



The Republic of Uganda

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

**ANNUAL REPORT
JULY 2016 – JUNE 2017**

PROJECT MANAGEMENT UNIT

Ministry of Agriculture, Animal

Industry and Fisheries

KAMPALA

AUGUST 2017

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
NaCRRRI	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 also supports preparatory activities for oil palm expansion to Buvuma district and research on new areas for oil palm development.

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 2016 to June 2017. 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. Data under both the oil palm and oil seeds components is cumulative to enable comparison to the project targets.

1.3 SUMMARY OF THE PROGRESS BETWEEN JULY 2016 AND JUNE 2017

The project is on course to achieve the major project outcomes as set during the project design. Under oil palm development in Kalangala, the 6,500 hectares have been planted by the nucleus estate (100% achieved), 4,424 hectares planted by the smallholder farmers (94% achieved), smallholders net incomes are now at USD 1,384 per hectare per year (92% of target), KOPGT financial self-sufficiency is at 56%, 250kms of farm roads constructed (81% of target), and, 27,198 tons of crude palm oil are produced per year in Kalangala (91% of target). OPUL and BIDCO are paying Government of Uganda taxes (on VAT and Income) worth UGX 157.4 billion per year. Under the oil seeds component, mill capacity utilization has reached 39 (46% of target), sunflower yield per hectare is at 1.3 tons per hectare (77% of target), soybean yield per hectares at 0.9 tons per hectare (82% of target), 3,183 farmer groups have received extension services from the project (54% of the target) and, farmers have received UGX 2.8 billion in production credit from financial institutions (93% of the target).

Under project management, the project the project has completed the installation of the Management Information System and is now uploading data into it, completed the installation and capacity building of management and staff on the implementation of the STDM to measure project impact, completed the land use change analysis for Buvuma and Kalangala, reviewing the impact report for Kalangala rolled out the implementation of the Randomized Control Trials in the oil seeds project area. Filling of the five vacant position is in advanced stages. The IFAD loan disbursement has increased to 61.77%.

2.0 PROGRESS UNDER THE OIL PALM DEVELOPMENT COMPONENT

2.1 Oil palm consolidation and expansion in Kalangala

The oil palm consolidation and expansion activities have continued in Kalangala with a total of 10,864 hectares planted of which 6,440 hectares form the nucleus estate established and managed by OPUL and, 4,424 hectares of land planted by the smallholder farmers in 7 blocks on Bugala main island, and the outlying islands of Bunyama and Bubembe. So far, a total of 1,810 farmers are participating in the smallholder oil palm scheme with 36% female.

The project has supported the smallholder farmers with garden establishment and maintenance loans of up to UGX 43.5 billion and so far, the smallholders have paid back UGX 11.7 billion. By June 2017, a total of 1,074 smallholder farmers were harvesting fresh fruit bunches from 3,021 hectares of mature oil palm gardens. 54 farmers (18 are women) across the 6 oil palm blocks have completed payment of the loan principle.

To improve the application of recommended agronomic standards, KOPGT has partnered with farmer leaders to establish Best Management Practice (BMP) plots. These will be used as a point of reference for smallholder farmers' production. Below is the detailed progress;

2.1.1 Farmers registered to participate in the smallholder scheme

Between July 2016 and June 2017, 31 new farmers (10 female) were registered to participate in the oil palm smallholder scheme which increased the total number of farmers registered by KOPGT to 1,810 with 652 females (36%). KOPGT also has 10 registered institutions like Churches. Table 2.1 below shows the number of farmers registered between 2010 and 2017.

Table 2.1: Number of farmers registered in Kalangala

	2010		2011		2012			2013			2014			2015			2016			2017		
BLOCK	M	F	M	F	M	F	Ins	M	F	Ins	M	F	Ins	M	F	Ins	M	F	Ins	M	F	Ins
Bbeta East	130	72	136	81	165	130	5	235	160	5	235	160	5	235	160	5	244	167	5	239	163	5
Bbeta West	161	88	174	94	175	123	0	191	102	0	191	102	0	191	102	0	193	102	0	193	102	0
Bujumba	96	50	105	54	127	58	0	164	102	0	164	102	0	164	102	0	135	108	0	125	102	0
Kagulube	114	49	115	52	125	61	0	136	70	0	136	70	0	136	70	0	141	72	0	141	72	0
Kalangala	100	50	104	49	102	55	2	107	54	2	107	54	2	107	54	2	96	57	2	96	57	2
Kayunga	147	68	140	69	138	94	3	189	90	3	189	90	3	189	90	3	194	92	3	194	92	3
Islands																	126	64	0	160	64	0
Sub-Totals	748	377	774	399	832	521	10	1022	578	10	1022	578	10	1022	578	10	1129	662	10	1148	652	10
TOTAL	1,115		1,188		1,353			1,610			1,610			1,610			1,801			1,810		

2.1.2 Oil palm planting in Kalangala District

The total oil palm coverage in Bugala, Bunyama and Bubembe islands is now at 10,864 hectares. The private sector has a nucleus estate of 6,440 hectares while smallholder farmers have planted 3,900 hectares on Bugala island, 400 hectares on Bunyama island, and, 124 hectares on Bubembe island. The total area planted by smallholder farmers in Kalangala increased from the 4,300 hectares in June 2016 to 4,424 hectares currently. The target was to plant 400 hectares on Bubembe but seedlings for 276 hectares were destroyed in the oil palm nursery in Bwendero by blight disease. A new order for seedlings for 276 hectares on Bubembe island has been placed with OPUL to achieve the target of 4,700 hectares planted by smallholder farmers on the islands of Bugala, Bunyama and Bubembe.

The table 2.2 below shows the hectares planted with oil palm by smallholder farmers in Kalangala between 2010 and December 2016.

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

Block	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec -15	Dec-16
Bbeta East	301	334	576	629	629	645	672
Bbeta West	412	497	715	750	750	760	770
Bujumba	254	271	513	607	587	611	623
Kagulube	290	175	331	366	366	385	388
Kalangala	323	340	462	506	476	478	478
Kayunga	332	402	555	659	659	670	673
Outlying Islands	0	0	0	0	50	405	474
Out-growers	346	346	346	346	346	346	346
Total	2,258	2,366	3,498	3,863	3,863	4,300	4,424

2.1.3 Loans provided to smallholder farmers for oil palm production

Between July 2016 and June 2017, cash loans amounting to UGX 706 million were provided as maintenance loans to 553 smallholder farmers. The project also paid OPUL UGX 3.27 billion for inputs supplied to the smallholder farmers (fertilizers, seedlings and farm equipment). This increased the total loans disbursed to smallholders for oil palm development activities to UGX 43.5 billion. Table 2.3 below shows the loans provided to the smallholders between January 2005 and June 2017.

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	1,846,165,822	774,239
2015/16	1,500,000,000	454,546	4,200,000,000	1,272,727
2016/17	705,526,000	195,979	0	0

2.1.4 Fresh fruit bunch harvest by smallholder oil palm farmers

Between July 2016 and June 2017, a total of 24,302,632 kgs (24,303 tons) of FFB were harvested by the smallholder farmers in Kalangala bringing the cumulative total of FFBs harvested by June 2017 to 86,837,472 kgs (86,838 tons). The number of farmers harvesting has increased from 766 in June 2016 to 1,074 with the area under harvest increasing from 2,500 hectares in June 2016 to 3,021 hectares in June 2017. Table 2.4 below shows the monthly FFB harvests in Kalangala between January 2010 and June 2017.

Table 2.4: FFB harvests (in kgs) by smallholder farmers between January 2010 and June 2017

	Y 2010	Y 2011	Y 2012	Y 2013	Y 2014	Y 2015	Y 2016	Y 2017
Jan	1,490	80,281	560,796	615,350	951,759	1,233,520	1,089,215	2,175,598
Feb	9,080	119,478	655,719	698,787	744,865	1,431,761	938,339	2,022,620
Mar	15,393	280,670	644,848	960,085	871,154	1,471,949	1,905,194	2,276,417
Apr	39,736	253,924	827,630	1,162,113	905,758	1,792,796	3,107,832	2,312,217
May	57,240	322,334	786,172	1,188,216	912,909	1,696,157	2,808,684	2,699,323
Jun	50,210	262,570	617,324	1,052,661	777,304	1,336,570	2,246,660	1,988,819
Jul	45,590	330,047	501,854	853,694	722,247	1,093,765	1,653,243	
Aug	57,083	276,397	627,690	789,549	787,040	1,071,306	1,480,480	
Sep	85,790	286,253	666,883	890,701	801,909	1,228,237	1,494,318	
Oct	88,088	316,285	636,410	1,085,660	1,137,623	1,348,944	1,842,085	
Nov	94,811	465,828	710,234	1,133,816	1,170,411	1,405,193	2,453,030	
Dec	108,969	561,777	492,362	978,682	977,139	1,222,040	1,904,482	
Total	653,480	3,555,844	7,727,922	11,409,314	10,760,118	16,332,238	22,923,562	13,474,994

As shown in Table 2.4 above, the average monthly kgs of FFB harvested by the smallholder oil palm farmers and delivered to the palm oil mill have increased from an average of 907,988 kgs in FY 2013/2014, to 1,213,260 kgs in 2014/2015, to 1,622,117 in 2015/2016 to the current 2,025,219 kgs in 2016/2017. This is explained by the increase in number of hectares under harvest and the yield per hectare as the oil palm trees mature, some reaching their peak production years.

2.1.5 Price trends for the FFB harvests by smallholder farmers

The monthly FFB price is determined using a pricing formula agreed to by the private sector partner and Government of Uganda. The sub-pricing committee that was established in Kalangala continues to meet monthly and the committee has increased participation of farmers and other stakeholders in Kalangala and reduced concerns by stakeholders about how the monthly FFB price is determined. The committee is comprised of the District Commercial Officer (Chair), two farmer representatives from all blocks, two representatives from OPUL (General Manager and Finance Manager), VODP PMU (Oil Palm Coordinator) and KOPGT (all Managers). The meetings are conducted in different blocks and provide a platform to discuss changes in quality standards, fruit quality and any other emerging issues related to FFB harvesting, transportation and milling. The monthly FFB pricing formula is 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 July 2016 to June 2017 was Ush 547 per kg of ffb. This has been the highest average price since 2010 when the smallholder farmers started harvesting FFBs. The month on month price has been increasing since August 2016 and reached the highest monthly price of UGX 617 per kg of FFB in June 2017. The FFB price per kg in Kalangala continues to benefit from a lower than expected supply of Malaysian palm oil to the world market, dry weather from El Nino and haze that affected Malaysia from Indonesia fires. It is envisaged that if farmers continue to practice the recommended harvesting and loading standards, the Oil Extraction rate will increase

to at least 22% which will also further contribute to increased FFB kg price per month. Table 2.5 below shows the price trends between January 2010 and June 2017.

Table 2.5: Price trends per kg of FFB in Kalangala

Oil palm fresh fruit bunch price trends								
Month	2010	2011	2012	2013	2014	2015	2016	2017
January	215	407	391	340	397	359	398	598
February	215	431	401	369	381	373	405	617
March	227	434	397	378	396	379	462	595
April	247	410	443	371	431	382	478	565
May	246	398	466	358	407	401	512	550
June	248	466	422	365	398	402	490	562
July	252	428	386	370	390	434	476	537
August	256	436	393	357	393	437	459	
September	280	468	408	377	355	391	507	
October	285	465	393	371	334	406	542	
November	328	422	349	379	346	436	525	
December	348	411	348	403	373	392	565	
Average price	262	431	400	370	383	399	485	608

2.1.6 Gross income for the farmers from their FFB harvests

In the period July 2016 to June 2017, the 1,074 smallholder farmers who had mature gardens earned a gross income of UGX 13,398,565,156 (UGX 13.4 billion). Due to the increase in the monthly production and continuous rise in price for each kg of FFB, OPUL is paying the smallholder farmers with mature gardens an average gross income of over UGX 1 billion each month. OPUL has paid smallholder farmers with mature gardens a total of UGX 39,013,465,880 (UGX 39 billion) between January 2010 and June 2017. Table 2.6 below shows the gross income earned by smallholder farmers in Kalangala from January 2010 to June 2017.

Table 2.6: Gross income from FFB harvests (UGX)

Month	2010	2011	2012	2013	2014	2015	2016	2017
January	320,350	32,674,367	219,271,236	209,219,000	377,848,323	442,833,680	433,507,570	1,301,007,604
February	1,952,200	51,495,018	262,943,319	257,852,403	283,793,565	534,046,853	380,027,295	1,247,956,540
March	3,494,211	121,810,780	256,004,656	362,912,130	344,976,984	557,868,671	880,199,628	1,354,468,115
April	9,814,792	104,108,840	366,640,090	431,143,923	390,381,698	684,848,072	1,485,543,696	1,306,402,605
May	14,081,040	128,288,932	366,356,152	425,381,328	371,553,963	680,158,957	1,438,046,208	1,484,627,650
June	12,452,080	122,357,620	260,510,728	384,221,265	309,366,992	537,301,140	1,325,529,400	1,117,716,278
July	11,488,680	141,260,116	193,715,644	315,866,780	281,676,330	474,694,010	786,943,668	
August	14,613,248	120,509,092	246,682,170	281,868,993	309,306,720	468,160,722	679,540,320	
September	24,021,200	133,966,404	272,088,264	335,794,277	284,677,695	480,240,667	757,619,226	
October	25,105,080	147,072,525	250,109,130	402,779,860	379,966,082	547,671,264	998,410,070	
November	31,098,008	196,579,416	247,871,666	429,716,264	404,962,206	612,664,148	1,287,840,750	
December	37,921,212	230,890,347	171,341,976	394,408,846	371,932,847	479,039,680	1,076,032,330	
Total	186,362,101	1,531,013,457	3,113,535,031	4,231,165,069	4,110,443,405	6,499,527,864	11,529,240,161	7,812,178,792

2.1.7 Loan repayments by smallholder farmers in Kalangala

The 1074 smallholder farmers with mature gardens in Kalangala repaid back UGX 4,182,621,575 between July 2016 and June 2017. This has increased the total loans recovered between 2010 and June 2017 to UGX 11,718,930,627 (UGX 11.7 billion).

From the KOPGT records, 54 smallholder oil palm farmers (18 women) have repaid back all the oil palm development loan principle. These include 7 from Kagulube block, 3 from Bujumba block, 13 from Bbeta West Block, 11 from Kalangala block, 13 from Kayunga block and 7 from Bbeta East Block. Among the farmers who have paid back the loan principle, the farmer which the highest amount of loan was Collin Niwagaba of Kalangala block who received UGX 83.5 million shillings and has paid back UGX 91.8 million shillings.

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. These farmers now await the calculation of their due interest in order to complete loan repayment.

2.1.8 Trainings of smallholder oil palm farmers

KOPGT organized various trainings. 210 smallholder farmers were taken to the palm oil mill for an exposure visit,

In an effort to show farmers the importance of following the recommended agronomic practices, KOPGT and the unit leadership have established 24 best management practice plots were established, one in each unit.

2.1.9 KOPGT/ KOPGA Institutional Capacity building

The contracting process of Uganda Cooperative Alliance (UCA) to provide capacity building for sustainability of KOPGA and KOPGT was completed and contract signed. The contract is intended for UCA to provide capacity building for institutional development and strengthening under the oil palm and oilseeds components.

A new board for KOPGT was constituted by the Hon Minister MAAIF with 11 Representatives (3 females) nominated from the member institutions/organizations, including three members from KOPGA executive. The Chairperson KOPGA is one of the farmer representatives on KOPGT Board.

Leaders of Kalangala Oil Palm Growers' Association (KOPGA) of Farmer organization (KOPGA) were taken for an exposure visit to learn about existing farmer organization institutional frameworks in 2 sites; Uganda Coffee Farmers Alliance (Company limited by guarantee) and the Kibinge Coffee Farmers' Cooperative Society (Cooperative). The leaders were further taken through the legal implication of each in terms of operations and ownership and they chose to adopt the Cooperative institutional framework.

PMU and IFAD also facilitated a consultative meeting of KOPGT board and KOPGA to agree on the future institutional framework for sustainability of oil palm business on Bugala. This resulted in the stakeholders agreeing on the need for amendment of the trust deed to suit the growing needs of the oil palm business, including increasing representation of the farmers from current 3 to 5 members once the Trust deed is amended following reconstitution of the KOPGT.

The new Kalangala Oil Palm Growers' Association (KOPGA) leaders at District, block and unit levels underwent an orientation and induction program by UCA in leadership roles, and administrative functions. The orientation also included the Cooperative business model. Although the Area Cooperative Enterprise model requires registration of *Rural Producer Organizations*, farmer leaders preferred to have the Kibinge Model with only district level registration to ease synergies with legal frame works of KOPGT, SOPAG and KOPGA. A road map was developed on the activities of transformation to the cooperative framework.

PMU in liaison with UCA organized and facilitated a joint consultative meeting with KOPGA, SOPAG and KOPGT to brainstorm on the ways of synergizing and sharing the roles, functions and desired services in developing oil palm in a sustainable business manner.

PMU supported KOPGT to facilitate a meeting between KOPGA and OPUL to harmonize issues that farmers had raised concerning among others; omission of Kernel oil in the pricing formula, FFB weighing and grading standards, and FFB deduction at the mill. The discussions were fruitful and consensus was reached on following actions:-

- Hold bi-annually stakeholder platform meeting called by KOPGT in Kalangala District and MD OPUL and Project Manager to attend.
- KOPGT to organize farmer leaders exposure visit to the Mill for all the seven blocks

- OPUL management to share a copy of FFB standard operating Procedures with KOPGT for dissemination to the farmer leaders and farmers and OPUL committed to support training of farmers

2.1.10 Partnership with Uganda Development Bank Limited for fertilizer loans

The project held discussions with Uganda Development Bank Limited (UDBL) to provide affordable loans to smallholder oil palm farmers whose gardens had matured, and no longer qualified to receive fertilizers on loan from the project. This was after KOPGT realized that many of the smallholder farmers who were taken off the fertilizer loans stopped applying the fertilizers in line with the recommended standards. UGX 500,000,000 was loaned out to farmers through in terms of input (fertilizer), KOPGT charged an interest of 18% per annum for a period of 18 months.

A total principle loan of Ugx 500,000,000 was obtained from Uganda Development Bank Limited for purposes of onward loaning to small holder commercial farmers at an annual interest of 10% with 18 months repayment period and in this line, KOPGT oil palm smallholder farmers have paid back UGX537,426,281, and the loan is completed. A total of 120 (M=88 F= 32) smallholder oil palm farmers with mature oil palm farms benefited from the commercial loan. Uganda Development Bank Limited is offering more financing and also a new product line for Fund management.

