The Republic of Uganda

VEGETABLE OIL DEVELOPMENT PROJECT

PHASE 2 (VODP 2)

ANNUAL REPORT

JULY 2017 – JUNE 2018

PROJECT MANAGEMENT UNIT

Ministry of Agriculture, Animal

Industry and Fisheries

KAMPALA

AUGUST 2018

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 (km2)	=	0.38 square miles
1 litre (1)	=	0.22 imperial gallons
1 metric ton (mt)	=	2,208 pounds

ABBREVIATIONS AND ACRONYMS

AWP & B	Annual Work Plan and Budget
BOPGA	Buvuma Oil Palm Growers Association
BOPGT	Buvuma Oil Palm Growers Trust
CC	Contracts Committee

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

1.0. INTRODUCTION

1.1 BACKGROUND

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

The overall goal of the project is to contribute to sustainable poverty reduction in the project area. The development objective is to increase the domestic production of vegetable oil and it's 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 under the oil palm and Project Management components of the project for the period of July 2017 to June 2018. The report 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 the oil palm components is cumulative to enable comparison to the project targets.

1.3 SUMMARY OF THE PROGRESS BETWEEN JULY 2017 AND JUNE 2018

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), no new planting was done by smallholders leaving the smallholder scheme at 4,424 hectares (94% of project target), smallholders net incomes are now at USD 1,426 per hectare per year (95% of project target) and 102 km of new farm roads have been constructed (52% of annual target). The palm oil mills in Kalangala produced 24,927 tons of crude palm oil in the entire 2017 (83% of annual target). OPUL and BIDCO paid Government of Uganda taxes (on VAT and Income) worth UGX 178 Billion. Under the oil seeds component, mill capacity utilization has reached 56% (out of the targeted 70%).

Under the oil seeds component, the 11 recruited service providers and District Local Governments are providing extension and other value chain services to 5,311 farmer groups with 106,000 households, who are growing sunflower, soybeans, ground nuts and sesame. Of these, the service providers are reaching 3,507 farmer groups and the District Local Governments are reaching 1,804 farmer groups. Focus by the project in the financial year was consolidation of the groups and promoting farming as a business.

Under project management, the project the project has scaled up sharing information on the project with stakeholders through various fora and has conducted studies to estimate the effect of the project interventions in Kalangala. The project Management Information System was updated with information from both the oil palm and oil seeds components. The IFAD loan disbursement has increased to 70%.

2.0 PROGRESS UNDER THE OIL PALM DEVELOPMENT COMPONENT

2.1 Oil palm consolidation and expansion in Kalangala

The project, continues to be one of the "best practice" projects by Ministry of Agriculture with proof of local economic impact realized by the people in Kalangala. A report of the Local Economy Wide Impact Evaluation carried out in September and October 2017 shows that each additional acre of oil palm adds UGX 2.2 million annually to the Kalangala economy; creates 127 person-days of employment in Kalangala, and that all sectors of the economy expand with the exception of fish. The draft survey report also shows that a 1% (109 acres) expansion in oil palm plantation raises the total cash income in Kalangala by UGX 242 million, and estimates that a 10% increase in oil palm productivity increases the total cash income in Kalangala by nearly UGX 5 billion annually. This and more emerging evidence from Kalangala highlights the impact of the project and the PMU will continue to engage in partnerships with IFAD and Government to scientifically measure the impact, draw lessons and provide evidence to stakeholders.

The sections below provide progress of implementation of the planned activities in FY 2017/18 and also provide the overall progress towards achievement of the project targets;

2.1.1 Farmers registered to participate in the smallholder scheme

In the reporting period, no new farmers were registered to participate in the oil palm smallholder scheme which maintained the total number of farmers registered by KOPGT to 1,810 with 652 females (36%). KOPGT also has 10 registered institutions like Churches. The number of farmers registered to participate in the smallholder scheme in Kalangala is already above the targeted 1,800 farmers at design. Mobilization of new farmers has been done on Bunyama and Bubembe islands as the project targets to reach the envisaged 4,700 hectares under smallholders in Kalangala. 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 10,924 hectares. The private sector has a nucleus estate of 6,500 hectares while smallholder farmers have planted 3,900 hectares on Bugala island, 207 hectares on Bunyama island, and, 281 hectares on Bubembe island. The total area planted by smallholder farmers in Kalangala has been maintained at 4,424 hectares out of the targeted 4,700 hectares. The smallholder target was not achieved during the last planting in 2016 as a result of blast disease which affected seedlings worth 276 hectares. The project, with support of the Oil Palm Expert engaged OPUL and agreed on actions that must be taken to ensure no re-occurrence of the blast disease in the OPUL nursery, which actions have been undertaken by OPUL. A new order for 80,000 seedlings was placed by KOPGT and it is projected that these will be ready by March 2019 and availed to smallholder farmers on Bunyama and Bubembe to achieve the project smallholder planting target of 400 hectares of oil palm planted on both Bunyama and Bubembe islands. This will also enable the project to achieve the overall oil palm planting target of 11,200 hectares in Kalangala..

The table 2.2 below shows the hectares planted with oil palm by smallholder farmers in Kalangala from 2010 to date.

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	662
Bbeta West	412	497	715	750	750	760	770
Bujumba	254	271	513	607	587	611	623
Kagulube	290	175	331	366	366	385	384
Kalangala	323	340	462	506	476	478	478
Kayunga	332	402	555	659	659	670	673
Outlying Islands	0	0	0	0	50	405	488
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 2017 and June 2018, maintenance loans amounting to UGX 429,212,500 million were provided as maintenance loans and land clearing loans to 174 smallholder farmers on 483 hectares. This increased the total loans disbursed to smallholders for oil palm development activities to UGX 44.8 billion. Table 2.3 below shows the loans provided to the smallholders by block.

Table 2.3: Smallholder loan distribution by block between July and June 2018

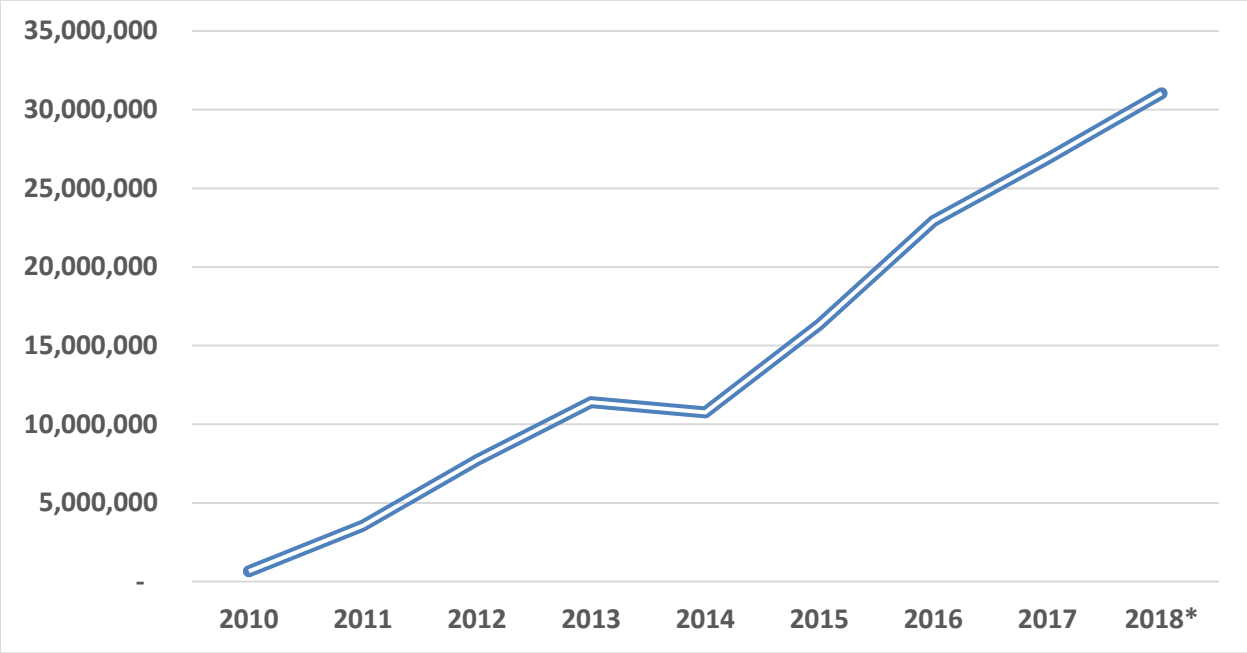
Block	Maintenance	Land Preparations	Total Loan
Bbeta East	29,587,500	-	29,587,500
Bbeta West	33,712,500	-	33,712,500
Bujumba	23,850,000	-	23,850,000
Kagulube	25,912,500	-	25,912,500
Kalangala	1,012,500	-	1,012,500
Kayunga	99,225,000	-	99,225,000
Bubembe	84,750,000	10,850,000	95,600,000
Bunyama	63,337,500	3,500,000	66,837,500
CONTRACTORS	53,475,000	-	53,475,000
Total Loan	**414,862,500**	**14,350,000**	**429,212,500**

