua hub office solar modules/panels are 04pcs of 140wp capacity each. Solar power is still functioning well
- **Improved seeds for farmer learning sites (2013, 2014);** supply and delivery of improved variety sunflower seeds (PAN 7033, EASAF-1H, EASAF-2H, SESUN 1, SESUN 2 New Sunfola, NK FERTI); Soybean seeds (Maksoy 1N, Maksoy 2N, Maksoy 3N, Maksoy 4N and 5N); sim sim and Ground nuts ; fertilizer DAP, agro-chemical Agropyrifos were purchased and distributed to farmer groups for the farmer learning platforms in Arua, Gulu, Lira and Mbale hubs. The estimated cost involved was UGX 488,200,000.

- **Construction and finishing of a fertilizer store for KOPGT** with M/s Muga Services Ltd of P.O. Box 13130 Kampala, for construction and finishing of a 700 square metres fertilizer store for Kalangala Oil Palm Growers' Trust in Kalangala district at a Contract Sum of Ushs. 1,051,075,263= (Uganda shillings one billion fifty one million seventy five thousand two hundred sixty three only) including contingencies at 5% and excluding local taxes. Currently, the store is nearing completion.

- **Supply of seeds for Season A 2015 (planting season) for farmer learning platforms in Arua, Gulu, Lira and Mbale;**
 - ✓ Supply of 400kgs of SESUN 1, 400kgs of Sesun 2, 1200kgs of New Sunfola, and 2000 kgs of NK FERTI sunflower seeds by M/s Uganda Oil Seed Producers and Processors Association (UOSPA) at a contract price of UGX 140,000,000
 - ✓ supply of 400kgs of EASAF-1H Sun flower seeds, 400kgs of EASAF-2H Sun flower seeds by M/s East African Seeds (U) Ltd at a contract price of Ushs 21,200,000
 - ✓ supply of 675 kgs of Serenut 5R, 675 kgs of Serenut 6T, 540 Kgs of Serenut 4, 540 kgs of Serenut 2 and 270 Kgs of Red beauty-local ground nut seeds at a contract price of Ushs 27,000,000 by UOSPA
 - ✓ Supply of 2000 Kgs of Soybean Maksoy 1N, 2200 kgs Soybean Maksoy 2N 600Kgs of Soybean Maksoy 3N, 600 Kgs of soybean Maksoy 4N, 600 Kgs of Soybean Maksoy 5N, 600 Kgs of Namsoy 4M soy bean seeds at a contract price of Ushs 51,900,000 by M/s MAK Seeds Ltd
 - ✓ supply of 320 Kgs of sesim 1, 380 Kgs of sesim 2, 800 Kgs of sesim 3 and 80 Kgs of Sesim local sim sim seeds at a contract price of Ushs 19,860,000 by UOSPA
 - ✓ supply of PAN 7033 sunflower seeds to cost UGX 72 million
 - ✓ supply of 2050 kgs of fertilizer NPK/DAP, 90 litres of Agro- chemical Agropyrifos, 160 litres herbicides (broad spectrum) at a contract price of Ushs 11,685,000 by M/s Global Agro Inputs Ltd

- **Other contracts completed during this period include;**
 - ✓ supply of 30 pcs of GPS Machines/handsets at a total contract price of UGX 70m
 - ✓ supply of assorted office stationery by M/s Harrina Enterprises at a total contract price of UGX 70,020,000
 - ✓ supply of 2015 VODP2 branded Gift Diaries, Wall calendars and Desk -Top calendars at a contract price of UGX 34,999,390 by M/s Orchard Agencies Ltd,
 - ✓ supply of Colour printer for PMU and, Photocopier and Generator for Buvuma Office at a cost of UGX 18 million

 - ✓ supply of one satellite map/image taken between 2005 – 2007, and one satellite map/image taken between 2012-2014 on Bugala and Buvuma islands by M/s Regional

Centre for Mapping of Resources for Development at a contract price of UGX 22,899,000