2.1.11 Savings by smallholder oil palm farmers

The Project, in partnership with the Programme for Financial Services in Rural Areas (PROFIRA) supported smallholder oil palm farmers in Kalangala to form the Sesse Oil Palm Growers SACCO (SOPAG). SOPAG SACCO is growing, with 2 additional staff an accountant and Loan officer hired. To date the SACCO has 421 members (272 males and 149 females) with a share capital of Ushs. 50 million, savings of Ushs. 47million, outstanding loan portfolio of Ushs. 108 million and a recovery rate of 91.8%.

SOPAG held its 5th Annual General Meeting on April 5th 2017 in which a report presented showed a profit margin of Ushs. 20 million, assets worth Ushs. 142 million and income from loans worth Ushs. 33 million. A new board was elected during the AGM comprising of 11 members (3 females). UCA and the Office of the District Commercial Officer facilitated the orientation of

the new board on their governance and oversight roles and board committees were set up comprising: Finance committee, Loans committee and Human resource Committee.

During the AGM, the district LC5 offered to discuss with council and approve land allocation (formerly allocated to KOPGT) to the SOPAG SACCO for office space.

SOPAG SACCO has been considered for capacity building program under the PROFIRA project and has so received training in financial literacy for the members.

2.1.11 Supporting infrastructure for oil palm development.

a. Road Construction on Bugala Island

Four pieces of the road construction equipment were repaired and delivered to Bugala Island at end of May 2017. The bull dozer failed to work due to the malfunctioning of the hydraulic system and procurement of garage to carry out repairs is ongoing. The grader needs new tyres to work efficiently and these have been procured and are to be delivered to Bugala Island first week of September 2017. The other two pieces of equipment, the vibro-roller and wheel loader are in good condition. The Ministry of Agriculture Animal Industry and Fisheries provided two additional pieces of equipment, a bulldozer and a grader to beef up the Project's road construction unit. This enabled the Construction of roads on Bugala Island to re-commence in June 2017. So far 10 km of new roads have been constructed in Bbeta West Block by bush clearing, grading to form camber and compaction. Gravelling has not yet been done as the priority is to first open and form the roads so that all farmers have roads and then come back to provide gravel to the roads. Additionally, 20km of roads of the previously constructed roads in Bbeta West and Bbeta East have been maintained by grading to restore the road camber.

b. Road construction on the Outlying Islands of Bunyama and Bubembe

Construction of roads on Bunyama and Bubembe Islands awaits the transportation of road construction equipment to the islands. Evaluation of bids for the transportation of equipment is ongoing and we anticipate that the equipment will be transported to the islands in November 2017 to commence the road construction works.

c. Demarcation and Design Study for Roads in Buvuma

Terms of reference and bidding documents for procurement of a consultant to carry out demarcation and design of access and farm roads in Buvuma are under preparation and are expected to be ready by end of September 2017.

d. Ferry and Landing Sites for the Outlying Islands of Bunyama and Bubembe

The Design Consultant, commissioned by the Ministry of Works and Transport (MOWT) to prepare designs and specifications for the ferry and landing sites of Bunyama and Bubembe, presented an interim report in April 2017 and had planned to finalize the designs and specifications in June 2017. This has not been achieved due to delayed payment by the MOWT for the already completed interim report. IFAD is willing to pay for the design of the landing sites on condition that a report on the procurement of the design consultant is submitted to them for review. The MOWT was informed about this offer during the Task Force meeting and promised to work with the VODP2 Procurement Officer to compile this report. The Consultant is ready to complete the designs and specifications in 6 weeks from the time they receive payment. The procurement of the Contractor to construct the landing sites and supply/install a ferry awaits the completion of the designs and specifications.

e. Ferry and Landing Sites for Buvuma Island

The Uganda National Roads Authority (UNRA) is undertaking preliminary studies to prepare statement of requirements for the design and build of landing sites for Buvuma Island. The studies are expected to be completed by end of September 2017 and thereafter bidding documents will be prepared to commence procurement of a contractor to design and construct the landing sites. Meanwhile the MOWT and UNRA are developing performance specifications for the ferry.

f. Fertilizer stores at Bunyama and Bubembe Islands:

Designs, specifications and bills of quantities for Fertilizer Stores at Bunyama and Bubembe Islands were completed and the procurement process for a contractor to execute the works has commenced. Land has been secured for the fertilizer stores and administrative quarters on the outlying islands.

g. Fertilizer Store and Offices at Buvuma

Designs, specifications and bills of quantities for Fertilizer Store and Offices at Buvuma are under preparation and are expected to be ready by end of September 2017.

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.

GOU requested IFAD to design a National Oil Palm Programme which will consolidate the gains in Kalangala and expand oil palm activities to Buvuma, Busoga region and other suitable areas in Uganda. IFAD has held 3 design missions and a draft Programme Design Report is being discussed by IFAD and GOU. It is envisaged that a 10 year National Oil Palm Programme will be approved and effective by July 2018.

In September 2016, His Excellency the President of Uganda held a meeting with the Chairman of Wilmar International and the Directors of BIDCO Uganda Limited where BIDCO agreed to establish the nucleus estate in Buvuma. OPUL/ BIDCO Management visited the land acquired in Buvuma to assess the preparedness of the project. The visits resulted in OPUL deploying socialologists, surveyors, soil scientists and GIS experts to carry out a range of studies on the land acquired and the neighboring communities in preparation for the start of the nucleus estate development activities.

The following were agreed upon between BIDCO Management and GOU to guide the preliminary activities of the project on Buvuma island;

- i. Verification of land tenant and Land owners based on compensation record and also land acquisition report. Identify those who have received compensation and those that have not and whether they are willing to be compensated.

- ii. Joint demarcation of boundary for each parcel of land that is free from any encumbrances. For these land parcels that share a common boundary with human dominated area, either a trench or road shall be constructed to clearly demarcate these boundaries
- iii. Those parcels that are still being occupied shall be referred to the land development committee of the island chaired by Resident District Commissioner.
- iv. Drone Survey – To commence as soon as approval for drone is obtained. This is to do the inventory survey in order to capture the land use and also the rocky patches within the project area.
- v. HCV/SIA and HCS – A two phase study will commence in March beginning with a scoping followed by a complete study the month after.
- vi. Semi detailed Soil Survey will commence in March/April to identify the extent of the plantable area within the acquired land parcel that are in several stages.
- vii. OPUL will prepare the fleet of heavy machineries required for this project.
- viii. OPUL will also prepare the boundary stones for the purpose of boundary demarcations
- ix. VODP will provide the data of land acquisition to OPUL on this project and the people
- x. VODP will help to co-ordinate or provide the link between OPUL and the relevant government agencies to move the project forward.

2.2.1 Progress in land acquisition

In FY 2016/17, the project targeted to acquire 1,000 hectares of land in Buvuma. By June 2017, the project had acquired 922.31 hectares of land. This has increased the land acquired to 8,576.656 hectares of land of which 5,114 hectares are free of encumbrances. The project has increased surveillance on acquired land to avoid new encumbrances. The project has also intensified engagement of tenants on land acquired from land lords to have their property and interests valued and are expediting compensation to free more land for the nucleus estate.

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 details of the land acquisition and hand over process to BIDCO.

Table 2.7: Status of land acquisition and hand over in Buvuma

Status	Amount in Hectares	Funds required in Ushs	Remarks
Available and Offered to BIDCO by ULC	5,114		Letter of offer sent to BUL on 10th January 2017 by Uganda Land Commission
Land committed but awaiting tenants to be compensated before it is available for development	740.373		Tenants on the earlier purchased 575.018 hectares of land were paid and now land cleared and available for development while 165.355 hectares of new land were acquired.
Land committed but awaiting tenants to be compensated before it is available for development	616.77	Estimated 18 billion is needed to clear encumbrances	Landlords paid field survey of the tenant’s plots done. Awaiting field inspection and valuation.
Land acquired through compensating tenants-former public land	1,000	Government has negotiated with the Buganda Kingdom on the leasing of the land for 99 years	Payment concluded and land available for development
Land identified for purchase by the Consultants awaiting payment	1105.513	2,303 tenants have been valued and disclosure completed .Estimated Ushs.26billion is required to effect compensation.	Valuation and disclosure of the figures to the tenants completed. Ush 26 billion is required for compensation of tenants and payment to the landlords.
Total	8,576.656		

2.3 Oil Palm Research Activities

The project has continued to work with Researchers based at NaCRRI in Namulonge focused on the oil palm tree productivity, establishment and management of trials, pest and disease surveillance and research on areas with appropriate conditions for oil palm development in Uganda.

Oil palm production and productivity is constrained by several factors including; pests, diseases, physiological disorders (non-uniform ripening and bunch failure), low adoption of best management practices, limited information on suitable production areas, and weak research collaborations and extension interface. However, the on-going oil palm research under NaCRRI based in Namulonge; has been tailored to address these constraints in order to improve oil palm productivity in Uganda.

In the reporting period, oil palm disease and pest surveillances were conducted on-farm in Kibale, Buvuma, Masaka, and Bugiri and on farmers' fields in Kalangala. The study identified Pestalotiopsis, Anthracnose, leaf blight and bunch rot as the most common diseases in the on-farm trials and in farmer fields in Kalangala. Other major diseases identified with low incidences included sudden wilt, Ganoderma stem rot, bunch stalk rot, fruit rot and Fusarium wilt.

Based on pest surveillances conducted in 2016/2017, *Ryncophorous phoenicis* (F.) was found as a major oil palm pest that exists in Kalangala which poses a great challenge to oil palm production. Hence comprehensive management options aimed at containing further spread and destruction of oil palm should be developed.

Oil palm growth and yield performance in adaptive trials in Kibale, Masaka, Buvuma and Bugiri was determined. Kituza produced the highest yield/ha/year of 11 tons followed by Buvuma, Kibaale, Bugiri and Masaka with yields of 6.8, 6.7, 5.5 and 2.6 ton/ha/year, respectively.

The present agronomic practices used in oil palm production in Kalangala were characterized by no application or long lapses between fertilizer applications, late pruning and weeding which call for concerted efforts in extension, trainings and demonstrations.

Three new adaptive trials of one acre each were established in Bobi-Omoro district, Palema-Amuru district and Unyama in Gulu district. Furthermore, a 1.5 ha on-station oil palm trial was established at Namulonge.

A Baseline study was undertaken to establish the effect of soil and plant nutrient levels on un-even ripening in oil palm in Kalangala which revealed no association between non uniform ripening, soil fertility levels and amount of nutrients in the oil palm leaves. The possible cause of non uniform ripening is under study.

New research collaborations were initiated with Ghana Oil Palm Research Institute (OPRI) and a memorandum of understanding to guide this collaboration was drafted which is currently under review. In addition, joint research activities were initiated between research and newly formed research unit of Oil Palm Uganda Limited (OPUL) in Kalangala.

To improve research extension interface, one research dissemination seminar was conducted for KOPGT management and field extension workers at Kalangala. Oil palm research findings were disseminated to the relevant stakeholders. Furthermore, information materials (300 brochures and 300 flyers) on several aspects of nutrient, pest and disease management practices in oil palm were developed printed and distributed to end-users during the annual Agricultural and trade show conducted from 17th to 23rd July 2017 in Jinja.

In order to increase on the uptake of oil palm production practices, NaCRRI has liaised with KOPGT to establish best management practices (BMP) plots. So far 18 BMP plots have been established on farmer's fields in Kalangala to act as demonstration sites of improved production practices and oil palm production data collection fields.

Amidst all the outputs achieved during this year there are a number of challenges which have constrained the research activities;

- a. Limited human resource capacity - the project lacks a full time entomologist to work on the pests; we have been relying on the institute entomologist who is in most cases engaged. The crop physiologist resigned and we are in the process of recruiting a replacement, we were allocated two vehicles but one lacks a driver.

- b. Delay in acquisition of project requirements due to lengthy procurement processes in Public Institutes
- c. Limited funding of the oil palm research activities compared to the planned annual targets
Based the annual work plan, most of targeted outputs have been achieved but the overall project outputs have been partially achieved, hence the need for more funding to enable completion of ongoing activities in order to achieve all the expected project deliverables by 2018 when the project ends. Major activities that need to be completed in 2017/2018 include; Monitoring the dynamics of economically important oil palm diseases to enable timely implementation of management decisions
- d. Identification and characterization of economically important pathogens causing oil palm diseases
- e. Evaluation of management options for major oil palm diseases
- f. Determine the annual growth and yield performance of oil palm for on-station and on-farm trials in Kituza, Kibale, Buvuma, Bugiri, Mayuge and Masaka
- g. Conduct oil palm nutrient requirement studies to improve oil palm nutrition
- h. Disseminate information on oil palm production technologies.

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; promotion of complementary enterprises, practices for sustainable agricultural production, social inclusion focusing on gender, Youths 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 21 districts. In FY 2013/14, the project identified 29 start-up districts using standard criteria to quickly get on the ground and benefit from knowledge and value chain development potential in these districts. From FY 2015/16 the project expanded to cover 45 districts in the oil seeds project area. In the 16 new districts that were engaged in FY 2015/16, the project has supported the District Local Government to provide extension, supervisory and regulatory services. In August 2016, the project recruited 5 additional service providers to cover 13 new districts bringing the number of districts served by service providers to 42. In the remaining 3 districts extension services are provided mainly by the production departments of district local governments, which were recently strengthened by recruiting more extension staff. The Details of the hubs districts are presented in Table 3.1 and 3.2 below.

Table 3.1: Districts by Hub engaged during 2016/17 FY

Hub	Districts where activities were implemented
West Nile	Arua, Zombo, Nebbi, Yumbe and Moyo, Koboko and Maracha.
Gulu	Gulu, Amuru, Kitgum, Pader, Lamwo, Nwoya and Agago
Lira	Lira, Apac, Masindi, Serere, Kaberamaido, Oyam, Amuria, Soroti, Kiryandongo, Amolatar, Alebtong and Otuke.

Eastern Uganda	Mbale, Bukedea, Kumi, Manafwa, Pallisa, Sironko, Bulambuli, Bugiri, Tororo, Busia, Jinja, Iganga, Mayuge, Kapchorwa, Kween, Namutumba, Kaliro and Kamuli.
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Table 3.2: Project implementation area and service provider during 2016/17 FY

Hub	PSP	Project activities implementation areas		
		Districts	Sub-counties	
West Nile	WENIPS	Arua	Rhino camp, Rigbo, Ogoko and Ajia	
		Zombo	Paidha, Nyapea, Abanga and Jang Okoro	
		Nebbi	Wadelai, Kucwiny, Panyango, and Alwi	
		Yumbe	Drajini, Odravu, Lodonga and Ariwa	
		Moyo	Aliba, Gimara, Lefori and Itula	
	ACORD*	Koboko	Dranya, Lobule, Midia and Abuku	
		Maracha	Oluffe, Oleba, Yivu and Tara	
		Terego county	Aiivu and Odupi	
	Gulu	IIRR	Gulu,	Odek and Lalogi
			Amuru	Pabbo and Lamogi
Kitgum			Akwang and Amida	
Pader			Awere and Puranga	
Lamwo			Padibe East, Padibe West and Padibe TC	
APSEDEC*		Agago	Lira Palwo and Omot	

		Nwoya	Alero and Lungulu
Lira	AFSRT	Kiryandongo	Mutunda, Kigumba and Masindi port.
		Masindi	Nyagahya, Karizubu, Budongo and Pakanyi
		Oyam	Aleka, Otwal, Abok, Aber, Kamdini, Ngai
		Lira	Ogur, Barr, Agweng, Ngetta
		Apac	Aduku, Inomo, Chawente, Nambieso, Chegere
		Kaberamaido	Kakure, Kalaki, Apapai, Kobulubulu
	UOSPA	Amuria	Obalanga, Orungo, Wera and Abarilela
		Serere	Kyere, Olio, Atira and Kateta
		Soroti	Gweri, Katine, Tubur and Asuret
	ANCC*	Alebtong	Abia, Aloi, Awei and Omoro
		Amolatar	Agikdak, Arwotcek, Awelo and Muntu
		Otuke	Adwari, Ogor, Okwang, Orum
	Eastern Uganda	CRDI	Bulambuli
Sironko			Bukhulo, Sironko TC, Bukiise, Bukiyi and Nalusala.
Mbale			Busiu, Busoba, Bumasikye, Bungokho, Nakaloke and Bukasakya.

Eastern Uganda		Manafwa	Bubutu, Bukhofu, Bukusu, Bumoni, Bunabwana, Khabutoola, Magale, Manafwa TC, Sibanga and Bukhawekha.
		Tororo	Rubongi, Mella and Merikiti.
	EPSEDEC	Bukedea	Kolir, Bukedea SC, Malera, Kidongole, Kachumbala, Bukedea TC
		Kumi	Nyero, Kanyumu, Kumi TC, Ongino
		Busia	Masaba, Sikuda, Masinya, Busitema, Dabani, Busime
		Bugiri	Iwemba, Nankoma, Kapyanga, Buwunga, Muterere, Buluguyi
		Pallisa	Agule, Apopong and Kakoro
	SACU*	Namutumba	Ivukula, Namutumba Rural, Magada, Bulange, Kibaale and Nsinze
		Kaliro	Namwiwa, Namugongo, Nawaikoke and Bumanya
		Mayuge	Buwaya, Mpungwe, Manyiro, Kigandaalo, Kityerera and Bukabooli
	SG2000*	Jinja	Buyengo, Budondo, Butagaya and Buwenge
		Iganga	Bunyanga, Nawandala and Namungalwe
		Kamuli	Butansi, Kitayunjwa, Kisizi and Nabwigulu

* Additional five PSPs.

The 11 PSPs, are operational in 171 sub-counties in 42 districts covering the four oilseeds regional hubs.

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. The project has recruited 11 service providers (2 in West Nile Hub, 3 in Lira Hub, 2 in Northern Uganda Hub and 4 in Eastern Uganda Hub) to reach and effectively provide extension services to oil seeds farmers. The project also works closely with the District Local Governments for extension and quality assurance, NARO's constituent research institutions (NaCRRRI & 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.