2.1.4 Fresh fruit bunch harvest by smallholder oil palm farmers

Between July 2017 and June 2018, the farmers in Kalangala harvested 37,801,753 kgs (37,802 tons) of oil palm FFBs. The farmers in Kalangala have now cumulatively harvested 124,614 MT since January 2010. The FFB harvesting trend shows that in Kalangala, 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 896,667 kgs in FY 2013/2014, to 1,361,020 kgs in 2014/2015, to 1,622,117 in 2015/2016, to 2,023,152 kgs in 2016/2017, and now to the current 3,150,146 kgs in FY 2017/18. 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.

The number of farmers harvesting has also increased from 1,074 farmers in July 2017 to 1,199 farmers in June 2018 with the area under harvest increasing from 3,020 hectares in July 2017 to 3,200 hectares in June 2018. Figure 1 below shows the annual FFB production by smallholder farmers in Kalangala.

Figure 1: Annual Oil Palm Fresh Fruit Bunch Production in Kalangala



2018* the data is only for the months of January to June 2018.

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

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Jan	1,490	80,281	560,796	615,350	951,759	1,233,520	1,089,215	2,175,598	3,088,334
Feb	9,080	119,478	655,719	698,787	744,865	1,431,761	938,339	2,022,620	3,187,955
Mar	15,393	280,670	644,848	960,085	871,154	1,471,949	1,905,194	2,276,417	5,260,824
Apr	39,736	253,924	827,630	1,162,113	905,758	1,792,796	3,107,832	2,312,220	5,142,312
May	57,240	322,334	786,172	1,188,216	912,909	1,696,157	2,808,684	2,674,510	4,397,812
Jun	50,210	262,570	617,324	1,052,661	777,304	1,336,570	2,246,660	1,988,820	3,285,556
Jul	45,590	330,047	501,854	853,694	722,247	1,093,765	1,653,243	1,801,180	3,020,679
Aug	57,083	276,397	627,690	789,549	787,040	1,071,306	1,480,480	1,959,470	
Sep	85,790	286,253	666,883	890,701	801,909	1,228,237	1,494,318	1,664,080	
Oct	88,088	316,285	636,410	1,085,660	1,137,623	1,348,944	1,842,085	2,349,420	
Nov	94,811	465,828	710,234	1,133,816	1,170,411	1,405,193	2,453,030	3,053,850	
Dec	108,969	561,777	492,362	978,682	977,139	1,222,040	1,904,482	2,610,960	
Avg Monthly Production	54,457	296,320	643,994	950,776	896,677	1,361,020	1,910,297	2,240,762	4,060,466
Annual Production	**653,480**	**3,555,844**	**7,727,922**	**11,409,314**	**10,760,118**	**16,332,238**	**22,923,562**	**26,889,145**	**27,383,472**

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 calendar year the FY 2017/18 was Ush 568 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 January 2016 and reached the highest monthly price of UGX 623 per kg of FFB in October 2017. The FFB price has however, been decreasing since the beginning of calendar year 2018 with the lowest being Ushs. 497 per kg of FFB for the month of September 2018. The contributors to the price trends have largely been the supply of Malaysian palm oil to the world market and other climatic factors in Malaysia. The decrease in the price of CPO is partly due to reduction in demand of Malaysian CPO on the European market following its ban in 2017 by European Countries being accused of massive deforestation. KOPGT has stepped up engagement of the farmer leaders to encourage farmers to ensure FFB harvesting is done at the right time, and that the quality of FFB meets the OPUL requirement to enable them benefit from higher Oil Extraction Rates which is an important variable in the pricing formula.

Table 2.5: Price trends per kg of FFB in Kalangala

	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	215	407	391	340	397	359	398	598	525
February	215	431	401	369	381	373	405	617	535
March	227	434	397	378	396	379	462	595	564
April	247	410	443	371	431	382	478	565	565
May	246	398	466	358	407	401	512	550	566
June	248	466	422	365	398	402	490	562	557
July	252	428	386	370	390	434	476	537	550
August	256	436	393	357	393	437	459	528	
September	280	468	408	377	355	391	507	593	
October	285	465	393	371	334	406	542	623	
November	328	422	349	379	346	436	525	613	
December	348	411	348	403	373	392	565	612	
Average monthly price	**262**	**431**	**400**	**370**	**383**	**399**	**485**	**583**	**552**

2.1.6 Gross income for the farmers from their FFB harvests

In the period July 2017 to June 2018, the 1,199 smallholder farmers who had mature gardens earned a gross income of UGX 21,440,893,756 (UGX 21.4 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 1.8 billion each month. OPUL has paid smallholder farmers with mature gardens a total of UGX 60,216,048,743 (UGX 60.2 billion) between January 2010 and June 2018. In the months of March and April 2018, the smallholder farmers in Kalangala earned over UGX 2.9 billion each month, the highest ever gross monthly revenue earned in one month from oil palm in Kalangala. Table 2.6 below shows the gross income earned by smallholder farmers in Kalangala from January 2010 to June 2018.

Table 2.6: Gross income from FFB harvests (UGX)

	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	1,621,375,350
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	1,705,555,925
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	2,967,104,736
April	9,814,792	104,108,840	366,640,090	431,143,923	390,381,698	684,848,072	1,485,543,696	1,306,404,300	2,905,406,280
May	14,081,040	128,288,932	366,356,152	425,381,328	371,553,963	680,158,957	1,438,046,208	1,470,980,500	2,489,161,592
June	12,452,080	122,357,620	260,510,728	384,221,265	309,366,992	537,301,140	1,100,863,400	1,117,716,840	1,830,054,692
July	11,488,680	141,260,116	193,715,644	315,866,780	281,676,330	474,694,010	786,943,668	967,233,660	
August	14,613,248	120,509,092	246,682,170	281,868,993	309,306,720	468,160,722	679,540,320	1,034,600,160	
September	24,021,200	133,966,404	272,088,264	335,794,277	284,677,695	480,240,667	757,619,226	986,799,440	
October	25,105,080	147,072,525	250,109,130	402,779,860	379,966,082	547,671,264	998,410,070	1,463,687,414	
November	31,098,008	196,579,416	247,871,666	429,716,264	404,962,206	612,664,148	1,287,840,750	1,872,008,211	
December	37,921,212	230,890,347	171,341,976	394,408,846	371,932,847	479,039,680	1,076,032,330	1,597,906,296	
Total	**186,362,101**	**1,531,013,457**	**3,113,535,031**	**4,231,165,069**	**4,110,443,405**	**6,499,527,864**	**11,304,574,161**	**15,720,769,080**	**13,518,658,575**

2018* The table shows gross monthly income from January to June 2018.

2.1.7 Loan repayments by smallholder farmers in Kalangala

The 1,199 smallholder farmers with mature gardens in Kalangala repaid back UGX 6,706,606,599 (UGX 6.7 billion) between July 2017 and June 2018. This has increased the total loans recovered between 2010 and June 2018 to UGX 18,482,489,679 (UGX 18.5 billion). Table 2.7 below shows the monthly loan repayments by the smallholders in Kalangala.