- **PROCUREMENTS IN PROGRESS:**
 - supply of 2,000 pcs of Post-Harvest handling materials (Heavy duty tarpaulins)
 - supply of protective kits (1,200 pcs of hand gloves, 1,000 pcs of respirators, 1,000 pcs of coveralls and 1,200 pcs of farmer's gumboots)
 - Supply of 32-units of Motor cycles
 - Supply of 03-units of motor vehicles
 - Provision of Air Time for Radio talk show on FM stations in the hubs

Annex: Case studies of oil seeds activities impacts/effects

OILSEED CROP PRODUCTION HELPING FARMERS TO ACQUIRE MORE PRODUCTIVE ASSETS

Michael Khaukha is a teacher and a farmer a member of Bunamujje Farmers' Investment group, has been growing a number of crops but mostly concentrating on beans and maize intercropped together. Most of the management is done by his wife. Labour for ploughing is always paid for by Mr. Khaukha whereas weeding is done by Mrs. Khaukha. Previously, the household would make very low profits on the beans and maize.

Early this year, the family attended a VODP 2 sensitization meeting in which profitability of sunflower production was discussed. The couple decided to start growing sunflower and received 2kg of sunflower seed (Pannar 7033).

They planted 1.5kg on three quarters of an acre with Pannar 7033 (variety of sunflower) and followed the guidelines given by extension facilitator. These included planting in lines with recommended spacing. Everything was going on well until the sunflower reached the milk stage when birds started attacking it. The risk of incurring a big loss was knocking on the door. They could not afford to hire people to scare birds nor could they withdraw children from school to come and scare birds. They were therefore at cross-roads; in a big dilemma.

Then, the extension facilitator (Mr. Masambu Samuel) organized a training for farmers aimed at controlling birds. During this training about 10 farmer groups were trained in the use of decomposing lungs of an animal such as cow, pig, or goat. These are prepared and packed in white polythene bags and hanged in the garden at a height slightly higher than the sunflower plants with the packs pierced to allow smell to come out. This technique was adopted by this family immediately and the birds stopped attacking their garden as soon they applied it. This technique is going to be taught to all sunflower growers to ensure that no family withdraws children from school just to scare birds yet it costs only UShs 4,000/= (USD 1) to buy 1kg of lungs which is enough for an acre. This technique will help to reduce the burden of bird on school children.

Looking at the cost of production, they invested about Ushs 325,000/= and after harvest, the yield was 779kg. They sold the produce at UShs 950/= per Kg which gave them a total revenue of UShs 740,000/= thereby getting a gross profit of 415,000/=. The family decided to invest UShs 120,000/= by buying a young male calf and the rest was used for family expenses including



payment of school fees. Talking to the wife, she said, they plan to rear and sell it later to buy a dairy cow so that the family can generate more daily income from selling more milk than they earn today.

This family clearly demonstrates the importance of unity in a home and quick adoption of technologies in reducing poverty.**2.2 Demonstrating project impact on the farmers' lives**

Supporting farmers to increase production contributes towards the project outcome of *increasing the number of farmers growing oilseeds increased by 10% per year (with a net cash earning of USD 350 per ha per season)*. This means an equivalent of UShs 524,291/= per acre per season.

Analysis of the yield data for season A 2015 revealed some progress towards this outcome. Farmers were supported to grow sunflower in Sironko and Bulambuli Districts. In Sironko, four out of the five farmers who hosted sunflower farmer learning platforms earned between 560,000/= and 680,000/= per acre (USD 373.84 – 453.95 per ha). In Bulambuli, ten out of fifteen sunflower FLP host farmers earned between 552,000 and 882,400/= per acre per season (equivalent to between USD 368.50 and 589.05 per ha per season). For the adoption sites, Bulambuli earned more than Sironko, with 11 out of 17 farmers in Bulambuli earning above Ushs 524,291/= per acre per season compared to 2 out of 24 farmers in Sironko who earned above Ushs 524,291/= per acre per season (USD 350 per ha per season). Farmers in Sironko need to improve on adoption of fertilizer use if they are to increase on their productivity.

Further analysis indicated that seed multiplication for soybean will help solve the problem of limited access to quality seed. While working with the Hub Coordinator's office and NARO, fifteen acres of soybean were grown. The host farmers have earned income whereas other farmers were able to access quality seed from the recovered seed.