In line with the 2014 MTR, the project is implementing a three pronged approach; (i) taking on 5 additional private service providers who brought on board a total of 1,080 groups by 2018, (ii) engagement of higher level farmer organisations (HLFOs) and DLGs contributing 1,650 farmer groups, and (iii) expansion and extension of contracts for the 6 PSPs to contribute 946 farmer groups. Implementation of this strategy is expected to enable the project to reach the farmer groups and household targets set at its inception by 2018. Implementation of the three strategies has resulted in direct engagement of 4,613 farmer groups reached by June 2017, which is 78.2% of the total target of 5,900. This represents 106,000 households of the 136,000 households targeted to be reached by the project under the oil seeds component.

Table 3.3: Farmer Groups Engagement Status as of June 2017

Hub	Service Provider	Actual No. of Groups Dec. 2016	Actual number of farmer groups reached by June 2017	Groups targeted by December 2018
LIRA HUB	AFRST	220	400	400
	UOSPA	135	178	228
	ANCC	238	250	250
	DLGs	304	476	821
WEST NILE HUB	WENIPS	201	288	376
	ARCOD	102	102	200
	DLGs	296	460	562
GULU HUB	IIRR	176	223	326
	APSEDEC	185	185	200
	DLGs	230	419	538
EASTERN UGANDA	CRDI	273	416	443
	EPSEDEC	252	384	423
	SACU	212	215	215
	SG-2000	215	215	215
	DLGs	144	402	703
Overall Totals		3,183	4,613	5,900

Source: PSP and DLG reports and work Plans

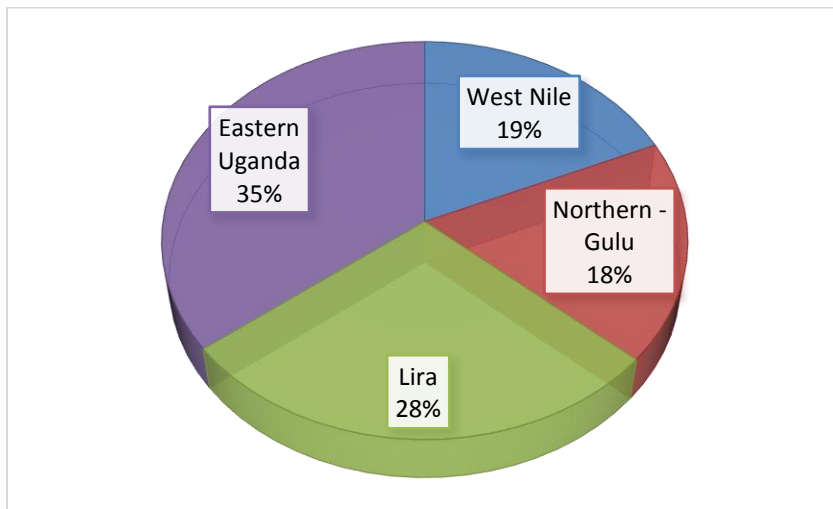
With full engagement of all the farmer groups identified, the project will reach the 5,900 farmer groups targeted by December, 2018.

3.1.1 Extension service provision by the recruited service providers

The project is working with all the recruited 11 Pay for Service Providers (PSPs) and DLGs to offer extension services to the farmers in the oil seeds project area. The PSPs and DLGs extension staff offer training to oil seeds farmers in oil seeds agronomy, farmer group capacity building, post-harvest handling and marketing, and establishment of linkages between farmers, input dealers, off-takers, financial institutions and other value chain service providers. By June 2017, the total number farmer groups spread across the hubs engaged to 4613 from 3,183 reached by December, 2016.

The percentage contribution of farmer groups reached by hub is presented in the figure 3.1 below.

Figure 3.1: Contribution of farmer groups by regional hub



Eastern Uganda hub covering the largest number of districts and large population contributed 35%, followed by Lira hub, with Northern and West Nile contributing 18% and 19% respectively.

3.2 Preliminary outcomes of the extension services provision activities

The project started tracking outcomes from the activities that are being implemented in the project area. Data is collected by the service providers and verified by the hub-coordinators, and periodically, teams from the PMU and MAAIF. Below are the preliminary outcomes from the support the project is offering to the oil seeds value chain in the project area.

3.2.1 Adoption of improved oil seeds technologies

The project is promoting improved oil seeds technologies and encouraging farmers to demand for and purchase the highly productive oil seeds varieties that have been introduced to the farmers through the farmer learning platforms. The project, through the service providers, ensure that during the farmer field days, the different players across the value chains are invited to assess the performance of the technologies demonstrated, to ensure sharing of information on farmer preferred varieties to be made available by the input dealers, and, have sufficient oil content to enable the millers to pay premium prices to the farmers.

Available data (tables 3.4 a-c) show that the numbers of smallholder farmers across the areas covered by the service providers purchasing improved sunflower, soybean and sim-sim varieties has been increasing since 2014. Majority of farmers purchasing improved seed were from Lira hub and lowest in West Nile hub. The low purchase of improved seed observed in West Nile hub could be attributed to limited access due to fewer or non-existence of agro-input stockiests compared to other hubs.

Tables 3.4 (a-c): Number of farmers buying quality controlled seed in the areas covered by the service providers

a) Sunflower

Hub	Period			
	2014	2015	2016	2017A*
West Nile	-	0	91	336
Northern –Gulu	-	1,340	2,244	2,619

Lira	347	5,513	8,429	7,820
Eastern	-	637	1,324	1,706
Total	347	7,490	12,088	12,481

**Figures reported are for one season*

b) Soybean

Hub	Period			
	2014	2015	2016	2017A*
West Nile	-	150	319	190
Northern –Gulu	-	860	1,368	8,328
Lira	704	4,880	6,996	2,653
Eastern	-	1,028	1,486	10,198
Total	704	6,918	10,169	21,369

**Figures reported are for one season*

c) Sesame

Hub	Period			
	2014	2015	2016	2017A*
WEST NILE	-	560	76	48
NORTHERN –GULU	-	680	1,273	1,273
LIRA	-	713	8,231	-
EASTERN	-	0	0	0

TOTAL	-	1,953	9,580	1,321
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**Figures reported are for one season*

The project partnership with NaCRRI has been supporting local seed multiplication of improved soybean varieties for sale to farming communities across the project area as quality declared seed. This has greatly boosted the demand and production of improved soybean varieties in absence of reliable quality commercial soybean seed suppliers.

3.2.2 Area under oil seed crops

The project is promoting oil crops and supporting farmer groups to increase the number of hectares planted with oil seed crops across the project area, with a major focus on sunflower and soybean to provide crushing material for the mills. Area under oilseed crops has been increasing in the project areas. The acreage under sunflower increased from 30,691 acres in 2015 to 54,932 acres in 2016 and was 46,821 acres for season A in 2017. Similarly, soybean acreage increased from 50,652 acres to 76,796 acres in 2016 and was 45,059 acres for season A 2017, while simsim acreage increased more than eight times from 1,308 acres to 11,114 acres in 2016 and was 6,787 in season A 2017. The acreages for 2017 season A indicate that the total acreage for 2017 will be much higher than those of 2016, this being a major season for growing of these oilseed crops. Tables 3.5 (a-c) below shows the changes in areas planted with oil seeds by farmer groups' members engaged in the four oilseeds regional hubs. The figures presented are only for the farmers engaged by the project service providers.

Tables 3.5: Area (acres) under oil seeds by hub

a) Sunflower

Hub	Period			
	2014	2015	2016	2017A*
West Nile	-	267	530	1,501
Northern –Gulu	-	1,300	1,946	3,777
Lira	8,655	20,374	43,481	38,170
Eastern	-	8,750	8,975	3,373
Total	8,655	30,691	54,932	46,821

**Figures reported are for one season*

b) Soybean

Hub	Period			
	2014	2015	2016	2017A*
West Nile	-	36	112	540
Northern –Gulu	-	1,280	983	2,346
Lira	8,656	21,686	46,401	33,864
Eastern	-	27,650	29,300	8,309
Total	8,656	50,652	76,796	45,059

**Figures reported are for one season*

c) *Sesame*

Hub	Period			
	2014	2015	2016	2017A*
West Nile	-	108	9,200	6,787
Northern –Gulu	-	1,200	1,914	-
Lira	-	0	0	0
Eastern	-	0	0	0
Total	-	1,308	11,114	6,787

**Figures reported are for one season*

Crop yield performance across the hubs

The crop yield data by hub is presented in tables 3.6 (a-c) below. The data shows increasing oil crop yields from the commencement of field activities in 2014 in spite of unfavourable weather conditions during 2016 and 2017A. Sunflower yields have increased from an average of 452 Kg/acre to 627.4 Kg/acre in 2017A.

Table 3.6 a-c: sunflower yield performance

a) Mean Sunflower yields by hub

Hub	Period				
	Baseline (2012)	2014	2015	2016	2017A*
West Nile	-	471.6	694.5	625	700
Northern –Gulu	398	456	724.3	715.5	558
Lira	415	544.5	555	601.3	707.7
Eastern	558	558	616	478	565
Year Mean	452	495.2	629.95	596.45	627.4

Soybean yields have increased from 385.3 Kg/acre in 2012 to the current 683.8 Kg/acre recorded in 2017A.

b) Mean Soybean yields by hub

Hub	Period				
	Baseline (2012)	2014	2015	2016	2017A*
West Nile	352.8	-	750	630	800
Northern –Gulu	377	354	879.5	788.5	594.3
Lira	392	500	566.5	544.4	693.3
Eastern	351.2	229.8	416.7	593.1	651
Year mean	385.25	291.9	639.8	622.03	683.8

For sesame, yields have increased from 324.8 Kg/acre to 553 Kg/acre achieved in 2017A.

c) Mean Sesame yields by hub

Hub	Period				
	Baseline (2012)	2014	2015	2016	2017A*
West Nile	299	-	406.3	290.8	550
Northern –Gulu	295.5	-	181.5	219.2	-
Lira	-	-	-	-	-
Eastern	380	-	556.5	495	516
Year mean	324.8	-	381.4	335	533

The increased yield observed over the period is as a result of introduction of improved high yielding varieties coupled with adoption and use of good agronomic practices demonstrated through farmer learning platforms.

3.2.3 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. The table 3.7 below shows the number of farmer groups bulking. The data shows that between 2014 and 2016, the number of farmer groups bulking increased to 73 to 607 and were 433 for season A 2017 (Table 3.7).

Table: 3.7 Number of farmer group’s bulk selling or collectively marketing

Hub	Period			
	2014	2015	2016	2017A*
West Nile	0	52	150	120
Northern –Gulu	30	113	180	58
Lira	11	42	103	178
Eastern	32	87	174	77
Total	73	294	607	433

**Figures reported are for one season and selling is still on-going*

This has resulted in increased quantity of grain bulked. Sunflower grain bulked has increased from 41.2 tons in 2013 to 49,515.5 tons in 2016. For soybean, the quantity of soybeans grain bulked increased from 1,111.1 tons to 35,331.9 tons between 2014 and 2016. The tables 3.8 a & b below show that the number of farmer groups bulking and selling sunflower and soybeans grain from bulked by farmers in project areas in the four regional hubs where the PSPs are working. The data shows increasing quantities of sunflower and soybean grain bulked between 2013 and 2016. The bulking figures are much higher than reported acreage and production because data on production on adoption fields was not being captured.

Due to late on-set of rains for season A 2017, harvesting and bulking is still on-going and these data is still being collected and will be presented in the next report.

Table: 3.8a Quantities (kgs) of sunflower grains bulked and sold in the different hubs

Hub	Year				TOTAL
	2013	2014	2015	2016	
Eastern Uganda	-	207,380	90,000	154,800	452,180
Lira	34,900	345,780	450,000	48,049,698	48,880,378
Northern Uganda	-	207,380	888,045	1,269,904	2,365,329
West Nile	6,300	11,900	24,000	39,120	81,320
TOTAL	41,200	565,060	1,362,045	49,515,538	51,483,843

Table 3.8b Quantities (kgs) of soybeans grains bulked and sold in the different hubs

Hub	Year				TOTAL
	2013	2014	2015	2016	
Eastern Uganda	-	262,500	650,000	864,500	1,777,000
Lira	-	100,678	309,930	32,969,173	33,379,781
Northern Uganda	-	742,210	526,792	1,448,678	2,717,680
West Nile	-	5,700	29,500	47,554	82,754
TOTAL		1,111,088	1,516,222	35,331,921	37,959,231

3.2.4 Mills established in the Hubs and Mill Capacity Utilization

The project through PSPs and Hub offices have continued to link farmers to millers. 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 new mills installed since 2012 (Mabline Investment millers in 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, it also started operating in 2015. The total number of operational mills in Gulu hub is nine currently from only three before onset of project activities.

In West Nile Hub, two more new mills have been installed (Khalifan Oil mill in Koboko and Nile Challenge Quarry Ltd. In Nebbi) while Wadudu millers in Arua that had started operating in 2015 closed. This brings the current number of operational mills in West Nile to 4 including Odokibo mission mill that resumed operation.

In Eastern Hub, eight new mills have been installed since 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 Essence of Africa in Mbale. This brings the total number of mills in the hub to 11.

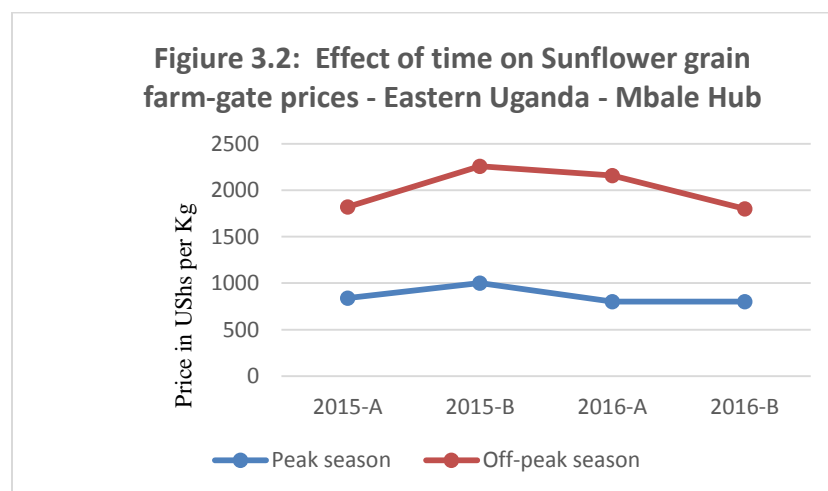
Lira hub with over 80 operational mills has the highest concentration of oil mills among the four regional hubs. These vary from small, medium to large scale in size, with MMP-Nile Agro being the recent entrant. Although the numbers of medium and small scale millers keep changing due to competition, new mills have been installed in areas far off from Lira town, for example in Soroti.

Table 3.9: Number of operational mills in the oilseed hubs

Hub	Period				
	Baseline (2012)	2014	2015	2016	2017
West Nile	1	1	3	4	4
Northern – Gulu	2	3	8	9	9
Lira	82	82	82	86	86
Eastern	3	3	11	11	11
Total	88	89	104	110	110

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 UGX 1,000/= from the buying price of UGX. 600/= at the start of project activities in the region. Furthermore, the buyers/millers provided drying materials and bags to farmers as commitment to buy their produce at agreed price.

However, the price varies after harvest and months later based on grain quantities available for sale as shown in figure below from Eastern Uganda hub.



To counteract the low prices offered at peak buying season after harvest, farmer groups/ organisations are encouraged to bulk and sell to buyers/processors with whom they can enter long term business contracts. This has tended to stabilize the price offered to farmers belonging to farmers' organisations.

The average mill capacity utilization across the hubs has increased from 17.3% in 2014 to 34% reported in May 2016 to the current 38.7%. The highest mill capacity utilization was in Lira Hub (62%), followed by Northern Uganda Hub (48%), then Eastern Uganda Hub (27%) and the lowest was in West Nile Hub (17.8%). Table 10 below shows changes in mill capacity utilization across the project area since 2012.

Table 3.10: Mean mill installed capacity utilisation (%) by hub

Hub	Period				
	Baseline (2012)	2014	2015	2016	2017
West Nile	0.9	1.86	5.68	17.8	-
Northern –Gulu	6.4	17.4	37.2	48	-
Lira	37.3	40.6	47.5	62	55
Eastern	3.23	9.3	14.9	27	-
Year average	11.96	17.29	33.2	38.7	

3.3 Soybean Breeder seed and Foundation seed production by NaCRRI

Through partnership with the project, production of both soybean breeder and foundation seed production has been increasing since 2013. The NaCRRI report indicates that total breeder seed and foundation seed production was negatively impacted by drought reducing the expected seed quantities in 2016 in both seasons. Table 3.11 below shows the soybean breeder and foundation seed production.

Table 3.11: Soybean breeder and foundation seed production (Kgs)

Year	Breeder seed (Kg)	Foundation seed (Kg)
2013	560	22,168
2014	675	25,323
2015	1,859	64,964
2016	2,953	52,980
2017A*	3,335	17,218

* *Quantity reported for only season A 2017*

By variety, breeder and foundation seed production figures show that larger quantities of breeder seed were produced for Maksoy 3N and Maksoy 4N varieties compared to others. However, for foundation seed, higher quantities were produced for Maksoy 2N and Maksoy 3N due to their high demand for commercial production. Generally, quantities of breeder and foundation seed production for 2016 reduced for all soybean varieties compared to 2015. Table 3.12 below shows the quantity of seed produced by variety.

Table 3.12: Quantity of Breeder and Foundation Seed production by variety

Variety	2016		2017	
	Breeder seed (kgs)	Foundation seed (kgs)	Breeder seed (kgs)	Foundation seed (kgs)
Maksoy 1N	0	1,004	0	0
Maksoy 2N	0	3,127	0	0
Maksoy 3N	1,928	45,670	1947	15,012
Maksoy 4N	513	2,227	635	1,083
Maksoy 5N	512	952	753	1,123
Totals	2,953	52,980	3,335	17,218

To enhance access to quality soybean seed in the project areas, the project in liaison with NaCRRI have supported 40 farmer groups to multiply soybean as a local seed business.

3.4. Seed Quality Assurance

The project has continued to partner with NaCRRI in capacity building for farmer groups engaged in soybean seed multiplication. The trainings have included the agronomy, quality assurance and post-harvest handling in seed production. NaCRRI in liaison with PMU has also carried out field inspection of fields for farmer groups undertaking seed multiplication in Eastern Uganda and Northern Uganda hubs.

3.4.1 Capacity building in seed multiplication for farmer groups

In order to ensure quality soybean production NaCRRRI with support from VODP2 trained a total of 34 farmer groups doing seed multiplication. Twelve groups were from West Nile hub, 4 from Gulu hub; 3 from Lira hub and 15 from Eastern Uganda hub. NaCRRRI further went ahead to inspect the seed production process at various stages of crop growth and after harvest to give the necessary advice. This has enhanced access to and adoption of improved soybean varieties and increased production at farm level.