Table 2.7: Monthly loan repayments by smallholder oil palm farmers

Months	Net sales from the schedules	33% loan recovery from ffb sales	10% to interest
Jul'17	916,392,085	302,409,388	30,240,939
Aug'17	974,317,436	321,524,754	32,152,475
Sep'17	933,002,013	307,890,664	30,789,066
Oct'17	1,393,170,123	459,746,141	45,974,614
Nov'17	1,781,165,705	587,784,683	58,778,468
Dec'17	1,521,394,322	502,060,126	50,206,013
Jan'18	1,527,347,233	504,024,587	50,402,459
Feb'18	1,610,713,457	531,535,441	53,153,544
Mar'18	2,812,513,726	928,129,530	92,812,953
April'18	2,756,826,327	909,752,688	90,975,269
May'18	2,361,255,903	779,214,448	77,921,445
June'18	1,734,951,971	572,534,150	57,253,415
Total	**20,323,050,301**	**6,706,606,599**	**670,660,660**

The PMU and KOPGT have continued to update the farmers loan ledgers. A team was constituted to work with the KOPGT credit office to clean up the system. The results of this activity will be used to update the smallholder farmer records, and will be shared with stakeholders. From the KOPGT records, 124 smallholder oil palm farmers (38 female) have repaid back all the oil palm development loan principle. These include 17 from Kagulube block (2 female), 11 from Bujumba block (4 female), 32 from Bbeta West Block (13 female), 17 from Kalangala block (2 female), 30 from Kayunga block (13 female) and 19 from Bbeta East Block (04 female). Among the farmers who have paid back the loan principle, the farmer which the highest amount of loan was Adipa Vincent Owor of Kagulube block who received UGX 88 million shillings and has paid back UGX 110.4 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.

As a follow up to the IFAD Mission previous recommendations, in February 2018, KOPGT deposited loan reflows totaling to UGX 15,306,770,708 (UGX 15.3 billion) to the Government of Uganda Consolidated Fund managed by Bank of Uganda. Subsequent reflows will be remitted to Bank of Uganda annually.

2.1.8 Trainings of smallholder oil palm farmers

KOPGT in collaboration with Kalangala District Local Government, KOPGT, PMU, UCA and OPUL, organized and conducted a series of training activities; geared towards empowering the oil palm farmers towards best management practices, finance literacy, use of agrochemicals, environmental safeguards and SUPCO governance

2.1.8.1 Environmental sustainability

KOPGT with support of OPUL and the Kalangala District Local Government organized trainings on environmental sustainability which had 30 participants; training on gender roles and responsibilities with 89 people and trainings on pruning and front alignment.

2.1.8.2 Tree census and mapping

KOPGT carried out refresher training for farmers on tree census to determine the actual number of trees each farmer has. Farmers are now collecting data with supervision of the field officers and unit leadership. Once completed, KOPGT will use the results to distribute and apply fertilizer, make together with farmers production projections and planning.

2.1.8.3 Performance of Best Management Plots

KOPGT in collaboration with the farmers Unit and Block leaders has established Best Management Practices (BMP) plots as an approach to ensure that oil palm productivity initiatives are well understood and embraced by all the smallholder growers. The BMP plots act as field schools to the farmers and their workers in informing them of the ideal/best practices that bring about higher FFB yield and ensuring high quality FFB production.

The average FFB yield has not reached the optimum for a number of reasons; including low fertilizer uptake, pruning practices, harvesting and collection challenges and labour availability/management bottlenecks.

OPUL assigned one of their Division Managers and the agronomist to work with KOPGT in this productivity initiative, to ensure that the BMP plots are well managed and farmers trained on the recommended practices.

The plantation maintenance practices of fertilizer use, chemical use and handling, pruning, harvesting, grading and weeding practices are emphasized during seminars which are hosted every month at farmers' plantations, where OPUL demonstrates practices and skills in the field.

2.1.8.4 Others activities conducted by KOPGT in the reporting period included

Other activities conducted included;

a. Drafting of the SOPs for oil palm growing completed and draft share and now are at editing and production level

b. Collection of foliar samples for foliar analysis; together with Research, 74 samples were collected from the sample gardens selected. 37 samples were sent to Malaysia and 37 samples were sent to Kawanda. Results will be used in fertilizer formulation

c. Exposure visits to the mill and training of 52 (18Male and 35 Female) farmers in FFB grading and quality control standards

d. Training on Grading Standards of 658farmers, farmer workers and unit leaders (420 male and 238 Female)

e. Training on the Pests and disease identification, reporting and control by Research. Attended by 540 farmers and farm workers in all the blocks (378 male and 162 Female)

A summary of various activities undertaken during the period

Table 2.8: Other activities conducted by KOPGT

Activity	Location	M	F	Total	Target
Exposure of the farmers to the mill for grading standards	Bukuzindu	18	35	52	100
Pests and Diseases training	Kalangala	378	162	540	400
Meeting with contractor teams	Kagulube	29	1	30	30
Meeting with Unit leaders	Kalangala	22	12	34	24
Hosted farmers from Mayuge	Kalangala	48	32	80	94
Training on Grading Standards	Bukuzindu	420	238	658	940
Training of Drivers and Loaders on Safety on the road and Quality selection	Kalangala	60	0	60	60

2.1.9 KOPGT/ KOPGA Institutional Capacity building

KOPGA has undergone a restructuring process at grass root level (units and blocks) aimed at promoting a bottom-up internal process of restructuring and revitalizing the organization and increasing the accountability and communication among its different levels. UCA has been supporting the process to get farmers better organized to engage in the oil palm business commercially and sustainably, and manage their business without heavy reliance on Government/IFAD. The process has achieved the transformation of KOPGA into a Cooperative society that was officially launched with a farmer's membership of 419 oil palm farmers and have collected funds amounting to UGX 40 million within a period of 6 months out of share capital and membership. There is now clear acceptance of the new farmer institution at the grass roots as compared to when it was an association due to the process that included grassroots participation

and trainings on the principles of cooperating and managing a business. During the reporting period the following achievements have been registered;

- UCA conducted 8 training at block level; emphasis put on governance, financial management, resource mobilization, and leadership and business principles.

- The Board of the cooperative supported to develop a 6 month work plan and budget that was approved by the members during the launch to support activities during the transitional period such as; mobilization of more members, search for leadership, and setting up of systems and supporting the work of the Supervisory committee to ensure that the policies set up by the cooperative is implemented within its framework.

- The Annual General Meeting extended the interim leader's term for additional 6 months up to end of December, 2018 to provide for the vetting committee to kick start a process of searching for competent leaders that will stand to be elected in the Annual General Meeting.

- SOPGCo leaders and members also received training on cooperative principles, roles and responsibility of members, and leadership training at unit and block levels, financial management as well as resource mobilization strategies. 2 policy manuals have been drafted for governance and financial management and undergoing review by the execute members.

In line with the transformation, KOPGT new board was constituted with 3 committees; Finance and audit, Research production and marketing committee and institutional development and administration committee. 4 meetings of the board have been held and the institutional development and administration kick started the process of reviewing the trust deed. The committee drafted the following proposal for amendment in the deed;

- Increasing farmer representatives from 3 to 4 on the board of KOPGT and OPUL included as ex official bringing the total number of board to 13 from 11. OPUL has been

- Term of office harmonized to 2 year term and renewable for 1 term. (i.e. appointing institutions cannot appoint same person for more than 2 term) with exception of office of Director NARO, and Manager VODP Project or its successor project.

- Inclusion of roles that will be passed on to the farmer's organization and those that will remain with the Trustees (proposed roles in the annex) and a formal contract or agreement reached by January 2016.

UCA has put in place a Legal team of (2 Lawyers) working with the representation from office of Solicitor General who sits on the KOPGT board to study and draft legal papers after reviewing the proposed changes in the trust deed.

During the reporting period the leaders of the cooperative in collaboration with KOPGT secretariat organized a meeting of Kalangala oil palm stakeholders to discuss sustainability strategies for the oil palm institutions after end of funding from IFAD and GoU. In attendance were the founding members of the trust, District local leaders and senior managers of OPUL whom the farmers requested to make share their experience of running and managing an oil palm business organizations. Among the recommendation for adopting strategies for improving efficiency and effectiveness of oil palm operations were the following;

i. Set up a committee for the farmers' cooperative to analyze incomes and expenditure for services provided by the secretariat and propose areas for improving efficiency of the oil palm operations before 2019.

ii. Need for the cooperative to review the roles and functions of all KOPGT secretariat and staff number and align with the available resources and services.

iii. Put in place operational controls with support of UCA and OPUL for efficient operations of the Cooperative society by January 2019

iv. The Cooperative to go through the oil palm covenants to ensure that all roles of the government are dually taken up by KOPGT and or the Cooperative society.