A total of 6190kg of soybean seed produced, 426kg of seed recovered and redistributed to other farmers to continue multiplying the seed. This has helped more 21 farmers to access quality hybrid soybean seed. While processors were offering Ushs 1500/= per kg of soybean, farmers were very willing to buy it as seed at UShs. 2,000/= per Kg. One farmer in Bulambuli had sold 500 kg at UShs 2,000/= per Kg and had earned UShs 1,000,000/=. She used half of the money to deposit on a payment for a piece of land she is buying in installments. This shows that oilseed production is helping farmers to acquire more assets that are key in the sustainable poverty reduction.

Gulu Hub

2.3. Mr. Gaetano a farmer in Odek Sub county.

Mr. Gaetano and Acayo a Vegetable Oil Seed Farmer in Odek, "I am now ridding motorcycle! You know what; when I was trained by IIRR on VSLA and my wife, we started saving in group then borrowed 200, 000/= for season A to supplement our family laborand buy seeds and

production activities.. So in the last 4 months we were able to reap 2,760,000/= from sunflower but groundnut we are still waiting for prices to shoot up. I topped the money and bought a motorcycle which is fetching us complimentary revenue to supplement farming. Now we have opened 10 acres for sunflower, 5 acres for soya bean, 5 acres of groundnut. So we are having a vision of building commercial house and also become more commercial oriented. Oh VSLA



really is helping us and the other members who have also seen the benefit of VSLA integrated with production.

2.4 Case study story from Lalogi

I am Nyeko Francis a member of Nyekorac farmer group in Lalogi Sub county Gulu District. I am so happy about the IIRR project on vegetable oil who came and trained us many things. I am a real

man now, I used to work for people as animal traction guide but now I have bought my complete pair of oxen with money from first season harvest of soya bean and sunflower!

Oh the support I got was some demonstration kits and soya bean multiplication seed. I planted 4 acres of soya bean and I got 9 bags then sold 8 bags/1,040kg at 1,200UGX and got 1,248,000 UGX. The balance of the seeds were shared and planted for 2nd season.

Another crop was the sunflower, which I planted one and half acres where I harvested 741 kg, sold and got 667,000/=.

I sat together with my wife and came out with proposal on how to spend the money on. We came out many list but prioritized oxen set, solar and school fees. We bought 2 oxen which cost us a lot because they were already trained and also big sizes. One bull was **1,000,000UGX** and another was **770,000UGX**. I also bought a solar, 4 piglets and some small household items.

As I speak now, people are hiring the oxen for plowing which is an income generating. So far they have saved 170,000UGX from hire service.

My plan is to become a commercial farmer for vegetable oil crops and completely abandon growing of tobacco, build a permanent house. My neighbor are now more interested in joining the groups after realizing that my standard of living is changing greatly.

2.5. Case Story Lamwo

This woman surprised the district officials RDC, LC5 chairman, DAO, CAO SAS, plus during the farmers' field day Lamwo as she came to show case what she has apart from the oil grains. Beside photo showing a farmer (Adong Sarah) of Kica Ber Farmer Group who bought two goats worth 120,000/= after the sales of her sun flower grains of first seasons A 2015. All the 2 goats

have history of twining and she is expecting 4 kids in the next 2 months to come. Besides buying goats she kept some oil for family use, used part of the money for school fees, and bought clothes. Above all she said they are leaving happily as the husband who used to say being in group is going for prostitution. Her husband has changed and started appreciating being in groups and now 2nd season more acreage (how many) are under production!

2.6. Case Story Awere

Ocen Luciano is my name and I belong to Rubanga aye miyo group in Angole parish Awere sub-county planted. I remember when IIRR came mobilizing farmers for vegetable oil crops production. I offered my garden for the seeds multiplication. I planted 3 acres of soya bean MAKSOY 3N in season A 2015 and he harvested 15 bags. As agreed earlier by members I sold 2,154kg at 1300/= kg whereby he got 2,800, 000/=. We shared with member the balance of seed which the majority planted for season B. The money I got bought a motorbike and he is using it as a boda-boda which is helping him for paying school fees for the children and also providing money for feeding the family members as well. This season I want to plant soy bean in 3-6 acres so that I can buy oxen for traction, build a good house.