3.5 NaSARRI research activities

The project continued to partner with and support NaSARRI for sunflower, simsim and groundnuts research and seed production. During the period the following field activities have been implemented. Sixty sesame accessions were planted for maintenance breeding, 40 groundnuts introductions accessed for improvement of local varieties; multi-location trials established for sunflower and simsim advanced lines for agronomy and soil amendment data in Kaberamaido, Apac, Lira, Kitgum and Kumi. Furthermore, 26 sunflower hybrids were evaluated in Kaberamaido, Kulu, Ngetta, Kitgum and Kumi, while groundnuts trials were done in Lira, Pader and Jinja districts. Soil analysis was done for project sites in Kaberamaido, Kumi, Lira, Apac, Bulambuli, Katakwi and Bukedea to generate nutrient profiles.

During the reporting period, the following activities were undertaken under maintenance breeding and germplasma characterization. **For sunflower**, Multiplication of parental lines for hybrid seed development and evaluation was done of which; a) Twenty one parental lines were multiplied at the institute to produce seed that could be used to develop hybrids, b) Two acres of the male restorer lines for RHA271 and RHA 373 were multiplied to be used for crossing to the female line in order to produce Sesun 1H and Sesun 2H hybrids locally developed at Serere c) One acre of the female was crossed with the maintainer in order to increase the seed for the female for future hybrid seed production of Sesun 1H and Sesun 2H. We also embarked on maintenance and purification of open pollinated varieties (OPVs) for future production and scaling of OPVs. **Nine open pollinated varieties** were multiplied in few rows at the institute to produce seed for future evaluation and production of for the resource poor farmers who may not afford the hybrids. Through collaboration with seed companies, a total of 12 sunflower hybrids (6 from Advanta, 3

from Panner and 3 from Syngenter) were introduced, characterized and its performance evaluated under different agro-ecologies/environments. Through the evaluation **five hybrids out the 12 were identified as being better performers** compared to some of the hybrids on the market and were thus **officially released as sunflower hybrid varieties in Uganda**. Of these, **3 are from Advanta, 1 Panner and 1 from Syngenta** seed companies.

3.5.1 Multi-locational trials

Multi-location trial sites for simsim, groundnuts and sunflower were identified in different districts as reported in activity 1. Experiments on performance of advanced lines, agronomy, pathology and soil amendments were established. For advanced line evaluation, the objectives of the trials are to identify candidate materials with superior performance and also get the farmer's views (feedback) about the performance of these materials. The agronomic trials focused mainly on intercropping studies particularly sunflower and different legumes while fertilizer and pathology emphasis was performance and/or adaptability of advanced materials across locations. In addition, fertilizer trials also involved testing a range of different fertilizer rates, sources and combinations on sunflower and sesame and groundnuts with an ultimate aim of identifying suitable fertilizer rates and combinations for the three commodities.

In summary, twenty three (23) sunflower hybrids were evaluated in Bulambuli, Kaberamaido, Kuju, Ngetta, Arua, Koboko, Kitgum, Kumi and Masindi. These trials were replicated three (03) times. On the otherhand simsim trials were established in Kaberamaido, Kumi, Amuria, Lira and Kitgum. While for groundnuts, multi-locational trials were established in Lira, Pader, Arua, Nakabango-Jinja, Kumi, Amuria and Kaberamaido. During these evaluations, six (06) high yielding lines with multiple resistances to drought, leaf spots, rosette and leaf miner were identified through participatory variety selection. Two (02) of these materials SGV867T and (SGV867R) are early maturing, drought tolerant and resistant to rosette with moderate resistance to leaf spot and have been submitted to MAAIF for DUS-evaluations.

Delayed rains resulted in late planting and some of the experiments are still in the field and yet to be harvested by the reporting time and thus, some of the critical data including yield data had not been collected.

Agronomy trials on-station focused on *intercropping patterns of sunflower with soya beans, green grams and sorghum*. In this trial, sorghum, beans and green grams are being intercropped with sunflower in various patterns emanating from three ratios (1:1, 1:2 and 1:3) at different row spacing of 75, 80 and 90 cm. The trial was planted in May 2017 and harvesting is due, in spite of the harsh weather that affected it. The reason for setting up this trial is because of the apparent “wastage” of space between sunflower and the component crops in some areas, when sunflower is intercropped with beans, groundnuts, cowpeas, green grams and soybeans in ratio 1:1, as discussed under on-farm above. In other areas of very high soil fertility, sunflower was observed to suppress the component crops, hence the need for improving the technology. Nevertheless, we still found out that all intercrops are advantageous though with varying Land Equivalent Ratios (LERs) depending on the legume used and fertility levels of the field.

Table 3.13: Performance of various legume crops when inter-planted with sunflower in 2016

Treatment	Mean yields of component crops (Kg/ha)					
	Sunflower	Beans	Groundnuts	Cowpeas	Green grams	Soybeans
Sunflower/Beans	1,714.5	113.8	---	---	----	----
Sunflower/Groundnuts	2,050.5	----	687.7	---	----	----
Sunflower/Cowpeas	1,917.3	----	----	199.6	----	----
Sunflower/Green grams)	1,839.9	----	----	----	272.1	----
Sunflower/Soya)beans	1,811.5	----	----	----	---	377
Sunflower Pure	2,005.5	----	----	----	----	----
Beans Pure	----	237.4	----	----	----	----
Groundnuts Pure	----	---	1,723.0	---	----	----

Cowpeas	----	----	----	628.6	----	----
Green grams	----	----	----	---	625.9	---
Soybeans	----	----	----	---	---	693.5
Mean	1,889.9	175.6	1,205.4	414.1	449	535.2
Lsd	443.4	199.9	674.3	620	231.4	572.5

3.5.2 Seed multiplication

On seed multiplication, overall 7.2 tons of sunflower seed was produced in 2016A, 2.6 tons in 2016B and 5.8 tons were harvested in 2017A as shown in table 3.8 below.

Table 3.14: Local sunflower seed production

Variety	2016 A		2016 B		2017 A		Cumulative quantities by variety
	Area planted (Acres)	Quantity harvested (Kg)	Area planted (Acres)	Quantity harvested (Kg)	Area planted (Acres)	Quantity harvested (Kg)	
New Sunfola	15	5,600	10	2,500	8	4,200	12,300
Sesun 1H	5	882	0	0	6	1,200	2,082
Sesun 2H	5	620	0	0	1	300	920
Breeder lines	2	98	3	139	3	144	381
Total	27	7,200	13	2,639	18	5,844	15,683

During the reporting period (2016B and 2017A), 18 acres were planted for multiplication of foundation seed of an open pollinated sunfola. Similarly 7 acres (2 and 5 in 2016B and 2017A), respectively were planted with parental lines of two released hybrids (Sesun 1H and Sesun 2H) while 6 acres were planted in isolation with restorers for the same purpose. During the 2017A we also planted 1 and 6 acres, respectively for multiplication of Sesun2H and 1H. However, during the growing season of 2016B, the fields were severely affected by drought. As a result, the expected yields were not realized and in some cases, total crop failure resulted. The parental lines ie A and B lines plus their restorers were most affected due to their low vigour resulting from inbreeding. Collectively, during the reporting period we have produced **6.7 tons of sunfola (2.5 & 4.2 tones**, respectively in season B& A), **161 Kgs of parental lines A & B lines (68 in season B and 93 seasons A)** and **51Kg of restorer**. Additionally, we are anticipating to get 1.2 tones and 0.3 tones of Sesun 1H and 2H, respectively after harvest. For the current season, we have prepared ten acres of land intended for foundation seed production of sunfola while 10 acres have been organized to multiply Sesun1H. Our target on this particular output is to produce at least **12 tones of foundation seed of Sunfola by December 2017 and 3 tones of Hybrid seed of Sesun1and 2H**. We are hopeful that we will be able to achieve our planned targets if the weather conditions remain favourable. Prolonged midseason drought coupled with delayed rains significantly are the major challenges that are hindering us to effectively meet our planned targets.

3.5.3 Capacity Strengthening

During the reporting period, NaSARRI in collaboration with Lira and West Nile hubs embarked on retooling and strengthening the capacity of extension staff in the districts of Lira, Amolatar, Otuke, Oyam, Alebtong, Amuria, Serere, Soroti, Pallisa, Ngora Kumi, Arua, Koboko, Maracha and Adjuman districts in various aspect of groundnuts, Sesame and Sunflower production. The trainings ranged from quality seed production, general field management, pest and diseases control, post-harvest handling, to cost benefit analysis including soil fertility management. About 42 extension staff were trained in Lira and over 50 in Arua. On the other hand over 500 farmers from different farmers groups were trained on station in general agronomic practices, quality seed production, postharvest handling and marketing of sunflower, sesame and groundnuts.

NaSARRI trained 200 farmers from West Nile in liaison with the Hub office and Natures Harvest KK Ltd. in Koboko and 300 farmers on-station on sunflower production and post-harvest technologies.

3.6 National Seed Certification Services (NSCS) support to seed quality assurance activities

The project continued to support National Seed Certification Services of MAAIF to undertake quality assurance activities. The activities undertaken during the reporting period are outlined below;

Seed production capacity and seed imports

In order to appropriately respond to oilseed crops seed demand with increasing adoption across the project and non-project areas, NSCS was supported to undertake a survey to establish entities involved in seed importation, quantities imported seasonally and their capacity to maintain seed quality and their distribution channels/networks, especially in the oilseeds regional hubs. Furthermore, the survey was also intended to establish the capacity of local seed companies and other seed producers to produce and maintain quality seed and their linkages to source of foundation seed and breeder lines. A report on this survey is being prepared for submission.

Capacity building for Local seed production

Improvement of agricultural inputs quality for oil seeds production and maintain market access to the international trade, requires building capacity of the Local Seed Business Enterprise's (LSB's) and field extension workers (FEWs) on quality seed production. With this overall objective, NSCS was supported to undertake a training for LSB enterprise proprietors to internalize the principles of quality seed production along the value chain including pest and disease control; and post-harvest handling including storage and understand the seed processing and certification concepts. The training imparted knowledge and skills to LSB's and FEWs on quality seed production and trade with the overall impact on increased access to Quality Declared Seed (QDS), yields and consequently improved house hold incomes. The training targeted the districts of Gulu, Kitgum, Amuru, Lamwo, Nwoya, Pader, Agogo and Adjumani in Gulu hub. The training involved 42 LSB ToTs from 8 districts in Gulu Hub. A comprehensive training report is being compiled for submission to PMU.

New Seed Variety Approvals

The project supported NSCS to convene a meeting of the National Variety Release Committee to consider approval request for the new promising sunflower varieties that have gone through research evaluation by National Semi-Arid Resources Research Institute (NARO -NaSARRI) for approval for commercialization and utilization by the farming communities. Five (5) sunflower varieties (Aguara 4, Aguara 6, Hysun 33, Pac 334 and NK Tutti) which were presented for evaluation and consideration for inclusion and release as varieties for commercialization in Uganda. The minutes and decision of the National Variety Release Committee is yet to be communicated and shared with the project.

Appropriate use and disposal of agro-chemicals

Enhancing production and productivity of oilseed crops in the current environmental condition requires use of fertilisers to replenish soil nutrients and herbicides and pesticides to control pests. To improve use of these agricultural chemicals for oil seeds and maintain market access to the international trade requires building the capacity of the Field Extension Workers (FEW's) on agro-chemicals safe use and disposal. This training was aimed to enable FEW's internalize the principles of safe use of agro-chemicals and types of fertilizers, their application and storage. The training imparted knowledge and skills to FEW's to help them to advice farmers appropriately on control of pests and diseases for oil seed crops and correct fertilizer to application. This will not only ultimately increase production and productivity of oil seed crops, but also ensure safety of humans and the environment. The training targeted 63 Field Extension workers from 19 districts from Eastern Uganda hub. A comprehensive report about the training is under preparation for submission to PMU.

3.7 UNBS Quality Assurance Activities

The project partnered with UNBS to develop, promote and enforce quality standards and a quality assurance system for vegetable oils. To achieve this, UNBS has been implementing activities towards this objective, and these have included;

- Revision and publishing of vegetable oils standards: Twenty Five (25) standards have been developed, revised and published.

- 2 standards new standards are being developed for blended oils and crude palm oil and semi-refined oil.
- Standards for the following products (Ground nuts, Palm stearin, Palm olein and Edible fats and oils -general) are under review in-line with at the EAC level (4 standards).
- Northern Corridor standards for Sesame seed (raw and roasted)

UNBS has finalized ‘*The Uganda National Bureau of Standards (Enforcement of Compulsory Standard Specifications) Regulations, 2016*’ which require mandatory certification for all such products governed by compulsory standards. This will take effect starting 2017/2018 financial year. UNBS conducted awareness training on vegetable oil standards involving 132 actors along the value chain.

In March/April, 2015 UNBS visited 57 oil mills in the four hubs of West Nile, Gulu, Lira and Eastern to establish a baseline and undertake a gap analysis to guide subsequent engagement activities. Following a baseline and gap analysis survey, UNBS organised standards awareness workshops for value chain stakeholders as shown below;

Table 3.15: Participants for awareness training on vegetable oil standards

Actor	Sex	Kampala	Lira
Government	F	6	2
	M	15	5
Media	F	2	3
	M	7	10
Traders	F	2	5
	M	6	7
Millers	F	1	4

	M	7	7
Farmers	F	2	8
	M	4	8
Service Providers	F	6	3
	M	7	5
TOTAL		65	67

Each participant was provided with Standards (at least 4 standards covering specifications for oilseeds and oils and codes of practice) documents. Close to 500 copies of standards have so far been distributed. Other standards were provided to participants upon request in soft copies.

Table 3.16: Oil Seeds Standards

	Standard Code	Standard Name
1	US 616:2006	Specification for Sunflower Seeds
2	US EAS 299:2013	Specification for Edible Sunflower oil
3	US 615:2006	Specification for Soya beans
4	US EAS 297:2013	Specification for Edible Soya bean oil
5	US 635:2006	Code of hygiene practice for oilseeds handling and milling
6	US 28:2002	Code of practice for hygiene in the food and drinks manufacturing industry

All standards that have been distributed to stakeholders under this project bear a VODP2 water mark

3.7.1 Progress on mills certification/trend of certified mills vs those not certified?

Currently it is mainly the large mills certified and these include; Tasco Industries Limited, A.K Oils and Fats, BIDCO Uganda Limited, Nile Agro-industries Limited, Mount Meru Millers Limited, Mukono Industries Limited and MMP Agro Industries Limited (In-process) table 3.10 below. In addition, two small scale mills namely St. Francis Sunflower mill in Lamwo, Padibe and Louis Enterprises in Gulu town were issued a tentative certification as monitoring continues.

Table 3.17: Mills certified

Category	Number of mills certified	
Large scale mills	06	MMP-Nile Agro in process
Small scale	02	St. Francis Sunflower Mill - Padibe
		Louis Enterprises

3.8 Identification and Strengthening of oilseeds HLFO

The project partnered with Uganda Cooperative Alliance (UCA) to build the capacity of farmer groups and facilitate them to join formal farmer organizations for sustainability purposes. Furthermore, the project in liaison with UCA have through a training of trainers built the capacity of District Local Governments field extension workers and community development officers from participating districts and PSPs staff in farmer institution development. Prior to this, the DLG sub-county extension workers and selected farmer leaders had undergone refresher training of trainers on good agricultural practices in oilseed crops. This linkage between farmer organisations, the DLG extension staff and community development officers with support from UCA is expected to further strengthen sustainability of the oilseeds sub-sector.

UCA assessed 54 identified farmer organizations in the 4 hubs and a total of 40 were selected in the 4 hubs, comprising of 1,471 groups and 36,336 members. 25 of the identified Higher Level Farmers Organizations (HLFO) did not meet the minimum requirement for being classified as such, while 15 met the criteria based on membership and functionality.

UCA supported by the project started training and restructuring these potential HFLOs with the aim of increasing membership, restructuring the governance to put in place competent leadership, re-engineering the business operations of these HLFO using the “Business Model Canvas” approach.

During the reporting period, PMU/UCA planned and conducted 2 trainings of trainers for the PSPs and DLG (commercial officers and extension workers) in Gulu and West Nile hubs, on strengthening of Farmer Organizations using the cooperative model. A total of 104 participants mainly the district sub county community officers and extension staff of the service providers in Gulu and Arua Hubs. A training manual was developed and provided to the participants at the end of the training to harmonize the training messages across the hubs.

On restructuring of the assessed HLFOs, a number of sensitizations and mobilization sessions strategies was conducted within the 40 HLFOs; to-date the 40 HLFOs composition status is as indicated below:

Table 3.18: Higher level farmer organizations identified and supported by UCA

Hub	HLFO Identified					
	Total number of HLFOs	Registration status	No. of groups in the HLFO (Sept, 2016)	No. of LLFO (July, 2017)	No. of beneficiaries (Sept, 2016)	No. of beneficiaries (July, 2017)
LIRA	11	2 Registered Coops	336	352	16,700	22,532
GULU	6	None registered coop	202	205	5,829	6,424
WEST NILE	10	1 registered coop	58	63	2,122	3,531
EASTERN UGANDA	13	8 registered Coops, 3 DFAs	799	814	11,685	12,260

		2 Sub-county-level FAs				
Total	40		1,395	1,434	36,336	44,747

Leadership capacity is still a gap and continued search and vetting process is being conducted to ensure competent leaders are elected to govern the HLFOs. Support for formal registration of the HLFOs is ongoing and so far 16 HLFO are formally registered at national recognition.

3.9 Access to production credit by oil seeds farmers

3.9.1 Partnerships with Financial Institutions for production credit

In an effort to support farmers to improve production, the project facilitated linkages with financial institutions for farmers to access production credit. The project established partnerships with four financial institutions which are Uganda Development Bank Limited (UDBL), FINCA Uganda, Opportunity Bank, DFCU Bank and Post Bank Uganda. Through successful partnership more financial institutions have come on board including Pride Microfinance, Microfinance support center and also SACCOs. Innovations around tripartite agreements with millers and off-taking contracts and consortium models have increased confidence from financial institutions in financing sunflower and soybean production in the Hubs.