2.1.10 Promoting savings for 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.

In an effort to improve performance of the society, the project through UCA have continued to provide technical assistance to SOPAG SACCO management and its members in their respective blocks on mobilization of savings and membership with the aim of having the SACCO grow into strong, safe and sound SACCO.

UCA supported the SACCO board to streamline relations and partnership with the producer cooperative (SOPGCo) and as such the leaders of both farmer institutions hold joint planning meetings and conduct joint sensitizations and mobilization of farmers. This is further intended to position the SACCO as the financial arm of the producer Cooperative (SOPGCo).

During the reporting period the SACCO's operational systems and polices were streamlined including; harmonization of the management information system (MIS), and the SACCO Board supported to develop a Board and Human Resource polices. Leaders (2 female) board members of the SACCO were selected to attend 2 weeks training organized by UCA on women leadership the cooperative in the Cooperative College in Kigumba. This support builds confidence among the women farmers to partake in leadership of the oil palm farmer institutions. The ambiance of the SACCO was also improved with partitioning of the office space to include a Banking Hall to make it attractive to the members to save with the SACCO in an environment that feels safe and make it competitive with the Bank on Bugala Island.

As at end of December 2017, the SACCO has 563 paid up members (341 males and 214 females, 7 groups and 1 institution) with a share capital of Ushs. 103,348,257 million (distributed as follows Ushs. 67,495,000 males and Ushs. 34,703,257 females, 1100,000 groups and 50,000 institution). The savings portfolio has increased to Ushs. 91,573,707 million with 549 active savers (male 329 & females 212, insti. 1 and 7groups). Loan Portfolio; 289 active loans (182 males and 107 females)

and outstanding loan portfolio of UGX. 256,895,587, and a portfolio at risk rate of 2%. Products offered include Agricultural loans, School fees loans and Commercial loans to oil palm farmers.

SOPAG financial performance shows that the SACCO assets is worth Ushs. 244.7 million, and in a surplus made of Ushs. 13.5 million, 6% return on assets. The next AGM of the SACCO is due in Decembers and the board has appointed Auditors that to prepare the accounts. In terms of governance, the SACCO AGM elected board comprising of 7 members (3 females) and Supervisory Committee and Vetting Committee. And board committee's comprise of: Finance committee, Loans committee and Human resource Committee. SACCO was supported in realignment of the staff structure & has 4 fulltime staff; 1 Cashier, 1 Loan officer, 1 Accountant and a General Manager.

2.1.11 Partnership with Financial Institutions for fertilizer and farm labor

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 may 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. KOPGT oil palm smallholder farmers have paid back UGX 537,426,281, 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 research department of the bank carried out a study on the Oil palm sub-sector and have earmarked it as a strategic intervention crop in the strategic plan both in Kalangala and Buvuma

Additionally the oil palm Farmers weaned off the development loan have also been individually accessing loans from other commercial banks on the island i.e. Stanbic and Finance Trust to invest in other enterprises as well pay for farm labor. 204 farmers (145 males and 59 females) have accessed loan to a tune of UGX. 1 bn. KOPGT together with PMU stopped the banks from further

lending to enable the partners work out a harmonized system of monitoring these loans to minimize the risk of over indebted of oil palm farmers.

2.1.11 Supporting Infrastructure for Oil Palm Development.

a. Road Construction on Bugala Island

From July 2017 to June 2018, 60 km of new farm roads have been constructed on Bugala Island in the blocks of Bbeta East and Bbeta West. The scope of the construction works included bush clearing, levelling/ grading, shaping to form camber and compaction. The project also maintained 52 km of farm roads, of which 36 km were done by equipment and 16 km were done by manual labour. The cumulative length of roads constructed by the project on Bugala Island currently stands at 384 km (including 253km done under phase 1).

The road works are carried out using force account mechanism with equipment and personnel from the Namalere based Agricultural Mechanization Project by MAAIF. The district based project equipment (grader, dozer, wheel loader and roller) were not availed to the project to carry out the road works and this affected progress of works. In order to expedite road opening in the remaining period of oil palm support, the project has hired equipment from a company using the MAAIF framework contract to complete construction of the targeted roads. This equipment started working during this month and is opening roads in Kagulube Block on Bugala Island.

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

The project transferred a road unit to Buyama in May 2018 and so far 42 km of roads have been constructed on the island. An additional 10 km of roads remain to be done on Bunyama Island before transferring the equipment to Bubembe Island where an estimated 40 km of roads will be constructed.

c. Road Maintenance Plan

An inventory of all access and farm roads is on-going to assess the condition of the roads in order to ascertain the initial road maintenance interventions required. This will guide in the preparation of the road maintenance plan. So far 80% of the roads have been assessed.

d. Design and Construction of Landing Sites

Bunyama and Bubembe Islands: The Designs and bidding documents for the landing sites of Bunyama and Bubembe were sent to IFAD for a no-objection in July 2018.

Kiyindi, Buvuma Island and Bugala Island: The evaluation report for the procurement of a contractor to carry out design and construction ferry landings for Kiyindi, Buvuma and Bugala Islands was sent to IFAD for a no-objection in June 2018.

e. Design and Construction/Supply of Ferries

The evaluation of the bids for design and construction/supply of a ferry to serve Buvuma Island has been concluded and a request for a no-objection is to be sent to IFAD. The second ferry which is to serve the outlying Islands of Kalanga is to be re-advertised since there was no substantially responsive bid received in the just concluded evaluation exercise.

a. Supervision of Construction of Landing Sites

The evaluation of the technical proposals for construction supervision of all the landing sites has been concluded and a request for a no-objection is to be sent to IFAD.

b. Fertilizer Stores at Bunyama and Bubembe Islands:

Construction of Fertilizer Stores for Bunyama and Bubembe Islands will commence in August 2018. The Contractors have mobilized materials and have stated on foundation excavation and construction.

c. Fertilizer Store and Offices at Buvuma

Offices: Contract for construction offices for Buvuma hub was signed and the Contractor is mobilizing materials to commence construction.

Fertilizer Store: Request for a no-objection to the bidding documents for construction of fertilizer store for Buvuma will be sent to IFAD by 30 July 2018.

d. Expansion of KOPGT Offices

Contract for expansion offices for KOPGT was signed and the Contractor is mobilizing materials to commence construction.

e. Renovation of Soybean Store at Makerere Agricultural Research Institute (MUARIK)

Renovation of Soybean Store at MUARIK will commence on 4th July 2018 and physical progress is currently at 61.5%.

2.1.12 Performance of the private sector partner – BIDCO and OPUL

The project has established a tracking system for the overall performance of the oil palm investment in Kalangala. In general, there has been a positive trend on the production of crude palm oil from Kalangala, Crop production both in the nucleus estate and smallholder scheme and taxes paid to Government of Uganda. The table 2.8 below provides a summary of the overall all performance of the oil palm investment in Kalangala.

Table 2.9: Overall performance of the oil palm investment in Kalangala

Year	Crude Palm oil tonnage (MT)	Crop Production (MT)		Taxes paid to GOU (UGX Bn)	
		OPUL	Smallholder	OPUL	BUL
2010	4,692	22,787	636	0.8	40
2011	10,475	47,817	3,555	5.2	65
2012	13,552	56,655	7,776	6.2	79
2013	19,209	71,529	11,410	9.4	100
2014	18,652	65,101	10,760	9.04	120
2015	22,662	75,883	16,332	10.5	119
2016	27,198	83,891	22,976	15.49	141.91
2017	24,927	71,375	26,893	15.82	162.08
Total	**141,367**	**495,038**	**100,338**	**72.45**	**826.99**

2.2 Oil Palm Development in Buvuma District

2.2.1 Progress in land acquisition

The project in partnership with BIDCO have scaled up preparatory activities for oil palm development in Buvuma. In the reporting period, BIDCO carried out High Conservation Value (HCV) Assessment, Aerial Drone Surveys and a Gender/ Social Survey to assess the readiness of the Buvuma stakeholders for the oil palm development activities.

The project has also continued land acquisition to meet the target of 6,500 hectares of land acquired for the nucleus estate in Buvuma. So far, the project has paid land lords and compensated tenants on 7,591 hectares of land of which about 5,114 hectares are free of encumbrances. The project will continue to clear encumbrances and as necessary, acquire land to meet the GOU commitment with BIDCO in Kalangala.

The project, in partnership with the local leadership in Buvuma have also continued sensitization and mobilization meetings across the island. These have been all inclusive, with all stakeholders invited to both formal and informal sittings to clarify roles and responsibilities, manage expectations, present progress on the project start up activities and respond to any emerging issues.

The project in partnership with the District Local Government has also carried out joint survey and demarcation for each parcel of land awarded to confirm suitability and status of availability and readiness for development. A total of 2,850 hectares have been confirmed by both teams after discounting off the buffer zones, rocky areas, communities and other social- cultural amenities and sites.

2.3 Oil Palm Research Activities

Research plays a pivotal role in enhancing oil palm productivity, a crop which provides income and employment to smallholder and large-scale farmers in Uganda. Despite the critical role oil palm play on the well-being of smallholder farmers its production is faced by several challenges. The challenges range from biotic (pests and diseases) to abiotic factors (environmental conditions).

In the recent past, research efforts have been put in place to address these challenges. Oil palm research is guided by the following objectives aimed at increasing oil palm productivity in Uganda;

i. Develop improved soil fertility and oil palm tree management technologies,
ii. Identify new potential areas suitable for oil palm production in Uganda,
iii. Conduct surveillance of diseases threatening oil palm production across the country,
iv. Conduct surveillance for Rhynchophorus and Orycetes beetles found in oil palm fields in Uganda,
v. Develop and disseminate information materials through different dissemination pathways.

In an effort to achieve those objectives research activities such as adaptive trials, pest and disease surveillances as well as agronomic experiments have been conducted.

In the effort to improve tree nutrition that contributes to increased yields, foliar sampling was conducted on farmers' fields in all the seven blocks in Kalangala. The foliar sample analysis is currently being conducted at National Agricultural Research Laboratories (NARL) in Uganda as well as in Malaysia. Once the results are out the two will be compared for consistence. Based on analytical results, fertilizer formulation for subsequent seasons will be made and consistence in analytical results from the two laboratories will be used as a basis for conducting future foliar analyses in Uganda rather than Malaysia.

The seven best management plots (BMPs) were established and are currently being managed by farmers under the guidance and monitoring of research and KOPGT. Fertilizers were jointly applied to BMPs and yield data collection in BMPs and control plots is on-going.

The oil palm yields in adaptive trials has been observed to increase within the last 4 months with Kituuza having the highest yields (**12t/ha/year)** followed by Buvuma (**7.5t/ha/year)** and Kibaale **(7.4t/ha/year).** Bugiri and Masaka had the least yields in tons/ha/ of 5.8 and 3.6 tons. This variation in yield is explained by the difference in soil and weather conditions prevailing in the experiment sites.

The average growth parameters (canopy size, height, girth, number of spears and frond length) in adaptive trials which were planted at the same time at NaCRRI and in Gulu exhibited variation. Canopy size, height, girth, number of spears and frond length in NaCRRI trials were higher than

in Gulu while the trial in Gulu exhibited higher number of open fronds and frond width than at NaCRRI. This clearly indicated that the environmental conditions influenced the growth of oil palm in the respective sites.

In the course of implementing research activities, a disease-causing wilting of oil palm trees at OPUL was reported. The research team, visited the sites where the disease was reported to investigate the damage caused by the disease affecting the nucleus farm because it had also potential to affect the smallholder out- growers in Kalangala. The disease was observed in three blocks (6C, 11B and 4D) which were planted in 2005, 2005 and 2011 respectively. The disease was reported to occur on IOPRI, LAME and Guthrie oil palm varieties, though the highest number of oil palm trees affected by the disease were observed in variety IOPRI (32 trees) followed by Guthrie (17 trees) and LAME (15 trees). Preliminary symptom observations and morphological characteristics done in the field and in the laboratory have preliminarily identified it to be fusarium wilt but DNA samples have been taken to Korea for sequencing to confirm the actual casual pathogen for the disease. In case it is confirmed there will be need to screen oil palm seedlings to be planted in Buvuma for resistance against fusarium wilt.

Results from pest surveillance indicated that species of Rhynchophorus was found present in all the sampled sites where infestation was recorded and it was present in all the ago ecological zones. Thirty-four samples of the Rhynchophurus species have been sent to CABI laboratory in UK for confirmatory morphological and molecular idenitifcation. Mean infestations by Rhynchophorus species was significantly higher in the wet than dry seasoned.

The highest mean infestation of oil palm by Rhynchophurus was recorded in Masaka at about 15% and 30% for dry and wet season respectively. It was also worth to note that infestation by the pest was significantly higher in fields far away from natural vegetation/forest than field near the natural vegetation/forest.

On the other hand, insects caught during pollinator surveillance where in the following order of dominance; weevils, beetles, Diptera, formicid ants and honey bees. Thousands of the insects were collected and are still being sorted. Thirty-seven samples of morphologically distinct specimens have been sent to CABI laboratory in UK for identification by morphological and molecular tools to species level. Insect abundance varied across agro-ecological zones. Only weevils and Diptera

occurred on both sexes of flowers, suggesting that only these may transfer pollen from male to female flowers. Both the weevils and flies were more abundant on male than female flowers– attributable to stronger anise seed-like odour known to be emitted from male than female flowers.

In order to disseminate the research results, several information materials have been developed. The research team in collaboration with KOPGT have facilitated the development of Standard Operating Procedures (SOPs) for oil palm production. The SOPs will guide the farmers, extension officers, researchers, farmers and other stakeholders in planning and executing activities in oil palm production at production, processing and marketing levels.

The research team is also in the final stages of developing an oil palm production manual for Uganda. The manual is undergoing review and we anticipate the manual to be complete by November 2018. In addition, information material on the occurrence, spread and control of fusarium wilt disease of oil palm has been developed and its currently being translated into local language (Luganda).

The research team also participated in the Source of the Nile Agricultural show. During the show information on production of oil palm was disseminated through distribution of 200 brochures to farmers and students.

Challenges in research implementation: the research team has been challenged by;

i. Inadequate staffing due to resignation of two researchers. However, recruitment of the new staff was effected and awaits No objection from IFAD to award the recruited staff contracts

ii. Limited capacity building for the research team but have submitted the training needs plan and budget to PMU unit.

3.0 PROGRESS UNDER THE 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 sun-flower, 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, and HIV/AIDS awareness building.

In the reporting period, a total of 51 districts received value chain support services from the project either through the recruited services providers or through the District Local Government or both. These are distributed in the hubs as follows: West Nile hub covers 7 districts; Gulu hub covers 8 districts; Lira hub covers 15 districts; and, Eastern Uganda hub covers 21 districts. It should be recalled that the value chain development services were initially offered to only the 29 start-up districts and from August 2016 the project expanded to cover all the 51 districts that comprise the oil seeds project area. The Details of the hubs districts are presented in Table 2.1 and 2.2 below.