Through direct linkages from PMU and the Hubs oilseed financing cumulated as at end of July 2017 to a total of UGX 3,049,394,000 (UGX 3.04 billion); loaned to oil seeds farmers for land opening, purchase of quality oil seed inputs, garden maintenance and marketing. The loans have benefitted over 3604 smallholder oil seeds farmers (38% female) and these have paid back UGX 1,425,129,725 (UGX 1.4 billion). The biggest arrears is with the UDBL loans whose repayment rate is 47% of the total loans disbursed. The recovery is ongoing through contracted debt collection firm, to recover through collateral items.

The project held discussions with Uganda Development Bank Limited (UDBL) to provide affordable loans to smallholder oil palm farmers whose gardens had matured, and no longer qualified to receive fertilizers on loan from the project. This was after KOPGT realized that many of the smallholder farmers who were taken off the fertilizer loans stopped applying the fertilizers in line with the recommended standards.

The project has also partnered with Uganda Development Bank Limited to offer loans to oil palm farmers with “mature” gardens, who do not qualify for the fertilizer loan. UGX 500,000,000 (500 million) was disbursed to 120 (M=88 F= 32) smallholder oil palm farmers with mature oil palm farms in Kalangala and repayment is completed. Uganda Development Bank Limited is offering more financing and also a new product line for Fund management.

Table 3.19: Disbursements from financial institutions to oil seeds project beneficiaries

Category Disbursements by FI	Disbursements	Loan payments**
UBDL	2,447,896,000	1,198,193,000
FINCA	59,550,000	55,204,000
OBUL	93,400,000	26,234,500
DFCU	209,398,000	101,797,770
Post Bank	38,900,000	26,000,000
Kitgum SACCO	5,200,000	5,200,000
Pride MFI	40,740,000	12,500,000
Other SACCOs, MFIs	154,310,000	<i>Not due</i>
Total	3,049,394,000	1,425,129,000

** Payments against the Loan principal.

Summary Loan disbursement and repayment by Hub:

HUB	AMOUNT DISBURSED	AMOUNT REPAYED	BENEFICIARIES
LIRA	1,944,890,000	1,179,948,000	1,550
EASTERN	837,406,000	125,683,570	1340
NORTHERN	267,098,000	119,497,770	714
Totals	3,049,394,000	1,425,129,000	3604

The project has continued to monitor utilization of loans among the oilseed groups in Lira, Northern Uganda and Eastern Uganda hubs as well as strengthening the groups to meet the criteria of the financial institutions. In line with this a financial literacy training was organized for the groups in Kaberamaido appraised for loan access from DFCU. The training attracted 280 oil seed farmers from 8 groups, who were equipped with personal financial management and credit management skills

3.9.2 Farmer groups linked by the project to financial institutions

The financial institutions are embraced providing production credit in Lira Hub, Eastern Uganda Hub and Northern Uganda Hub. In the quarter, additional groups were linked to access credit through the hubs and PsPs bringing a total of 50 groups who have successfully been linked and accessed loans for production under oilseeds component especially in the Lira and northern Uganda Hubs. The groups have used the money to support the four value chains of sunflower, soybean, ground nuts and sim sim. In the previous season B 2016 groups opened 5,067.25 acres, from which 783 tons of crushing material has been produced. The gross sales from the farmers produce are UGX 931,712,950 (UGX 932 million).

In Kaberamaido district, 2 farmers groups that accessed loans in season B 2016 were able to open up 25 acres of sunflower and 20 acres of soya bean. In total they bulked and sold 1,250 kgs of sunflower sold to Mukwano at 1100 per kg, and gross sale value of Ugx 12,370,000 and 5,820 kgs of soya bean marketed to produce dealers fetching a gross sale value of Ugx 10,767,000. This enable them to repay back the loan in time. Due to this additional 5 farmer groups were appraised in season B and recommended to secure a loan of up to Ugx 55,000,000 from DFCU in Kaberamaido District.

The project will continue to engage the financial institutions and facilitate linkages with farmer groups to ensure beneficial financial relationships are established and maintained. Farmer groups with access to financial services have been observed to adopt the improved varieties and adopt the recommended practices to maximize yield and therefore profits.

Challenges

- Climatic changes that affected the farmers in season A 2016 also affected the repayment rate. Some loan have been rescheduled.

- Some DFCU bank staff and field extension staff in Gulu Hub got involved in accessing these funds in the 3 different groups jeopardizing the repayment of the loans leaving a burden to the groups, these staff were later fired by their institutions.
- Subsidized Crop insurance products not well disseminated to the farmers hence low uptake
- Untimely disbursement of the loans from the financial institutions and poor loan follow-up.

3.9.3 Implementation of the Village Savings and Loan Associations (VSLA)

The project is promoting the establishment of Village savings and Loan associations in the 4 Hubs as an alternative financial access for farmers who are not able to access production loans in the formal financial. To date savings mobilized among the oilseed groups is valued at Ushs 3 billion and loans valued at Ushs 1.5 billion. Often at end of the cycle (12 months of savings) the farmers carry out audit and share out the interest accrued from the loans.

Hub	PSP	No. of farmer groups involved	Saving Value	Loaned out
Eastern Uganda	CRDI	176	270,678,000	20,950,000
	EPSEDEC/CARD	140	411,579,755	303,366,400
	SASAKAWA SG 2000	175	95,789,600	24,085,642
	SEND A COW	137	282,819,600	235,614,200
Lira	AFSRT	208	301,850,000	258,200,000
	UOSPA	54	10,845,000	10,845,000
Gulu	IIRR	400	1,537,628,900*	609,780,420*
	APSEDEC			
West Nile	WENIPS	164	270,015,999	133,791,949
	GRAND TOTALS	1,454	3,181,206,845	1,596,633,611

**Cumulative figure since 2015*

GENDER AND HOUSEHOLD MENTORING METHODOLOGIES

Use of Household mentoring methodologies for mainstreaming gender and providing equal opportunities to household members has proved a successful tool in enabling household planning. The project adopted the tool and trained the old 6 PSPs in a ToT supported by DLSP with an aim of address gender gaps, and disparity in production of oilseed crops.

Below are Success Case stories of the approach in Mbale Hub

The Household peer mentoring was recognized as an important approach to address the societal norms in construction of gender roles to sharing roles and responsibilities, involvement and participation of every household member during oilseeds production and other family development activities and initiatives. The mentored households dedicated at least a quarter acre of land to oilseed crop production on their available farmland. Mentoring will continue to encourage them to invest in oilseed crops due to its profitability.

As an output from the project, youth were a beneficiary category during the sensitization meetings of the household mentoring activities on gender and inclusion. This has encouraged mentee households to work together to reduce poverty and increase household incomes through oilseed production, in order to improve their conditions of living. As a result, most of the mentee households are now able to pay school fees for their children, cater for basic household needs, improving household sanitation and procure and acquire production assets. One of the mentee households was trained and supported in making plant foliar fertilizer.

The following are a few examples of those who have started making visible transformation:

Mr. Wafula Stephen, from Sironko

As a result of household mentoring, he started planning and working with his family members. Prior to the mentoring exercise, his wife was not allowed to attend community meetings, touch sunflower and cultivate where sunflower was grown. Today, she represents him when is busy, they grow all crops together, and she can cultivate anywhere on their land. The family acquired a solar panel; providing light and phone charging. They now have a drying rack for utensils and are building a poultry house. They have a target of 50 local hens as another income generating activity. The household has a vision of constructing a permanent house in the next two years and members are working hard to achieve it.



Mr. Mushambo Charles from Manafwa

Household mentoring brought unity and cooperation in the family. The family members appreciate each other's contribution to the family and the family also aims at building a permanent house. They have decided to increase agricultural production and that is why the money (Ugx 300,000/=) they earned from soybean enabled them to purchase an ox-plough at Ugx 200,000/= and a tarpaulin at Ugx 30,000/=. The ox-plough will aid land preparation whereas the tarpaulin will help in post-harvest handling of the harvest.

Mr. Mushambo (Manafwa) during house hold mentoring process in progress



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, 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. The progress between July 2016 and June 2017 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 new Performance Budgeting System (PBS) format and submitted them on time to MAAIF. Submission of the reports is the basis on which funds are released to the project. The project produced the annual report for FY 2015/16 and got approvals from IFAD and GOU for the Annual Work Plan and Budget for FY 2016/17.

The project also prepared and submitted the FY 2017/18 budget estimates to MAAIF which was approved and captured in the Ministerial Policy Statement approved by the Parliament of Uganda for FY 2017/18.

The project prepared on-demand special reports to Members of Parliament, Cabinet Ministers, Operation Wealth Creation and other stakeholders providing progress on the implementation of different project activities. The project held hub review meetings in all 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)

Recruitment of the Communication and Knowledge Management Officer was completed which has enabled the project to re-establish intra and inter communication mechanisms. A close linkage exists between the C&KM and M&E to ensure regular availability of information for stakeholders. Below are the activities carried out;

- Exhibited at the Source of the Nile Agriculture show where the project activities under both the oil palm and oil seeds components were show cased.
- Exhibited at the World Food day in Mbarara.
- Video documentation of some beneficiaries of the oil seeds credit from financial institutions and how it contributed to an increase in the production, productivity and market access.
- Video documentation in Buvuma of the land acquisition, valuation of tenants, declaration of findings after the valuation exercise, the audit process and voluntary relocation of tenants who had been compensated.
- Contribution of articles in news-papers and magazines in line with various national themes through the year
- Contribution of research papers on project activities, specifically on the implementation of the Social Tenure Domain Model (STDM) in Kalangala.
- Attended the CTA sponsored Experience Capitalization training on documentation of Impact and successes in projects
- Developed together with the IFAD Communication Mission, the draft NOPP Communication Strategy and did interviews with some farmers and district officials in Kalangala District for production of a booklet.
- Setup the Vodp Facebook page (Vegetable Oil Development Project) and Twitter (@vodpnews)
- Shared successes in pictures at IFAD – RIW
- Women’s day documentary and photography for Oil Palm Women was produced
- Video documentation of some beneficiaries of the oil seeds impact and how it contributed to an increase in the production, productivity and market access from the PSP angle was produced for Mbale Hub

- Compiled human Interest stories on Impact of Oil Seeds from the four hubs of Mbale, Gulu, Lira and West Nile for printing a handbook
- Publicity News clips on the Women’s Day celebration held in Kalangala were aired on UBC, Bukedde TV, Star TV and NBS TV
- Reviewed www.kopgt.co.ug and recommended for redesign, procurement is ongoing

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 has also completed the design of a Management Information System which will be used for entry, analysis, storage and report production under both the oil palm and oil seeds components. The detailed progress under the results based M&E is below;

4.3.1 Project Management Information System

VODP 2 installed a web based Management Information System in which the data on project activities under both the oil palm and oil seeds components is entered. The MIS is robust and is able to respond to the range of data and information needs by the VODP 2 and its stakeholders.

The MIS was shared with and tested by the the PMU (Oil Palm, Oil Seeds, Credit and Finance and M&E Officers) and Kalangala Oil Palm Growers Trust. These tested it and found it sufficient to capture, analyze and provide reports on the various implemented activities.

So far, the existing data under the oil palm component that was initially in MS Excel tables has been uploaded onto the project MIS and is updated on a monthly basis. Under the oil seeds component, the service providers have been trained on the collection of data using the Seasonal Action plan forms for beneficiaries which information will be entered into the MIS. The project is in the process of acquiring tablets which will be made available for the different implementation partners for more regular data entry which will further enhance the project data management capabilities.

4.3.2 Implementation of the GIS Based Impact Monitoring Tool

The project in partnership with the Global Land Tool Network of UN Habitat (GLTN), 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 – focusing on project impact. 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.

GLTN contracted consultants in October 2016 and February 2017 who visited the PMU and Kalangala in an effort to fix all the errors in the STDM. The Consultants also trained the KOPGT field extension workers on the capture, entry and analysis of the data on the smallholder farmers, installed the STDM on the KOPGT server and installed the STDM on the VODP 2 laptops. The tool was tested and found to be effective and plans have been drawn for the data entry of all the data collected, block by block to ensure a thorough job is done.

So far, the STDM has enabled the project to estimate the extent of tenure insecurity which enabled better planning and policy guidance through the maps and garden boundaries; has supported initiatives to improve tenure security which facilitated negotiations with land owners as farmers know their boundaries; helped to clarify land rights which cleared overlapping claims and reduced land conflicts; contributed to environmental protection initiatives through demarcation of forest land vs farm land and clarification of boundaries of environmental features marked before the project. The STDM exercise has also supported the identification of growth poles which is guiding land use planning and development; availed updated shape files and maps of Kalangala; and, has provided input into discussions on sustainably protecting land rights by providing alternatives on how to ensure sustainable and equitable development

The STDM will be linked with the project MIS and the KOPGT farmer information system using unique identifiers for each project beneficiary, which will be shared between the STDM, the FIS and the MIS. Every effort will be made to avoid duplication, and get the best out of each system. So far, each system will have the following unique attributes:

- KOPGT Farmer Information System: This SQL based system captures the registered oil palm smallholder farmers, their year of planting, garden location and size, production and productivity information and the credit received and repaid.
- PMU Management Information System: This python based system has aggregate tables from the KOPGT Farmer Information System including totals of farmer registered, area planted, area under harvest, number of farmers harvesting, FFB produced, FFB prices, value of production, OPUL performance in terms of production, taxes paid, crude palm oil produced. The MIS will also have data from the oil seeds component similar to what the KOPGT FIS is collecting.
- The Social Tenure Domain Model: This postgres based system is focused on impact information and will capture social economic data on the project beneficiaries and produce maps of all the data collected through the KOPGT FIS and the PMU MIS. The STDM will allow for the use of other technology including satellite images, project shape files and maps to report on the project progress.

4.3.3 Piloting the GIS tool in the oil seeds component

The project has rolled out the implementation the STDM in the oil seeds component. Data was collected as part of the Project Panel Survey on oil seeds beneficiaries in Eastern Uganda Hub. A total of 308 households were surveyed (174 Males and 134 Females) in Pallisa, Bugiri, Kumi, Busia, Mbale, Manafwa, Bulambuli, Tororo and Sironko. The project will continue to roll out the data collection in all the Hubs. As shown in 4.3.2 above, the GIS tool focuses on impact level information and captures data on social economic characteristics of the project beneficiaries.

4.3.4 Analysis of land use changes in Buvuma and Kalangala districts: 2007 and 2014

The project in partnership with IFAD is carrying out various initiatives to monitor the land use changes in the oil palm implementation areas. The initiatives are intended to provide empirical evidence on the effects of oil palm development activities on other land uses and generate lessons for scale up and sustainability. Two such activities have been initiated, with one involving acquisition of satellite images from the Regional Centre for Mapping and Resources Development and the other through an IFAD supported partnership with the European Space Agency.

The project acquired satellite images for Buvuma main island and Kalangala district (Bugala, Bunyama and Bubembe islands for the years 2007 and 2014 to assess the land uses/ land cover changes through remote sensing and GIS techniques. A Consultant was hired to interpret the images and a draft report is being reviewed.

The consultancy found that there was significant change in land use and land cover types in both Buvuma and Kalangala between 2007 and 2014. In Buvuma, forests and woodland reduced by -48% while the land under agriculture use increased by 480%. In Kalangala the most significant change was from subsistence agriculture to large scale extensive agriculture, the oil palm plantations.

The report was shared with BIDCO/ OPUL as one of the documents from the PMU to guide their decision on oil palm expansion activities in Buvuma. The report was also shared with the NOPP mission which is considering expanding on the work by getting more accurate satellite imagery for further analysis on the land use changes on Buvuma.

From the preliminary results of the partnership with the European Space Agency, the project did not clear primary forest, however some clearing of degraded forest took place. Based on the analysis of the deforestation impact in Kalangala and as part of continuous improvement the project plans to monitor deforestation in other development areas from right from the start of activities in order to avoid and mitigate any negative impact in a timely manner.

4.3.5 Impact survey in Kalangala

The project in partnership with the Statistics Division of MAAIF is carried out an impact survey in Kalangala. The main objective of the impact study was to establish and map out the existing social economic characteristics of the households in Kalangala district to measure the effects of the impacts of the interventions. The findings from the survey were compared to the findings from the Uganda National Population and Housing Census of 2002 and the findings from the Uganda National Population and Housing Census of 2015. The report review is underway and will be published before end of 2017.

Preliminary results show commendable progress made in Kalangala district between 2000 and 2016. Below is a comparison of the Impact Survey 2016 preliminary findings, with the 2014 Uganda National Population and Housing Census (NPHC 2014), 2002 Uganda National

Population and Housing Census (NPHC 2002) and Oil Palm Baseline Survey Report for 2006 (Baseline 2006).

- **Education:** Currently, Bugala has 11 primary schools, 2 secondary schools and 3 vocational institutions compared to only 1 primary school and 1 secondary school with no vocational institution in 2006. This has resulted into Kalangala district having 22.4% of the population having attained Secondary Education, which is higher than the national average at 18.5% (NPHC 2014).
- **Housing conditions:** On Bugala island, 97% of the households reside in dwellings with permanent roofing materials compared to a national average of 69% in 2014 (NPHC 2014) and 55.5% in 2002 (NPHC 2002). An analysis of the exterior wall material shows that 39% of the houses have burnt bricks and cement which is better than the national average of 36.4% in 2014 (NPHC 2014) and 21.9% in 2002 (NPHC 2002).
- **Sanitation facilities:** On Bugala, 45% of the population use Ventilated Improved Pit Latrines (VIPs) in 2016 compared to the national average of 9.3% in 2014 (NPHC 2014).
- **Financial services:** Bugala island has 2 commercial banks offering financial services while 2002 the island had no Commercial Bank. In 2016, 45% of the population had accessed financial credit (Commercial Banks, Savings and Credit Cooperatives and KOPGT) while only 18% had access to financial credit in 2006 (Baseline 2006).
- **Infrastructure services:** Bugala island has 700 kms of roads in 2016 compared to only the main island road of 70 kms in 2000.

4.3.6 Outcome survey in the oil seeds component

The project in partnership with the Statistics Division in MAAIF intend to carry out an Outcome survey in the oil seeds project area to assess the progress of the service providers in achieving their contracted targets. This survey will be implemented with qualitative assessments that will complement the household-level information, providing information on why and how some outcomes were or were not achieved. In addition to the household interview, focus group discussions and key informant interviews will be done. The specific objectives of the survey are to assess the targeting efficiency in terms of farmers growing quality oil seed, oil seed production and acreage planted; to assess farmer group participation receiving extension services from the project by gender; to establish the progress by medium and large scale millers towards attaining

UNBS certification; and, to establish the benefits of the credit facility disbursed to the smallholder farmers by financial institutions.