Table 3.1: Oil seeds component implementation area and service providers reaching the smallholder farmers

Hub	**PSP**	**Project activities implementation areas**	
		Districts	**Sub-counties**
West Nile	WENIPS	Arua	Rhino camp, Olepi, Vurra, Omugo, Rigbo, Ogoko and Ajia
		Zombo	Paidha, Nyapea, Abanga and Jang Okoro
		Nebbi	Wadelai, Kucwiny, Nebbi subcounty, Nebbi Municipal, Panyango, Nyaravur and Alwi
		Yumbe	Drajini, Kuru,Odravu, Lodonga and Ariwa
		Moyo	Aliba, Metu, Gimara, Lefori and Itula
	ACORD*	Koboko	Dranya, Lobule, Midia, and Abuku
		Maracha	Oluffe, Oleba, Yivu and Tara
		Arua-(Terego county)	Aiivu and Odupi
	DLG	Pakwach	
Gulu	IIRR	Gulu	Odek, Lakwana and Lalogi Paicho, Patiko

		Omoro	
		Amuru	Pabbo and Lamogi, Amuru SC
		Kitgum	Akwang , Labongo Layamu, Kitgum Matidi, Orom and Amida
		Pader	Awere and Puranga, lapul, Pader TC, Pajule, Atanga
		Lamwo	Padibe East/Padibe TC, Padibe West and, Palabek Gem
	APSEDEC*	Agago	Lira Palwo and Omot
		Nwoya	Alero and Lungulu
	DLG	Adjumani	
Lira	AFSRT	Kiryandongo	Mutunda, Kigumba and Masindi port, Kiryandonco TC, Bweyale
		Masindi	Nyagahya, Karizubu, Budongo and Pakanyi, bwejanga
		Oyam	Aleka, Otwal, Abok, Aber, Kamdini, Ngai
		Lira	Ogur, Barr, Agweng, Ngetta
		Apac	Aduku, Inomo, Chawente, Nambieso, Chegere
		Kaberamaido	Kakure, Kalaki, Apapai, Kobulubulu, Ocero
	UOSPA	Amuria	Acowa, Akoromit, Kuju, Wera, Obalanga, Orungo, and Abarilela.
		Serere	Bugondo, Kyere, Olio, Atira and Kateta
		Soroti	Gweri, Katine, Tubur, Kamuda, Arapai, Soroti municipality and Asuret
	ANCC*	Alebtong	Abia, Aloi, Awei and Omoro
		Amolatar	Agikdak, Arwotcek, Awelo and Muntu
		Otuke	Adwari, Ogor, Okwang, Orum
	DLGS	Kole	
		Dokolo	
		Ngora	
Eastern Uganda	CRDI	Bulambuli	Kamu, Bulegeni, Bunambutye, Bwikhonge, Nabbongo, Muyembe, Bulambuli TC and Bukhalu
		Sironko	Bukhulo, Bumalibma, Sironko TC, Bukiise, Bukiyi and Nalusala.
		Mbale	Busiu, Bungokhomupopo, Busano, Busoba, Bumasikye, Bungokho, Nakaloke and Bukasakya.
Eastern Uganda		Manafwa	Bubutu, Bukhofu, Bugobero, Bukiabi, Bukusu, Bumoni, Bunabwana, Khabutoola, Magale, Manafwa TC, Sibanga and Bukhawekha.
		Kween	Kiriki, Kaptum, Kappoyoy, and Moyok,

		Kapchwora	Kawowo, Kapbanya, Kapperep, and Amukol
		Tororo	Rubongi, Nagongera, Magola, Iyolwa, Nabuyoga, Mella and Merikiti.
	EPSEDEC	Bukedea	Kolir, Bukedea SC, Malera, Kidongole, Kachumbala, and Bukedea TC,
		Kumi	Kumi, Nyero, Kanyum, Kumi TC, Ongino, Mukongoro, and Atutur,
		Busia	Masaba, Sikuda, Masinya, Busitema, Dabani, and Busime
		Bugiri,	Iwemba, Nankoma, Kapyanga, Buwunga, Muterere, and Buluguyi
		Pallisa	Agule, Apopong and Kakoro
	SACU*	Namutumba	Ivukula, Nabweyo, Magada, and Bulange,
		Kaliro	Kasokwe, Bumanya, Namwiwa, and Nawaikoke
		Mayuge	Bukabooli, Bukatube, Kigandaalo and Kityerera
	SG2000*	Jinja	Buyengo, Budondo, Butagaya and Buwenge
		Iganga	Bunyanga, Nawandala and Namungalwe
		Kamuli	Butansi, Kitayunjwa, Kisozi and Nabwigulu
	DLGS	Bukwo	
		Budaka	

* Additional five PSPs.

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 (NaCRRI & NaSARRI) for research on improved varieties, Uganda National Bureau of Standards (UNBS) for product quality assurance, National Seed Certification Services (NSCS) to ensure seed quality, and, various private value chain actors and supporters. Memoranda of understanding (MoUs) were developed and signed with these partners to guide the implementation relationships.

For other actors along the oilseeds value chain, collaborative documents were agreed-upon and signed to strengthen collaborative roles.

The project is implementing a three pronged approach; (i) engaging 11 private service providers (companies) to provide extension services, linkages to inputs and markets; (ii) engaging the District Local Governments to reach the sub-counties that are not reached by the service providers and quality control the PSP contracts; (iii) Partnering with Uganda Cooperative Alliance to build the capacity of the farmer groups to form Lower Level Farmer Organizations and Higher Level Farmer Organizations. This will enable the farmer groups to aggregate their demand and engage private sector input dealers with aggregate input requirements, improve their negotiation, enable them to demand for extension services and facilitate bulking of produce to improve their quality and price negotiations with millers. The project targets to reach 5,900 farmer groups across the four hubs by December 2018.

3.1.1 Extension service provision by the recruited service providers

The project continued to fully engage all the recruited 11 Pay for Service Providers (PSPs) to offer extension and value chain support services to the farmers in the oil seeds project area. The PSPs 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 2018, the total number farmer groups spread across the hubs engaged by all service providers was 5,311. Focus in the remaining project lifetime will be on ensuring that their capacity is built to continue operating their oil seeds enterprise as a business, with linkages to other value chain actors developed especially input dealers and processors/ millers. Table 3.3 below shows a summary of the performance by the PSPs in terms of farmer groups reached.

Table 3.3: Number of farmer groups receiving project services and targets

PSP/DLG	Targets	Actual Dec 2015	Actual Dec 2016	Actual Dec 2017	Actual June 2018
WENIPS	175	189	201	**376**	376
IIRR	176	175	176	**400**	401
AFSRT	220	220	220	**415**	446
UOSPA	100	135	135	**151**	200
CRDI	215	225	273	**408**	504
EPSEDEC	215	252	252	**413**	423
DLGs	0	0	974	**1658**	1804
SACU	425	-	212	**228**	292
ARCOD	340	-	102	**200**	200
APSEDEC	368	-	185	**200**	200
ANCC	418	-	238	**238**	250
SG2000	425	-	215	**215**	215
	3077	**1196**	**3183**	**4902**	**5311**

3.2 Preliminary outcomes of the PSP activities

The project has 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, ensures 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 avail premium prices to the farmers.

In Gulu Hub, farmers have also been linked to seed suppliers like Ngetta Tropical holdings and Mukwano for especially seed access. As a result of this input linkages, acreages under production

of oil seeds has increased from an average of less than an acre to one acre. *For example, a farmer that used to grow 1 acre of sunflower was able on average to produce 2 acres though there were some exceptional cases who increased production by 20 Hectacres like Mr Lanyoro Martin of Bana producers' Association who managed to get 21 MTs of grain and sold at USHs. 1200 to Meru.*

Table 3.4: Input and output dealers in Gulu Hub that farmers have been linked to.

Input Dealer	**Location**	**Processor**	**Location**
Tak Tak Agro input dealer	Padibe Town Council	Global Millers	Gulu
Loyola mixed farm	Agoro Sub County	Louis Enterprise	Gulu
Reak Agro input dealer	Lokung	St. Isdoro Bishop farm Gulu	Gulu
Cwero co-operative society (Mukwano)	Gulu	Mabline Investment Ltd Gulu	Gulu
Mukwano	Lira	St. Joseph Kitgum Mission	Kitgum
Ngetta tropical holdings		Mothers' Union Kitgum	Kitgum
Equator Seeds	Gulu	Farmers House KIDFA	Kitgum
Victoria seeds	Gulu	Memba's Enterprise Kitgum	Kitgum
		St. Francis sunflower press	Lamwo

In Lira Hub, the quantity of sunflower seed purchased each season by farmer groups has increased from 695 kgs in 2014 B to 21 tons in 2017 B. In the project area, a total of 60 tons have been purchased by farmers from different input dealers and stockists. The quantity of soybean seed purchased each season has increased from 14 tons in 2014 B to 67 tons in 2017 B. The details of the adoption in Lira Hub is presented below.