The exercise started with compilation and mapping of the project beneficiaries from the various hubs and service providers focusing on the 29 start-up districts. The exercise utilized a mixed methods approach i.e. quantitative data through household questionnaires and Qualitative data from focused group discussion and Key informant. 17 districts were then sampled from which 440 household were randomly selected and interviewed. 18 processors were also interviewed to further obtain a deeper understanding of the market linkages as envisaged in the project model.

The survey also included 10 focus group discussions with members of the community and their leaders were conducted in Koboko, Yumbe, Lamwo, Amuru, Soroti, Oyam, Bulambuli and Sironko Districts to validate household interview data and document what farmers/districts did differently from others , challenges/crises and adaptation measures. Discussions were also held with staff from the production department.

4.3.7 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. 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 in partnership with MAAIF teams monitored project progress in the different implementation areas. The monitoring visits revealed that under the oil palm component, farmers in Kalangala were ready to plant the final 400 hectares in Bubembe and there was a general improvement in maintenance of the gardens and implementation of recommended agronomic practices. Under the oil seeds, there was still need for the Hub Offices to coordinate project activities better in the Hubs. They needed to supervise the service providers closely and review and critique their reports

4.3.8 Implementation of a Randomized Control Trail in the oil seeds project area

Under a partnership created by IFAD Headquarters and 3ie, the project is working with the University of Milan to carry out a randomized control trial the team from University of Milan,

including the lead researchers came to Kampala in January 2016 to agree on the way forward and a common understanding was reached and the work will be on-going over the next two years.

The final agreed upon research topics is to assess if the extension services provided (“information package” with farmers being “treated” with knowledge) will lead to adoption of improved practices, as well as the overall impact and cost-effectiveness of the project. RCTs aim to construct a valid comparison group to find out what would have happened if the project as not come. Those who will receive services in the first season serve as comparison to those who receive at a later stage. This means the two groups are comparable in terms of willingness, production potential etc.

VODP 2 has three selected research sites, 2 in Eastern Uganda and 1 in Northern Uganda. In Eastern Uganda, one of the sites has had 100% of the targeted groups receiving extension services for Season A 2017 while the other had 50% of the targeted groups receiving extension services. There was a delay in the rainfall in Season A which delayed establishment of farmer learning platforms but this did not stop the other treatments (training in farming as a business and value chain activities). In Northern Uganda, 100% of the targeted groups received two of the three treatments (training in farming as a business and value chain development). Due to late rains in Season A 2017, the groups did not establish the farmer learning platforms on time. The project and the service providers acknowledge that the full planned treatment was not received on time due to weather vagaries but from April 2017, the farmer learning platforms have been established. The subsequent appraisals will provide an update on the progress.

4.4 Human Resources Management

The project filled four positions that fell vacant at the PMU. These include the Communication and Knowledge Management Officer, the Procurement Officer, the Project Engineer and the Hub Coordinator, Northern Uganda Hub. The September 2015 Mission recommended the recruitment of an M&E Officer and to change the title of the current M&E Officer to M&E Specialist. The Terms of Reference were been developed and shared with the Project Steering Committee. Efforts are under way to fill all the vacant post.

KOPGT recruited five (5) field officers and a Store Keeper to fill the vacant positions. The field officers were attached to Kayunga Block, Bbeta West Block, Bujumba Block, Kalangala Block

and the outlying islands block. The new field officers were oriented both by KOPGT management and were attached to OPUL for one month for hands on training. All field officers (old and new) were trained in oil palm best management practices by a group from Ghana through collaboration with OPUL. The Store keeper was also attached to OPUL for one month for Best Management practices training.

The KOPGT Board has also recommended that an Accounts Assistant be recruited to focus on the Credit component to reduce the work load on the Finance and Administration Manager and the existing Accounts Assistant.

KOPGT is recruiting the fruit inspector and a Data Officer. The recruitment is however tagged to the approval of the HR manual which awaits a No Objection is awaited from IFAD.

5.0 PROJECT COSTS AND FINANCING AND PROCUREMENT UNDER VODP 2

5.1 Project Funding

The VODP 2 received funds from GOU as counterpart funds and from IFAD for implementations of project activities according to the adjusted 2016/17 project work plan and budget. IFAD was supposed to finance a total of UGX 28.16 billion. (USD 8.41m), which accounts for 47.49%, of the total budget while GOU was to contribute UGX 31.09 billion (USD 9.28m) accounting for 52.43%, KOPGT's contribution is supposed to amount to UGX 0.05 billion (USD 0.01m) which is 0.08%. Table 5.1 below provides details of the project according by category, while table 4 gives the budget by component.

Table 5.1: 2016/17 FY Budget by category

FINANCIER	AMOUNT (UGX)	AMOUNT (USD)	%AGE
GOU			
4 Civil works			
5 Small holder Oil Palm	29,950,000,000	8,940,298.51	50.51%
7 Consultancy, training and workshops	180,000,000	53,731.34	0.30%
8 Extension service			0.00%
9 Salaries	532,694,048	159,013.15	0.90%
10 Operating cost	422,800,000	126,208.96	0.71%
Sub total Gou	31,085,494,048	9,279,252	52.43%
IFAD			
1 Vehicle, Equipment and materials	1,181,921,133	352,812.28	1.99%
2 Materials	837,928,000	250,127.76	1.41%
4 Civil works	1,526,544,000	455,684.78	2.57%
5 Small holder Oil Palm	5,349,900,000	1,596,985.07	9.02%
7 Consultancy, training and workshops	3,750,440,000	1,119,534.33	6.33%
8 Extension service	11,401,379,200	3,403,396.78	19.23%
9 Salaries	2,656,568,051	793,005.39	4.48%
10 Operating cost	1,456,470,000	434,767.16	2.46%
Sub IFAD	28,161,150,384	8,406,314	47.49%
KOPGT			
5 Small holder Oil Palm	48,000,000	14,328.36	0.08%
Sub KOPGT	48,000,000	14,328.36	0.08%
Grand Total	59,294,644,432	17,699,894	100.00%

Table 5.2: 2016/2017 FY **Budget by Component**

Table 5.2 below shows budget allocations by component. The Oil Palm Component accounts for the highest proportion (70.14%). The other two components; Oil Seeds and Project Management account for 22.88 % and 6.98% respectively.

TABLE 5.2: BUDGET BY COMPONENT

COMPONENT	AMOUNT (UGX)	AMOUNT (USD)	%AGE
Oil palm Development Component			
Kalangala Oil palm Development	6,605,444,000	1,971,774	11.14%
KOPGT support	4,276,512,618	1,276,571	7.21%
Buvuma Oil palm Development	30,130,000,000	8,994,030	50.81%
New oil palm area identification	577,160,567	172,287	0.97%
Subtotal Oil palm Development Component	41,589,117,184	12,414,662	70.14%
Oil seeds Component			
Farmer groups extension	11,463,379,200	3,421,904	19.33%
Seed production	1,697,928,000	506,844	2.86%
Value chain	408,000,000	121,791	0.69%
Subtotal Oil Seeds Development	13,569,307,200	4,050,539	22.88%
PMU Component			
Project Management	4,136,220,048	1,234,693	6.98%
Subtotal Project Management component	4,136,220,048	1,234,693	6.98%
Total IFAD Funds	59,294,644,432	17,699,894	100.00%

Table: Budget performance by Category FY 2016/17 (Jul 2016 - Jun 2017)

Category	Budget	Actual	%age
GOU			
4 Civil works			
5 Small holder Oil Palm	29,950,000,000	29,547,363,334	98.66%
7 Consultancy, training and workshops	180,000,000		0.00%
9 Salaries	532,694,048	287,085,730	53.89%
10 Operating cost	422,800,000	114,483,105	27.08%
Subtotal Gou	31,085,494,048	29,948,932,169	96.34%
IFAD			
1 Vehicle, Equipment and materials	1,181,921,133		0.00%
2 Materials	837,928,000	819,210,000	97.77%
4 Civil works	1,526,544,000	462,807,925	30.32%
5 Small holder Oil Palm	5,349,900,000	3,940,405,405	73.65%
7 Consultancy, training and workshops	3,750,440,000	1,896,525,966	50.57%
8 Extension service	11,401,379,200	6,526,243,058	57.24%
9 Salaries	2,656,568,051	2,015,154,806	75.86%
10 Operating cost	1,456,470,000	1,198,193,866	82.27%
Sub IFAD	28,161,150,384	16,858,541,026	59.86%
KOPGT			
5 Small holder Oil Palm	48,000,000		0.00%
Sub KOPGT	48,000,000		0.00%
Grand Total	59,294,644,432	46,807,473,195	78.94%

5.2 2016/17 Budget performance for IFAD loan funds

During the period July 2016 to June 2017, a total of Shs 46.81 billion was spent on project activities, representing a budget out-turn of 78.94%.

5.3 IFAD loan variances

Material variances are due the following reasons;

- a. **Vehicles and equipment:** The vehicles were not procured.
- b. **Civil Works;** The low utilization of funds (30.32%) is attributable to: Nonexistence of a Project Engineer for most of the year and breakdown of the road equipment. The equipment was repaired towards the end of the financial year and another set of equipment got from Namalere. Road opening is now ongoing.
- c. **Smallholder Oil palm:** The disbursement rate of 73.65% under this category is due to the fact seedlings raised by OPUL were affected by diseases thereby farmers planting less palms than planned during the year. Less planting affected funds released for maintenance and payment for seedlings.
- d. **Consultancies, workshops and training;** the budget performance of 50.57% is due to fact that UCA did not come on board to handle institutional activities early in the year. The UCA contract was finally signed towards end of financial year.
- e. **Extension services;** the percentage performance is at 57.24%. The underperformance was caused by late contracting of 5 new Pay for Service Providers and late renewal of the old service providers.

Budget performance by Component FY 2016/17 (Jul 2016 - Jun 2017)

Component	Budget	Actual	%age
GOU FUNDS			
Oil palm Development Component			
Buvuma Oilpalm Development	30,130,000,000	29,547,363,334	98.07%
Subtotal Oil palm Development Component	30,130,000,000	29,547,363,334	98.07%
Oil seeds Component			
Farmer groups extension		0	0%
Subtotal Oil Seeds Development	0	0	0%
PMU Component			
Project Management	955,494,048	401,568,835	42.03%
Subtotal Project Management component	955,494,048	401,568,835	42.03%
Total Gou Funds	31,085,494,048	29,948,932,169	96.34%
IFAD FUNDS			
Oil palm Development Component			
Kalangala Oilpalm Development	6,557,444,000	4,707,933,648	71.80%
KOPGT support	4,276,512,618	1,392,116,005	32.55%
New oil palm area identification	577,160,567	312,584,190	54.16%
Subtotal Oil palm Development Component	11,411,117,184	6,412,633,843	56.20%
Oil seeds Component			
Farmer groups extension	11,463,379,200	7,337,709,206	64.01%
Seed production	1,697,928,000	698,373,172	41.13%
Value chain	408,000,000		0.00%
Subtotal Oil Seeds Development	13,569,307,200	8,036,082,378	59.22%
PMU Component			
Project Management	3,180,726,000	2,409,824,804	75.76%
Subtotal Project Management component	3,180,726,000	2,409,824,804	75.76%
Total IFAD Funds	28,161,150,384	16,858,541,026	59.86%
KOPGT Funds			
Oil palm Development Component			
KOPGT support	48,000,000	0	0.00%
Total KOPGT Funds	48,000,000	0	0.00%
Grand Total	59,294,644,432	46,807,473,195	78.94%

5.4 Loan Performance

The overall VODP 2 loan performance stands at 58.33% disbursement, which increases to 67.35% when WAs in the pipeline and expenditures not yet claimed are included.

Table 11: IFAD loan 806 disbursements (SDR as at 30th June 2017)

Table 5C: Status of funds USD as at 30/06/2017 SDR										
Category	Category description	Allocation	Disbursement	%	W/A pending: 52 &53	Expenditures Not yet claimed	Subtotal	Direct payments (51)	Subtotal	%age
118389	Vehicles and equipments	1,270,000	926,387.53	72.94%		-	926,388		926,388	72.94%
118390	Materials	830,000	426,328.31	51.36%	7,127.18	181,766.32	615,222		615,222	74.12%
118391	Pontoon landing sites	810,000	-	0.00%	-	-	-		-	0.00%
118392	Other Civil works	1,040,000	463,936.05	44.61%	25,235.68	40,057.79	529,230		529,230	50.89%
118393	Smallholder oil palm development	9,560,000	7,857,652.87	82.19%	244,714.50		8,102,367	589,702	8,692,069	90.92%
118394	Oil seed Guarantee Fund	-	-		-	-	-		-	
118395	Consultancies, Workshops and Trai	3,360,000	1,334,338.73	39.71%	53,743.10	142,876.60	1,530,958		1,530,958	45.56%
118396	Extension services	8,080,000	1,616,134.59	20.00%	324,114.90	900,703.96	2,840,953		2,840,953	35.16%
118397	Salaries and allowances	3,510,000	2,246,604.87	64.01%	73,379.86	204,134.81	2,524,120		2,524,120	71.91%
118398	Operating costs	2,100,000	1,383,974.44	65.90%	71,590.06	162,461.16	1,618,026		1,618,026	77.05%
	Unallocated	2,940,000		0.00%	-	-	-		-	
	Total	33,500,000	16,255,357.39	48.52%	799,905.28	1,632,001	18,687,263	589,702	19,276,965	57.54%
	<i>Initial Deposit</i>		<i>3,284,377.06</i>				<i>3,284,377</i>		<i>3,284,377</i>	
	TOTAL	33,500,000	19,539,734.45	58.33%	799,905.28		21,971,640	-	22,561,342	67.35%

5.5 Release of funds during the Year 2016/17 – GOU Funds.

GOU is required to provide counterpart funds for some of the Project activities in accordance with the terms and conditions of the financing agreement. GOU allocated Ushs 24.84 billion (USD 7.41m) for project activities. GOU released a total of Ushs 23.64 billion amounting to 95.02% performance. Most of these funds were released for acquiring land in Buvuma for oil palm development -the nucleus estate.

5.5.1 Release of IFAD funds

The project operates two Designated Accounts at Bank of Uganda; Farmers account with a ceiling of USD 1.0M and VODP operations Account with a ceiling of USD 4.0M. The project received USD 5.07M for other activities under VODP2 against five withdrawal applications; No. 41, 41A, 47, 48, 49 and 50.

5.6 Project Expenditures/disbursements

5.6.1 Direct Payments

The Project made a direct payment of USD 814,142.74 vide WA 051 to OPUL for fertilizers.

5.6.2 Disbursement of funds to Implementing Agencies

a) KOPGT operations

(i) Cash releases for farmer loans

UGX 1.29 billion was disbursed to KOPGT for smallholders loans leading to a total disbursement of UGX 16.09 billion (USD 5.97M) under VODP2. This amount when added to the UGX 5.56 billion (USD2 .84M) disbursed under the first phase, amounts to UGX 21.65 billion (USD 8.81M) disbursed to Kalangala Oil Palm Growers Trust (KOPGT) as cash for onward lending to farmers.

(ii) Inputs (In-kind) Loans

In this financial year, OPUL was paid UGX 3.27 billion (USD 0.91m) .The total payment to OPUL for inputs under VODP2 is UGX 19.97 billion (USD 7.17M). This when added to the funds paid to OPUL under VODP 1 amounts to UGX 24.74 billion (USD 9.57M).

The total KOPGT funds disbursed to KOPGT (cash loans plus input loans) amounts to Ushs 46.39 billion.

(iii) KOPGT Operating and training costs

PMU has disbursed UGX 963million to KOPGT since July 2016 for operational activities, leading to a cumulative total disbursement of UGX 4,846 million for KOPGT operations activities and payment of staff salaries since VODP2 onset. KOPGT was able to pay its 25 staff members and support oil palm farmers in maintaining their gardens, transportation, grading and payment for ffbs.

b) Kalangala District Local Government (KDLG) operations

A total disbursement of UGX 669 million has disbursed to Kalangala District local Government for roads and monitoring of oil palm activities.

c) Buvuma District Local Government (BDLG) operations

A total of UGX 51.57m was disbursed to Buvuma for oil palm activities.

Table 5.6: Disbursements for Oil Palm Activities

Entity	Cum to Jun 2016	FY 2016/17	Cum to date
KOPGT operations	3,882,969,784	962,642,614	4,845,612,398
KDLG	669,209,765	0	669,209,765
BDLG	836,405,700	51,574,000	887,979,700
Total	5,388,585,249	1,014,216,614	6,402,801,863

d) Disbursements to Research Institutes under NARO

A total of UGX 716million was disbursed to research institutes under NARO since July 2016 increasing the total amount disbursed to NARO institutions to UGX 1,799million.

Table 5.7: Funds disbursed to Research Institutes under NARO

Institute	Cum to Jun 2016	FY 2016/17	Cum to date
COREC/NACRRI- Oil Palm research	684,366,880	207,386,000	891,752,880
NaCRRI	206,734,700	315,795,700	522,530,400
NaSSARI	191,605,000	193,085,000	384,690,000
Total	1,082,706,580	716,266,700	1,798,973,280

e) Disbursements to Uganda National Bureau of Standards (UNBS) for Quality Assurance and Standards activities

UGX 139m was disbursed to UNBS for quality assurance and standards activities during the year. This when added to UGX 15m disbursed last financial year brings the total amount to UGX 252M.

Table 5.7: Funds disbursed to UNBS

Institute	Cum to Jun 2016	Jul – Feb 2017	Cum to date
UNBS	112,066,470	139,440,000	251,506,470
Total	112,066,470	139,440,000	251,506,470

f) Disbursements to Districts under Oilseeds

A total of UGX 648M was disbursed to districts for oilseeds activities during the FY 2016/17. The project has so far disbursed UGX 1,057M to 36 districts to facilitate the implementation of oilseeds activities in the project area.