Table 3.5: Quantity of improved Sunflower seed purchased by farmer groups in oilseed hubs

Hub	Year/Season							
	2014B	2015A	2015B	2016A	2016B	2017A	2017B	Total
AFSART	695	888	1,875	3,456	3,944	4,062	4290	19,210
UOSPPA		499	470	2,222	2,456	2,505	2545	10697
ANCC	-				1,256	10,240	11,350	22,846
DLG	-				2,331	2,678	2,878	7,887
TOTALS Kgs)	**695**	**1,387**	**2,345**	**5,678**	**9,987**	**19,485**	**21,063**	**60,640**

Table 3.6: Quantity of improved Soybean seed purchased by farmer groups in oilseed in Lira hub

Hub	Year/Season							
	2014B	2015A	2015B	2016A	2016B	2017A	2017B	Total
AFSART	14,106	14,567	15,078	16,567	17,166	17,509	17,608	112,283
UOSPPA		2,413	2,829	5,522	8,703	9,515	9,915	38,897
ANCC					6,761	33,905	34,016	74,682
DLG					4,468	5,008	5,132	14,591
TOTALS Kgs)	**14,106**	**16,980**	**17,907**	**22,089**	**37,098**	**65,937**	**66,654**	**240,453**

In Eastern Uganda hub (Mbale) the PSPs and District Local Governments Focal Point Officers continued to identify possible sources of good and quality hybrid seeds of sunflower and Soybean on high demand with farmers in their areas of operations and neighboring catchments. Some of the companies that engaged in sunflower seed supply included: - Mukwano A.K. Oils & Fats Ltd for Pannah –HO 7051 while Ngetta Tropical Holdings in Lira is promoting AGSUN respectively. There is still no reliable retail outlets for both sunflower and soybean in the hub which limits the timely access to farmers who want to adopt. On the other hand, inbred lines of improved sunflower varieties i.e. (New Sunfola, SESUN 1 & 2 hybrids) are available through NARO/NaSARRI in collaboration with Uganda Oil Seed Producers and Processors Association (UOSPPA) situated in Lira. Demand for these varieties has not taken firm root because of the relatively lower yields and low prices offered by off-takers.

In the case of availability of improved Soybean seed in Eastern Hub, Maksoy series 1-6 N varieties is being championed by NARO/NaCRRI. There has been systematic effort of increasing the availability of improved soybean varieties to farmers through the training and dissemination by various stakeholders. NaCRRI scientists have also continued to produce Foundation seed and distributing it through the seed companies and other NGOs approaching them. In addition, NaCRRI scientists supported the soybean value chain by undertaking joint training seed dissemination with to farmers engaged in Local Seed Business, including provision of on-spot field inspection visits to farmer's seed production sites with the aim of minimizing variety mixing and maintaining the integrity of Farmer –to-Farmers seed production effort.

Other support institutions involved in seed production with farmers groups in Eastern Uganda Hub include the ISSD Project which is supporting Local Seed Business for the OPVs in Eastern hub. NARO has maintained its contact with farmer groups in seed business as a means of creating sustainability in the oil seeds value chain.

In the West Nile project area, the number of farmers adopting improved/ quality controlled seed has greatly increased from 2015 to 2017 B. The number of farmers buying improved varieties of sunflower has increased from 0 in 2015 to 647 in 2017 B. The number of farmers buying improved soybean varieties has increased from 150 in 2015 to 742 in 2017 B, while the number of farmers buying improved sim sim varieties has increased from 560 in 2015 to 1,789 in 2017B. The table below shows the trends of farmers adopting quality controlled seed in Wes Nile Hub.

Table 3.7: Trends of farmers adoptiong quality controlled seed in West Nile Hub.

	2015A	2015B	2016A	2016B	2017A	2017B
Sunflower	-	-	3	7	503	647
Soybean	-	150	231	240	264	742
Ground nuts	400	250	470	380		342
Sesame	-	560	-	860	45	1,789
Total	400	960	704	1,487	812	3,520

3.2.2 Hectares 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.

In Gulu Hub, the project is supporting farmer groups to increase the number of hectares planted with oil seed crops across the Hub, 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 oil seed crops has greatly improved as shown in the table below;

Table 3.8: Area under production in Season B 2017 in Gulu Hub

	Nwoya	**Agago**	**Amuru**	**Gulu**	**Pader**	**Kitgum**	**Lamwo**	**Adjumani**	**Total Area (Acres)**
Crop									
Sunflower	1,657	5,387	1,291	4,399	3,113	3,670	3,761	354	**23,632**
Soyabean	1,312	1,977	847	2,341	2,259	1,350	1,593	651	**12,330**
Sesame	1,214	2,380	741	1,960	1,820	1,386	2,627	-	**12,128**
Ground nuts	2,392	2,464	1,120	3,136	1,792	1,548	1,912	1,143	**15,507**

In Lira Hub, there is an increase in acreage planted for Sunflower and Soybean and this has increased production and productivity as well. Table 2.9 and Table 2.10 below shows the trend of acreages under sunflower and soybeans over the period.

Table 3.9: Sunflower acreage Trend in Lira hubs

		2014 B	**2015 A**	**2015B**	**2016A**	**2016 B**	**2017A**	**2017B**	**Total (Acres)**
S/N	Partner								
	AFSART	5,980	6,456	7,456	7,546	9,456	12,124	12,238	61,256
	UOSPA	2,345	3.006	3,456	3,489	4,009	4,045	4,215	24,565
	ANCC	-				12,234	13,015	13,850	39,099
	DLG					8,747	8,986	9,223	26,956
	Total	**8,655**	**9,462**	**10,912**	**10,945**	**32,536**	**38,170**	**39,526**	**151,876**

Table 3.10: Soybean acreage Trend in Lira hub

		2014 B	**2015 A**	**2015B**	**2016A**	**2016 B**	**2017A**	**2017B**	**Total (Acres)**
S/N	Partner								
	AFSART	4,980	5,456	6,096	6,908	9,011	9,546	9,668	51,665
	UOSPA	3,675	4,567	5,564	6,786	7,890	8,116	8,123	44,724
	ANCC	-				9,012	9,215	9,522	27,749
	DLG					6,789	6,987	7,009	20,785
	Total	**8,656**	**10,023**	**11,663**	**13,694**	**32,707**	**33,864**	**34,322**	**144,929**

In Eastern Uganda hub, there has been marked increase in the area under sunflower production from 420 acres in Season A 2015 to 1,628 acres in Season A 2017. By the time the report was produced, only partial information had been received from the service providers for Season B 2017. Table 2.11 below shows the trends.

Table 3.11: Trends of sunflower and soybean production in Eastern Uganda Hub

	Baseline	2014	A 2015	B 2015	A 2016	B 2016	A 2017	B 2017
Sunflower	0.04		420	1,084	699	1,774	1,628	151
Soybeans	65.87		2,828	4,255	2,906	51,903	1,262	364

In West Nile hub, the area under oilseed crops has been increasing across the districts covered by the PSPs. The acreage under sunflower increased from 267 acres in 2015 to 631 acres in 2017B while soybean acreage increased from 36 acres in 2015 which increased to 466 acres in 2017 B. For sesame, there was an increase from 108 acres in 2015 to 6,820 acres in 2017 B. The evidence from the interest in oil seeds shows that the total acreage for 2018 will be much higher than those in the previous years. The figures presented are only for the farmers engaged by the project service providers.

Tables 3.12: Area (acres) under oil seeds in West Nile Hub

Commodity	2014	2015	2016	2017A	2017B
Sunflower	-	267	530	1,501	631
Soybeans	-	36	112	540	466
Sesame	-	108	9,200	6,787	6,820

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. In Gulu Hub, IIRR experience, showed that the approach of **"trust building"** while carrying out linkages meeting has proven more understandable by the relevant stakeholders. IIRR was able to broker through this approach of trust building because mutual understanding is realized through having trust then the link is created. The trust building approach which works hand in hand with business forum that brings together different actors in the value chains has proven more practical and proactive to all categories of the chain actors who may not value business linkage as relevant to them.