Table 5.8 showing funds release to districts

District	Cum to Jun 2016	FY 2016/17	Cum to date
Adjumani	12,000,000		12,000,000
Agago District	12,694,920		12,694,920
Alebtong		15,479,500	15,479,500
Amolator	0	16,570,000	16,570,000
Amuria District	10,800,000		10,800,000
Amuru District	22,960,000		22,960,000
Apac District	12,300,000	8,016,000	20,316,000
Arua District	11,875,000	14,000,000	25,875,000
Budaka		8,851,000	8,851,000
Bugiri District	8,408,000	15,000,000	23,408,000
Bukwo District		10,806,000	10,806,000
Bukedea District	7,575,000		7,575,000
Bulambuli District	17,251,000	17,461,000	34,712,000
Busia District	10,348,000	10,069,000	20,417,000
Dokolo District	13,025,000	21,491,000	34,516,000
Gulu District	12,778,500	30,000,000	42,778,500
Iganga District		8,120,000	8,120,000
Jinja District		25,176,300	25,176,300
Kaberamaido District	11,550,000	28,903,800	40,453,800
Kaliro District	6,500,000	11,350,000	17,850,000
Katakwi District	14,681,500		14,681,500
Kapchorwa District		24,346,750	24,346,750
Koboko District		10,000,000	10,000,000
Kiryandongo District	10,687,500	12,701,000	23,388,500
Kitgum District	34,700,000		34,700,000
Kole		17,166,200	17,166,200
Kumi District	7,050,000	17,931,000	24,981,000
Kween District		25,218,000	25,218,000
Lamwo District	12,045,000	14,200,000	26,245,000
Lira District	13,816,000	12,471,500	26,287,500
Manafwa District	4,175,000		4,175,000

Maracha District	7,000,000		7,000,000
Masindi District	9,860,000	20,852,000	30,712,000
Mayuge District		12,709,250	12,709,250
Mbale District	13,830,000	12,550,000	26,380,000
Moyo District		36,041,000	36,041,000
Namutumba District		7,500,000	7,500,000
Nebbi District	13,016,000	14,000,000	27,016,000
Ngora District	13,290,000	16,350,000	29,640,000
Nwoya District		25,484,000	25,484,000
Otuke District		14,920,000	14,920,000
Oyam District	12,955,000	32,545,000	45,500,000
Pader District	11,798,000	16,032,000	27,830,000
Pallisa District	8,264,000	11,098,000	19,362,000
Serere District	10,210,000	6,963,360	17,173,360
Sironko District	11,250,000	15,000,000	26,250,000
Soroti District	10,800,000	6,974,000	17,774,000
Tororo	4,371,000	24,000,000	28,371,000
Yumbe District	10,954,000		10,954,000
Zombo District	3,750,000		3,750,000
Grand Total	408,568,420	648,346,660	1,056,915,080

5.7 Final Audit

The project has prepared draft financial statement remaining with a few adjustments to make as more reports from implementing agencies are received. The Auditor General's office will be carrying out the audit of 2016/17 financials and activities starting mid-September 2017.

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 four years. The Project's Procurement Unit and Sub-Contracts Committee is supervised by, and reports to the Ministry Contracts Committee.

The VODP2 Sub-Contracts Committee (CC) by July, 2017 is not fully constituted with five (05) members as required by the PPDA Act 2014 as the term of office for one of the member has expired. Arrangements have been made to have the member reappointed. The status of two of the committee members has also changed from the time of their appointments. A legal opinion has been sought with the Solicitor General for guidance in regard to change of schedule of duties for the two Contracts Committee members in discharging their contracts committee obligations.

To-date, Forty eight (48) 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 5 million) handled since July 2012 to-date are two hundred fifty seven (257). The total number of micro procurements (below UGX 5 million) handled to-date is 517. Total number of procurements handled to-date is 774.

Table 6.1: Summary of procurements processed from July 2012 to August 2017

SUMMARY NUMBER OF PROCUREMENTS PROCESSED													
	2012		2013		2014		2015		2016		2017		
<i>Month</i>	<i>Micro</i>	<i>Macro</i>	<i>Micro</i>	<i>Macro</i>	<i>Micro</i>	<i>Macro</i>	<i>Micro</i>	<i>Macro</i>	<i>Micro</i>	<i>Macro</i>	<i>Micro</i>	<i>Macro</i>	<i>Totals</i>
<i>January</i>	0	0	9	4	13	0	1	13	12	6	18	4	80
<i>February</i>	0	0	9	3	18	0	5	5	11	5	10	1	67
<i>March</i>	0	0	4	0	5	6	7	0	9	3	7	10	51
<i>April</i>	0	0	10	9	12	8	6	1	6	2	11	3	68
<i>May</i>	0	0	9	6	6	8	6	2	6	4	5	2	54
<i>June</i>	0	0	9	5	4	6	12	0	12	0	18	4	70
<i>July</i>	27	0	10	5	8	10	15	2	15	2	6	5	105
<i>August</i>	0	2	0	0	5	0	15	8	15	12	15	3	75
<i>September</i>	0	0	4	6	7	0	13	0	13	2			45
<i>October</i>	1	3	0	4	0	8	7	0	11	17			51
<i>November</i>	0	2	0	0	10	8	12	0	5	15			52
<i>December</i>	12	0	4	5	-	-	9	0	8	18			56
TOTALS	40	7	68	47	88	54	108	31	123	86	73	32	757
	<i>Total Micro</i>												517
	<i>Total Macro</i>												257
	<i>Total Procurements</i>												774

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

Major Procurements carried out

The consultancy services in VODP2 were mainly initiated in the years 2013/2014 and 2014/2015 financial years were rolled in 2016/2017 financial year. Most of these consultancies are frame work contracts as a result the associated costs of the procurement are thus reflected in the financial year, as their budgets and plans are negotiated and approved on annual basis.

The renewal of contracts for the following consultancies for provision of Agricultural Extension Services and Business Partnership Development under the oil Seeds Component were done during the financial year.

- a) International Institute of Rural Reconstruction (IIRR)
- b) Uganda Oilseed Producers and Processors Association (UOSPA)
- c) Community Resource Development Initiative (CRDI)
- d) Eastern Private Sector Development Company Limited (EPSDEC)
- e) West Nile Private Sector Development and Promotion Centre Ltd (WENIPS)
- f) Agency for Sustainable Rural Transformation (AFSRT).

Additional five (05) new PSPs were brought on board. This includes the following:

- a) Sasakawa Global 2000 (SG 2000)
- b) Send A Cow Uganda (SACU)
- c) Acholi Private Sector Development Company Limited (APSDEC)
- d) All Nations Christian Care (ANCC)
- e) Approaches To Rural Community Development (ARCOD).

The Contract for consultancy for farmer Institutional Development and strengthening by UCA was concluded is being implemented.

Supply and delivery of agricultural inputs (seeds, fertilizers and agro-) for farmer learning platforms at regional hub offices of Arua, Gulu, Lira and Mbale. Season A & B 2016

Insurance services for Group Personal Accidents (GPA) and Comprehensive motor Insurance for four Dump track under KOPGT was finalised.

Road construction equipment that were for repairs in Kampala were completed and the equipment ferried back to Kalangala for road construction and maintenance. The project has not carried out any disposal of assets but plans are underway to identify non serviceable equipment and obsolete assets in preparation for formal disposal.

The process for acquisition of Staff Medical insurance scheme for VODP2 staff was launched. Project motor vehicles and equipment are routinely serviced and maintained. Training materials and farmers guide for soybean production in Uganda were printed.

The solicitation documents for the following procurements were launched for review and approval during the financial year:

- a) Provision of marine transport for road equipment from Bugala Island to the outlying Islands of Bunyama and Bubembe and back to Bugala
- b) Supply and delivery of two 4WD double cabin pickups.
- c) Supply and delivery of four (04) tractors plus four (04) tractor trailers to Kalangala.
- d) Supply and delivery of one (01) motor boat to Bugala Island Kalangala District.

Table 6.2: Annual procurement figures from July 2012 to August 2017

ANNUAL PROCUREMENT FIGURES BY VALUE IN UGX'000												
2012		2013		2014		2015		2016		2017		GRAND TOTAL
Micro	Macro	Micro	Macro	Micro	Macro	Micro	Macro	Micro	Macro	Micro	Macro	
66,819	474,580	79,312	2,420,119	194,245	3,974,023	290,927	12,834,732	285,963	4,290,543	271,743	3,999,054	29,181,160

The Service Cost Panel (SCP) for Kalangala Oil Palm Growers Trust (KOPGT) is 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. During the reporting period, PMU Procurement department attended 6 service

cost panel meeting in Kalangala. The procurement manual for guiding the SCP and staff of KOPGT is in place.

CHALLENGES FACED

- i) 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.
- ii) Bureaucratic delays especially in approval of procurement requisitions by the different authorities in the ministry have always caused delays in processing
- iii) Delays in timely payment of suppliers/service providers have created some mistrust between the project and service providers with likely consequences of higher costs for future services/supplies.
- iv) Currency fluctuations against the budgeted procurement amounts renders budget estimates unrealistic against prevailing market rates.
- v) Delays in reviewing procurement processes at IFAD and at National Level (SG) renders implementation of procurement plan/AWPB difficult and unattainable.

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 staff 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.
- iv) Timelines for reviewing procurement processes that require prior review be set and implemented, in order to enable the project achieve planned annual procurement deliverables.

NNEXES

ANNEX I: RECOMMENDATIONS BY SUPERVISION MISSIONS

ACTION AND RECOMMENDATION FOR SUPERVISION MISSION OF 20th TO 31st MARCH, 2017.

Area	Agreed action	Responsible	Agreed date	Status as at August 2017
Status of Oil palm Development in Kalangala	Enter data from tree census in STDM	KOPGT/PMU	30 Apr 2017	The STDM data validation is on-going with Kayunga block and the outlying islands completed and data updated.
	Identify site for new nursery (40 ha)	PMU	30 Apr 2017	41 hectares has been bought and yet to be handed over to OPUL
	Finalize planting of remaining 250 ha in Bubembe	KOPGT	31 Oct 2018	An order for seedlings was placed to OPUL and the seedlings are in nursery
	Produce report on farmers' selection process in Bunyama/Bubembe	PMU	31 Aug 2017	Report available at KOPGT

Area	Agreed action	Responsible	Agreed date	Status as at August 2017
	Start planting for enrichment of buffer zone and forest	KDLG/KOPG T/KOPGA	31 May 2017	KDLG has initiated the plan for replanting through raising tree nursery and distribution of tree seedlings commenced
	Enter data from tree census in STDM	KOPGT/PMU	30 Apr 2017	The STDM data validation is on-going with Kayunga block and the outlying islands completed and data updated.
	Return repaired equipment to Bugala and resume road construction	PMU/KDLG	15 Apr 2017	Equipment returned to Bugala in May 2017 after repairs. All the repaired equipment is in good condition with the exception of the bull dozer which developed problems with the hydraulic system and procurement of garage to carry out repair is ongoing.
	Complete remaining 71 km of roads on Bugala	PMU/KDLG	31 Dec 2017	Works commenced in June 2017. So far 10km of new roads have been constructed in Bbeta West Block.

Area	Agreed action	Responsible	Agreed date	Status as at August 2017
	Implement maintenance plan for Bugala (major repairs)	PMU/KDLG	31 Dec 2017	So far 20km of roads have been maintained (reshaped and compacted) in Bbeta East and Bbeta West.
	Sign contract for transport of road equipment to islands	PMU	1 Jan 2018	The evaluation report for transportation of road construction equipment to the outlying Islands has been submitted to CC for review and approval. The evaluation report and contract award recommendation for the BEB will be sent to IFAD for NO by 15th September,
	Complete design of landing sites	MoWT/PMU	30 Jun 2017	Designs not yet completed due to delayed payment of Design Consultant by MOWT.
	Launch the tender for the construction of landing sites	PMU	31 Jul 2017	The solicitation document for construction of landing site has been submitted to CC for review and approval. The solicitation document will be submitted to IFAD for NO by 15 th September, 2017

Area	Agreed action	Responsible	Agreed date	Status as at August 2017
	Submit procurement plan for purchase of ferry to IFAD for NO	MoWT/MFPE D/MAAIF	30 May 2017	Purchase of ferries incorporated in the procurement plan as part of the AWPB for 2017/18 and submitted to IFAD and a no objection granted. Solicitation document for purchase of ferry has been completed and submitted to CC for review and approval. The solicitation document will be submitted to IFAD for NO by 15 th September, 2017
	Provide NO to solicitation documents for boat and tractors	IFAD	31 Mar 2017	NO to solicitation documents for boat and tractors plus tractor trailers was provided by IFAD on 8 th June, 2017
	Complete procurement of boat and tractors	PMU	30 Jun 2017	The evaluation reports for procurement of a boat and tractors plus tractor trailers have been submitted to the project CC for review and approval. The evaluation report and contract award recommendation for the BEB will be sent to IFAD for NO by 15 th September, 2017.

Area	Agreed action	Responsible	Agreed date	Status as at August 2017
	Launch tender for fertiliser stores in outlying islands	PMU	30 Jun 2017	Solicitation document has been submitted for review and approval by the project CC. The solicitation documented will be submitted for NO to IFAD by 15 th September, 2017
	Provide No Objection to UCA technical proposal	IFAD	31 Mar 2017	No for UCA technical proposal provided.
	Finalize recruitment of UCA for KOPGA institutional strengthening	PMU	31 May 2017	Contract with UCA has been signed and implementation ongoing
	Reconcile farmers' loan accounts	KOPGT	30 Jun 2017	All reconciliations for cash loan completed. Inputs (fertiliser and seedling) ongoing
	Remit to Treasury loan recoveries	KOPGT	31 May 2017	Not yet done. The funds were invested in treasury bills that are maturing by end of September 2017. Expect to send to Treasury by end of October.
	Complete external audit (2014/15 and 2015/16)	KOPGT	31 Jun 2017	Audit is almost done, draft report is available

Area	Agreed action	Responsible	Agreed date	Status as at August 2017
KOPGT Financial Management and Sustainability	Finalize recruitment for all KOPGT vacancies	KOPGT	30 Sep 2017	Interviews to fill the posts were undertaken. A request for no objection was sent to IFAD and response is awaited to conclude the recruitment process.
	Request relevant institutions to nominate new Board members	KOPGT	31 Mar 2017	New Board members have been nominated and appointed by the Hon. Minister of Agriculture
	Nominate new Board members	Various	15 Apr 2017	Nomination completed
	Organize learning tour on organizational frameworks	PMU	15 Apr 2017	A learning tour was organised and farmers decided on cooperative legal framework
vq Oil Palm Development in Buvuma	Provide NO to establishment of minimum capacity in Buvuma	IFAD	31 Mar 2017	NO was not provided, referred to this mission
	Establish minimum capacity (staff and equipment) in Buvuma	PMU	31 Aug 2017	Not yet, awaiting the mission decision on the structure arrangement
Oil Seeds Development	Emphasize aspects of farming as a business in FGs' training	PSPs/PMU	1 Jul 2017	FAAB is being emphasized

Area	Agreed action	Responsible	Agreed date	Status as at August 2017
	Make contract addendums (extension of end date) for old PSPs	PMU	30 Jun 2017	Contract extension addendums for two PSPs have been submitted to IFAD for No objection and the other remaining four will be submitted by 15 th September, 2017
	Negotiate second year AWPBs with new PSPs	PMU	30 Jun 2017	AWPB for second year submitted, activities agreed upon and budget remains as it was
	Provide NO to UCA technical and financial proposal	IFAD	31 Mar 2017	NO was granted.
	Finalize contracting of UCA	PMU	31 May 2017	Contract was awarded, work ongoing.
	Mainstream use of GALs at group level	PSPs/PMU	30 Jun 2017	GALs TOT will be organised in the 3rd Quarter, 2017
	Include improved foundation seed storage and irrigation into AWPB	NaCCRI/PMU	30 Jun 2017	Seed storage and irrigation included in the 2017/2018 AWPB and also in Procurement Plan.
	Populate the MIS with data on market linkages	PMU	30 Jun 2017	Data entry is ongoing with information from the oil palm and oil seeds project area. All Hubs have submitted the seasonal action plans for Season A 2017.

Area	Agreed action	Responsible	Agreed date	Status as at August 2017
	PSPs to disengage from being direct input suppliers to farmers;	PSPs/PMU	1 Aug 2017	N/A
	Finalise final audit and submit to IFAD	SNV	15 May 2017	N/A
	Prepare a project completion report	SNV	15 May 2017	N/A
	Organize event at national level on policy issue in the seed sector	PMU	31 Dec 2017	It is planned in the AWPB 2017/2018
	Convene hub level self-sponsored MSPs for oilseed sector actors.	PMU	Twice/year	MSPs was convened at Hub level.
	Hold quarterly hub-level meetings	SNV/PMU	Continuous	Quarterly meetings have been held at hub level on 4 Ps
Project Management	Finalize recruitment of four vacant positions	PMU	30 Apr 2017	The recruitment for the vacant positions was completed and the positions are filled.
	Launch recruitment of M&E Assistant	PMU	15 Apr 2017	The recruitment of the M&E Assistant was initiated and a NO from IFAD granted. The process will progress with the minimum staff for Buvuma Hub.

Area	Agreed action	Responsible	Agreed date	Status as at August 2017
	Finalize Kalangala impact report	PMU	30 Apr 2017	The impact report was finalized and is now under internal review by the PMU.
	Finalize oilseeds outcome report	PMU	30 Jun 2017	The outcome survey was undertaken. Data analysis and report writing is ongoing.
Fiduciary Aspects	Notify CAOs when money is disbursed to District bank accounts	PMU	Continuous	CAOs are now notified when money is disbursed to the Districts.
	Remit loan reflows to Treasury	PMU	30 Jun 2017	Not yet done. The funds were invested in treasury bills and the maturity period is end of September. Expect to remit the funds to the treasury by end of October.

ANNEX II: THE VODP 2 RESULTS FRAMEWORK

LOGICAL FRAME WORK FOR THE VEGETABLE OIL DEVELOPMENT PROJECT PHASE 2 WITH RIMS 1ST AND 2ND LEVEL INDICATORS

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>EOP 2018 (Projected)</i>	<i>Means of Verification</i>
Goal:												
1.0 Contribute to sustainable poverty reduction in the project area	1.1 Households with improvements in assets ownership index at project completion	Oil Palm Kalangala					32.92				50%	RIMS Baseline, and Completion Surveys.
		Oil Palm Buvuma					19.68					
		Oil Seeds	Eastern				31.72					
			West Nile				13.45					
			Northern				20.22					
	Lira					25.94						
	1.2 20% reduction in the prevalence of child malnutrition, by gender (height/age,	Oil Palm Kalangala	Underweight				28.6					Uganda Bureau of Statistics.
			Stunting				66.2					
			wasting				16.3					
		Oil Palm	Underweight				34.8					

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>EOP 2018 (Projected)</i>	<i>Means of Verification</i>
	weight/age, weight/height)	Buvuma	Stunting				46.6					
wasting						11.8						
Oil Seeds		Underweight				26.3						
		Stunting				61						
		wasting				25.4						
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	2.1 Level of vegetable oil self-sufficiency increased from 30% (2008 baseline) to over 60% by project completion (2018).	%	43	62	57	54					60%	UBOS statistics on Ugandan vegetable oil production. database.
	2.2 Increased per capita vegetable oil consumption	Kg/capita	9.5	12.1	11.6	12.3					15	FAO food balance sheet The figure is the DES:

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>EOP 2018 (Projected)</i>	<i>Means of Verification</i>
	n from 5.6 Kg/capita in 2008 year to 15 kg by 2018.											Dietary energy supply. indicator used by IFAD.
	2.3 Households receiving project services	No of HHs	1,115	1,118	1,353	6,801	46,617	24,220	58,009	68,259	79,009	Project M&E
3.0 An integrated oil palm industry to supply national and export markets in compliance with modern environmental standards and providing equitable returns to smallholder producers.	3.1 Crude palm oil annual production increases from 0 tonnes in 2009 to 35 000 tonnes by 2018.	Tons	4,692	10,475	13,552	19,209	18,652	22,662.31	23,000	26,000	30,000	OPUL and KOPGT databases, reports BOPGT reports Project M&E database
	3.2 Smallholders earning net incomes of USD 1,500 per ha per year from year 4 of	USD	322	1,119	1,225	1,457	1,036	1,384	1,400	1,450	1,500	

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>EOP 2018 (Projected)</i>	<i>Means of Verification</i>
	development.											
	3.3 Operational self-sufficiency of KOPGT in 2018	Yes/ No	No	No	No	No	No	56%	62	80%	100%	
OUTPUTS												
New oil palm areas identified	4.1 40,000 ha identified for oil palm plantations by 2018	Ha	10,197	11,705	13,937	15,806	15,806	16,517	19,242 ¹	22,200	30,000	Project progress reports and M&E database
Kalangala Oil Palm Scheme completed and producing	4.1 6,500 ha of nucleus estate planted in Kalangala by 2016	Ha	5,939	5,939	5,939	6,225	6,225	6,225	6,440	6,500	6,500	OPUL and KOPGT databases
	4.2 4 700 ha planted by smallholders in Kalangala by 31 Dec 2017	Ha	2,258	2,366	3,498	3,863	3,863	4,300	4,424	4,700	4,700	KOPGT reports BOPcGT progress reports

¹ Kalangala: 11, 200 Ha; Buvuma: 8,042 Ha

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>EOP 2018 (Projected)</i>	<i>Means of Verification</i>
	4.3 1 800 smallholders served by KOPGT	No.	1,115	1,118	1,353	1,610	1,610	1,683	1,801	1,800	1,800	Special studies District Local Government reports
	4.4 KOPGT restructuring agreement signed by 31 Dec 2017	Yes/ No	No	No	No	No	No	No	No	Yes	Yes	
	4.5 Roads constructed in Kalangala	Bugala	Kms	210	210	240	250	250	260	310	310	
		Bunyama	Kms	0	0	0	0	0	0	40	40	
		Bubembe	Kms	0	0	0	0	0	0	40	40	
	4.6 Fertilizer store constructed	Bugala	Kms	0	0	0	0	1	1	0	1	1
		Bunyama	Kms	0	0	0	0	0	0	0	1	1
		Bubembe	Kms	0	0	0	0	0	0	0	1	1
Sustainable Oil Palm Development	4.6 Two island environmental monitoring plans for	Number	1	1	1	1	1	2	2	2	2	

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	smallholder oil palm completed and being implemented.											
Buvuma Oil Palm Scheme established	4.7 2 500 ha smallholder land planted by 2018 in Buvuma	Ha	0	0	0	0	0	0	0	1,500	2,500	
	4.8 1,250 farmers served by BOPGT.	No.	0	0	0	0	0	0	0	1,000	1,250	
	4.9 All oil palm activities (plantation, mill & refinery) are in compliance with NEMA regulations.	%	100	90%	90%	90%	90%	90%	90%	100%	100%	
	4.10Kms of farm roads	Kms	0	0	0	0	0	0	0	100	200	

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	constructed/rehabilitated												
5.0 Continued upscaling 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.	5.1 Mill capacity utilization increased from 30% in 2009 to 85% by 2018.	%	30	-			51%	34%			85%	Millers study Baseline study, Completion report	
	5.2 Farmers growing sunflower and soybeans with net cash earning per ha per season of US\$350 increased by 10% each year in each hub	Eastern Hub		-	-	-		352,703	387,973 ²	49,961 ³	36,050 ⁴		Farm models
		West Nile						48,978	53,875.8	34,664	20,375		Production statistics from MAAIF
		Northern Hub						66,290	72,919	31,160	16,625		M&E system
		Lira Hub						206,606	227,266.6	41,619	27,075		UOSPA/U NFFE/OSS UP statistics

² Estimated from national figures (estimated at 70% of national production)

³ Actual figures showing project beneficiaries in the 4 regional oil seeds hubs

⁴ Estimated based on the project targets of reaching 100,000 beneficiaries from 4,000 farmer groups.

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>EOP 2018 (Projected)</i>	<i>Means of Verification</i>
	5.3 Oilseeds production of sunflower and soya bean increased by 10% each year	Sunflower ⁵	70,000	161,000	197,000	167,000	183,700	202,070	222,277	244,505	268,955	Mid-term/project completion reports
		Soybean ¹	19,000	22,000	16,000	16,000	17,600	26,869.8	21,296	23,426	25,768	
	5.4 Number of secondary farmer organisations operational/functional	Number						11	20	30	40	
	5.5 Number of farmers using purchased quality controlled seed	Sunflower						5,538				
		Soybean						5,312				
		Ground nuts						5,585				
		Sesame						7,694				
OUTPUTS	6.1 20 MT each of foundation/	Soybean					15	24	20	20	20	OSSUP reports
		Sesame					2	10	10	10	10	

⁵ Estimated at 70% of national production.

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>EOP 2018 (Projected)</i>	<i>Means of Verification</i>	
6.0 Production of certified good quality seed and oil Smallholders farming oilseeds as a business and operating in groups to sell increasing volumes of crushing material to millers	breeder seed of hybrid parental lines of sunflower, ground nuts and soybean produced annually by NARO	Ground nuts					3	12	10	10	10	NaSARRI/ NaCRRRI/ MAAIF Seed Certif. Rep. UBOS reports DAO quarterly report NAADS tech. report Impact assessment s and surveys VODP2 progress reports	
		Sunflower						20	20	20	20		
	6.2 90% of oilseed growers buying quality controlled seed by 2017	Sunflower											
		Soy beans	80,000				93,856 ⁶						
	6.3 10% annual increase in the hectares under oil seeds cultivation in each	Sunflower							10,863 ⁷				
		Soybean							26,869.8 ⁸				

⁶ 45,007 ha from farmer learning platforms added to the 80,000 ha from baseline

⁷ Data for 2015 will act as the base year for tracking so actual figures have been used and not a percentage.

⁸ Data for 2015 will act as the base year for tracking so actual figures have been used and not a percentage

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>EOP 2018 (Projected)</i>	<i>Means of Verification</i>
	regional hub											MAAIF farm survey reports
	6.4 Number of farmers reporting an average yield of 1.7 t/ha for sunflower and 1.1t/ha for soybean	Sunflower						1.3 ⁹				Impact assessments and surveys VODP2 progress reports using
		Soybean				737		0.9				
	6.5 4,000 farmer groups (with 30% participation of women) receiving extension services from the project by 2018	Farmer groups % women					2,394	2,448	3,205	4,005	4,005	Info. from millers, UBOS and UNBS reports, and mobile service provider
	6.6 1000 Farmer groups bulk							145	500	800	1,000	

⁹ This indicator seems easier to report on using the average yield and not number of farmers reporting, can it be changed?

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>EOP 2018 (Projected)</i>	<i>Means of Verification</i>
	selling by 2017											
	6.7 90% of the medium/large-scale millers attain UNBS quality certification by 2018.	Ushs.	0	0	0	0		20%	40%	60%	90%	
	6.8 Amount of credit facility disbursed to value chain actors by participating financial institutions (Billions)	HHs	0	0	0	0	2.1	2.7	3.3	3.6	4	
	6.9 Number of beneficiaries of the credit facility.	% per financial year	0	0	0	0	1,385	1,645	2,375	2,613	2,874	

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>EOP 2018 (Projected)</i>	<i>Means of Verification</i>
7.0 Project Management helping farmers to provide growing amounts of crushing material for processing in edible oil & earning better incomes	7.1 IFAD loan 55% disbursed by 30 June 2015 and 100% by 31 June 2019	Number	0%	11%	13.5%	19.7%	32.3% ¹⁰	46.51	61.29	80	100	VODP2 progress reports. IFAD loan disbursement report Audit reports in line with IAS.
8.0OUTPUTS	8.1 Full staff of qualified professionals	%	2	2	12	13	13	10	10	13	13	Audit reports PMU financial reports
8.1 Project Management fully operational												
8.2 Oilseed subsector platform (OSSUP) providing forum for stakeholders	8.1 Percentage of actions that OSSUP platform meetings agreed upon that have been	%	100	100	100	100	100	100	100	100	100	VODP2 project progress and M&E reports

¹⁰ September 2014

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>EOP 2018 (Projected)</i>	<i>Means of Verification</i>
	implem ed											
	8.2 Timely preparation and execution of AWPB (budget performance by financial year).		Y	Y	Y	Y	Y	Y	Y	Y	Y	
	8.3 Timely submission of mandatory reports		Y	Y	Y	Y	Y	Y	Y	Y	Y	
	8.4 Timely submission of withdrawal requests		Y	Y	Y	Y	Y	Y	Y	Y	Y	

BOLD: RIMS INDICATORS

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 (05) 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 Approaches to Rural Community Development (ARCOD)** of P.O.Box 155 Arua for West Nile Hub at a sum of Ushs 537,037,000 (Five hundred thirty seven million thirty seven thousand shs) for the first year operations, exclusive of local taxes. contract signed on 22nd Augst2016
 - ✓ **M/s All Nations Christian Care (ANCC)** 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 663,372,450 (Six hundred sixty three million three hundred seventy two thousand four hundred fifty shs) for the first year operations, exclusive of local taxes. contract signed on 22nd August 2016
 - ✓ **M/s Acholi Private Sector Development Company Limited(APSDEC)** of P.O Box 536 Kitgum, for Consultancy services in Agricultural Extension Services and Business Partnerships Development under the Oil Seeds Component-Gulu Hub at a sum of Ushs 546,819,000 (Five hundred forty six million eight hundred nineteen thousand shs) for the first year operations, exclusive of local taxes. contract signed on 22nd August 2016
 - ✓ **M/s Sasakawa Global 2000 Uganda (SG 2000)** of P.O Box 26357 Kampala, for Consultancy services in Agricultural Extension Services and Business Partnerships Development under the Oil Seeds Component- Eastern Ugand Hub at Ushs 663,339,000 (Six hundred sixty three million three hundred thirty nine thousand shillings) for the first year operations, exclusive of local taxes. contract signed on 22nd August, 2016

- ✓ **M/s Send A Cow Uganda** (SACU) of P.O Box 6653 Kampala, for Consultancy services in Agricultural Extension Services and Business Partnerships Development under the Oil Seeds Component- Eastern Uganda Hub at Ush 570,602,592 (Five hundred seventy million six hundred two thousand five hundred ninety two shillings) for the first year operations, exclusive of local taxes. contract signed on 22nd August 2016
- **A consultancy service for setting up MIS for VODP2** was awarded to M/s Sytech Associates Uganda Limited at contract price of UGX. 49,914,000(Forty nine million nine hundred fourteen only) local taxes inclusive. The contractor has completed setting up the Web based MIS for the project and the payment for the service is in the process
- **Provision of annual Group Personal Accident/Workman’s Compensation insurance** cover for 24 (twenty four) VODP2 Project staff was renewed effective 14 November 2016 signed with M/s National Insurance Corporation Ltd of P.O Box 7134 Kampala at Ushs 23,614,2288 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 renewed effective 4th March 2017 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 hub offices** atof Arua, Gulu, Lira and Mbale have all been renewed till 31st July 2017 at a cost of UGX 55,176,000 (Shillings fifty five million one hundred seventy six thousand 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 1,000 copies of printed Soybean production Guide in Uganda Oilseeds Field Hand Books;** have been procured from M/s Compliant Options , of P.O Box 26560 Kampala at Ushs 9,912,450 (Nine million nine hundred twelve thousand four hundred fifty shs) VAT 18% inclusive.
- **Supply of assorted furniture** by M/s Footsteps Furniture Company Uganda Ltd at contract price of 16,700,000= (Shillings sixteen millions seven hundred thousand shs only)
- **Supply of assorted office stationery** by M/s Harrina Enterprises at a price of UGX 65,700,000. The stationery has all been delivered and all payments cleared.
- **Supply of Calendars and Diaries;** 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.
- **Supply of Knapsack for farmer learning platforms;** The supply for Knapsacks for farmer learning platforms in the regional hubs of West Nile, Gulu, Lira and Eastern Uganda by M/s Priceline Supplies was concluded at UGX 36,816,000(Thirty six million eight hundred sixteen thousand only) local taxes inclusive.
- **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 renewed 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.
- **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. The defect Liability

period has elapsed with minor repairs carried by the Contractor. The retention for defect liability has now been paid to the contractor and this procurement file is now closed.

PROCUREMENTS IN PROGRESS:

- supply of 02 double cabin pick ups
- supply of 04 Tractors
- Supply of 04 Tractor Trailers
- Supply of 01-units of motor boat
- Provision of Consultancy services for Institutional Development and Strengthening under the oilseeds and Oil palm development.
- Transportation by Vessels of road Equipment to outlying Islands of Kalangala
- Construction of two fertilizer stores on the outlying Islands of Kalangala
- Construction of car shed for KOPGT
- Staff Medical Insurance
- Supply of Ox Plough
- Hybrid Seeds and improved seeds for farmer learning platforms

ANNEX IV: Loan disbursement and repayment distribution Per Hub by Partner Financial Institutions.

HUB	Lira Hub	Bank	Amount	Repaid	Groups	Beneficiaries		District
						Male	Female	
	repeat (2 cycles)	UDBL loans	739,000,000	374,500,000	Alito Joint	257	196	Kole
	OLD	UDBL loans	497,500,000	497,500,000	Acwec Omio Coop	156	65	Oyam
	OLD	UDBL loans	500,000,000	200,509,885	Angetta Coop	316	116	Alebtong
	OLD	Finca Loans	34,550,000	32,341,000	Otimikomwa	36	22	Alebtong
	OLD	Finca Loans	25,000,000	22,863,000	Note En teko	110	82	Oyam
	repeat (2 cycles)	OBUL loans	18,000,000	9,440,000	Orupe	12	5	Serere
	OLD	OBUL loans	10,100,000	7,236,500	Obangamara	16	6	Dokolo
	repeat (3 cycles)	OBUL loans	27,850,000	9,558,000	Kakure A &B	23	4	Kaberaido
	repeat (3 cycles)	OBUL loans	15,950,000		Kakure B	18	1	Kaberaido
	new 2017	DFCU loans	8,500,000	8,500,000	Pwodi Eboot	10	9	Kaberaido
	new 2017	DFCU loans	5,000,000	5,000,000	Canlinyero	6	4	Kaberaido
	new 2017	DFCU loans	9,800,000		Ogasia Obiamora	5	7	Kaberaido
	Repeat loan, new 2017	PRIDE MFI	37,500,000	12,500,000	Note ber	11	8	Oyam
	New 2017	PRIDE MFI	3,240,000		Pur ber	4	4	Oyam
	New 2017	POST BANK	3,800,000		Ogoro oyere	10	2	Oyam
	New 2017	POST BANK	4,200,000		Abedi gen	11	3	Oyam
	New 2017	POST BANK	4,900,000		Gen badi	13	2	Oyam
Eastern Uganda		UDBL loans	201,996,000	10,663,952	Mayuge DFA	215	35	Mayuge
		UDBL loans	329,400,000	56,986,741	Jinja DFA	132	43	Jinja
		UDBL loans	180,000,000	58,032,877	Iganga DFA	153	73	Iganga
	New 2017		6,000,000		2 FGs			Kamuli
	New 2017		25,800,000		4 FGs			Jinja
	New 2017		7,000,000		1			Bulambuli

<i>New 2017</i>		1,000,000			1			Sironko
<i>New 2017</i>		11,500,000			2			Tororo
<i>New 2017</i>		8,200,000			1			Manafwa
<i>New 2017</i>	OBUL	21,500,000			Taabu Cooperative	19	24	Tororo
<i>New 2017</i>	Bugadde SACCO	14,150,000			Bukenda Akanaabala	6	7	Namutumba
<i>New 2017</i>	Success SACCO	860,000			Lukindu Livestock Farmers group	10	8	Mayuge
<i>New 2017</i>	EPSEDEC-CARD	30,000,000			30 FGS			
Northern Uganda								
repeat cycles)	(2 Post Bank loans	10,000,000	10,000,000		Ocam Ringo	11	5	Lamwo
repeat cycles)	(2 Post Bank loans	9,000,000	9,000,000		Lakure Peko pee	12	13	Lamwo
repeat cycles)	(2 Post Bank loans	7,000,000	7,000,000		Kica Ber A	14	6	Lamwo
	DFCU loans	12,500,000	9,971,498		Pabbo Rice farmers	1	18	Amuru
	DFCU loans	15,733,000	12,419,022		Tute Laco laco	10	9	Amuru
	DFCU loans	5,000,000	5,000,000		Lacan pe nino	2	13	Gulu
	DFCU loans	10,600,000	10,114,201		Ateki Lwak	8	7	Amuru
	DFCU loans	12,300,000	8,028,193		Can pe wat	2	18	Amuru
	DFCU loans	15,000,000	8,765,264		Woo balu kuc	8	11	Amuru
	DFCU loans	5,000,000	5,000,000		Ribe aye Lonyo	7	3	Gulu
	DFCU loans	18,833,000	6,869,925		Guru Guru	8	7	Amuru
	DFCU loans	27,000,000	5,997,667		Pito Kic tek	0	10	Amuru
	DFCU loans	9,432,000	9,432,000		Agwayugi & Coke	0	10	Amuru
<i>New 2017</i>	DFCU loans	20,000,000			Lit ki Lanyero	3	10	Amuru
<i>New 2017</i>	DFCU loans	28,000,000			Pit odong ki mon	6	19	Amuru
	DFCU loans	6,700,000	6,700,000		Gem Produce	6	12	Gulu
	Kitgum SACCO	5,200,000	5,200,000		Oribcing	12	18	Kitgum
APSEDEC		49,800,000				415		