Table 2.13: Quantities of each bulked commodity by District in Gulu Hub									
District	Agago	Amuru	Gulu	Kitgum	Lamwo	Nwoya	Omoro	Pader	Hub Totals
Sunflower (MT)	711	453	311	298	314	387	797	871	4,142
Price per Kg (UGX)	1,000	1,200	1,200	1,100	1,200	1,200	1,300	1,100	
Total Revenue (000)	711,000	543,600	373,200	327,800	376,800	464,400	1,036,100	958,100	4,791,000
Soya beans	654	536	272	215	281	367	811	773	3,909
Price per Kg	2,000	2,500	2,500	1,500	1,500	1,200	2,500	2,000	
Total revenues(000)	1,308,000	1,340,000	680,000	322,500	421,500	440,400	2,027,500	1,546,000	8,085,900
Sim sim	525	345	396	681	745	259	350	410	3,711
Price per Kg	3,000	2,500	3,000	3,000	2,500	3,000	2,500	2,000	
Total revenues (000)	1,575,000	862,500	1,188,000	2,043,000	1,862,500	777,000	875,000	820,000	10,003,000
Groundnuts	510	412	382	475	450	452	241	419	3,341
Price per bag	80,000	100,000	100,000	100,000	85,000	85,000	100,000	85,000	
Total revenues(000)	40,800,000	41,200,000	38,200,000	47,500,000	38,250,000	38,420,000	24,100,000	35,615,000	304,085,000

In Lira Hub, in order to benefit from the advantages of negotiating for and selling in bulk, the Hub has been encouraging farmers to bulk and sell their produce as a group. Hub reports show that between 2014 and 2017B, the quantity of sunflower grain bulked has increased. The table 2.14 and 2.15 below show the quantity of sunflower and soybeans grain bulked in the sub-counties where the PSPs are working with farmer groups.

Table 3.14: Quantities of sunflower grains bulked and sold in the different PSP areas in Lira Hub

Quantities of sunflower grain bulked and sold (tons)								
	2014B	2015A	2015 B	2016A	2016B	2017A	2017B	**Total**
AFSART	145	169	224	317	357	534	605	2,351
UOSPPA		69	132	140	201	355	374	1,271
ANCC					147	1,567	2,115	3,829
DLG					82	324	378	784
Total	**145**	**238**	**356**	**457**	**787**	**2,780**	**3,470**	**8,233**

Table 3.15: Quantities of Soybeans grains bulked and sold in the different Districts in Lira Hub

Quantities of soybean grain bulked and sold (kgs)								
	2014B	2015A	2015 B	2016A	2016B	2017A	2017	**Total**
AFSART	38	89	174	201	834	1,234	1,352	3,922
UOSPPA		43	53	74	586	780	810	2,346
ANCC					676	959	1,025	2,2660
DLG					102	324	423	849
Total	**38**	**132**	**227**	**275**	**1,602**	**3,297**	**3,610**	**9,777**

In Eastern Uganda hub, to ensure farmers supply quality grain, a total of 994 farmers were trained in good post-harvest handling focusing on the control of storage pests, postharvest handling technologies, most control and prevention of aflatoxin infestation.

This proved worth a tool to achieve good quality products (sunflower and soybean).This has enabled the farmers to start investing in the two crops for an income thereby guarantying good price through bulking and collective marking.

Arising from the training, Farmers have adopted the use of tauplins for drying, pallets for storage and proper threshing and sorting of especially soy bean. This has improved on the quality, of oil seeds being off-taken Bulking stores have been implored to institute quality assuance committees and focal point persons as quality assurance mechanisms. The proper moisture controlby clean and protected drying was identified and emphasied as a critical quality control consideration for oilseeds.

In West Nile Hub, In order to benefit from the advantages of negotiating for and selling in bulk, farmers were encouraged to bulk and sell their produce as a group. The table 2.16 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: 3.16: Number of farmer group's bulk selling or collectively marketing

Hub	Year			
	2014	**2015**	**2016**	**2017**
Sunflower (kgs)	11,900	24,000	39,120	501,276
Soybean (kgs)	5,700	29,500	47,554	179,764

This resulted in increased quantity of grain bulked. Sunflower grain bulked has increased from 11.9 tons in 2014 to 501.3 tons in 2017. For soybean, the quantity of soybeans grain bulked increased from 5.5 tons to 179.8 tons between 2014 and 2017.

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. With financial support from VODP, Makerere University has developed and released five soybean varieties that are superior, high yielding (2500-3500 kg Ha^{-1}), and adapted to most agro-ecological zones in Uganda. Varieties Maksoy 2N and Maksoy 3N that are tolerant to soybean rust disease were released in 2008 and 2010 respectively. In addition, two more varieties were released in 2013 (Maksoy 4N and Maksoy 5N) and 2017 (Maksoy 6N). The soybean breeding and seed system project is currently multiplying and disseminating foundation seed for production in Uganda and has disseminated over 150 tons of Foundation seed since the projected started.

3.3.1 Release of Maksoy 6 N

In November 2017, the program released a new variety known as Maksoy 6N (Nam II X GC 44.2) through the National Variety release committee. This variety is high yielding, resistant to soybean

rust, has high protein content, has moderate maturity and resistant to pod shattering. This variety performed better than the other varieties that were evaluated in the AYT for six seasons (2014A to 2016B). Maksoy 6N had higher yields than both Maksoy 3N and Maksoy 4N that are the highest yielding soybean varieties in Uganda. Maksoy 6N also had lower rust scores than both Maksoy 3N and Maksoy 4N. The superiority of Maksoy 6N is illustrated in the Tables below.

Table 3.17: Grain yield (kg ha-1) of 30 soybean genotypes evaluated in eight locations for six consecutive seasons (2014A – 2016B)

Genotypes	**Location**									**Yield advantage**	
	Abi	Bul	Iki	Kab	Mub	Nak	Nam	Ngetta	Mean	Maksoy 4N	Maksoy 3N
BSPS 48A-9-2	1,144	1,346	638	936	1,400	1,479	1,509	1,205	1,229	101	141
Nam II × GC 44.2	903	1,652	749	912	1,411	1,649	976	1,325	1,196	68	108
Nam II × GC 13.2	892	1,215	649	1,023	1,564	1,536	960	1,316	1,194	66	106
Nam II × GC 17.3	638	901	828	958	1,528	1,460	1,096	1,187	1,173	45	85
Nam II × GC 44.3	772	743	771	917	1,483	1,080	1,701	1,039	1,169	41	81
BSPS 48A-27-1	1,013	1,384	669	1,020	1,372	1,628	892	1,260	1,167	39	79
BSPS 48A-28	1,316	1,709	778	939	1,389	1,496	843	1,187	1,145	17	57
BSPS 48A-25	1,180	1,674	810	1,024	1,302	1,487	842	1,166	1,139	11	51
MAKSOY 4N	858	1,590	735	1,030	1,316	1,453	807	1,289	1,128	0	40

BSPS 48A-8	596	1,610	761	972	1,524	1,483	865	1,017	1,126	-2	38
BSPS 48A-3B	999	1,728	657	936	1,359	1,361	1,048	1,143	1,123	-5	35
BSPS 48A-31	790	1,798	580	895	1,259	1,401	1,336	1,000	1,122	-6	34
BSPS 48A-26	802	1,393	660	1,002	1,348	1,391	830	1,357	1,116	-12	28
Nam II × GC 35.3	613	1,465	697	969	1,648	1,294	849	1,074	1,109	-19	21
Nam II × GC 43.2	783	1,086	729	891	1,572	1,417	819	1,166	1,109	-19	21
Nam II × GC 4.8	493	1,009	732	1,008	1,312	1,409	944	1,145	1,091	-37	3
MAKSOY 3N	945	1,797	662	1,062	1,335	1,276	783	1,190	1,088	-40	0
Mean	824	1,427	702	941	1,360	1,342	906	1,132	1,079		

3.3.4 Trainings of farmer groups

In order to create more awareness about the new improved soybean varieties, soybean production and it's potential for improving farmers' household income and nutrition, trainings were conducted across the different regions of the country. The training covered a wide scope of soybean aspects that included importance of soybean, quality seed production, differentiating seed from grain, variety selection, site selection and land preparation for soybean production, spacing and seed rate, use of rhizobia on soybean, weed control, maturity of soybean, harvesting, threshing and cleaning, storage and cost benefit analysis for soybean production. NaCRRI trained over 368 participants with 53% being women.

Table 3.181: Summary of training participants of 2017B

District	Sub-counties	Males	Females	Total
Namutumba	Magada, Mazuba	23	19	42
Kaliro	Kasokwe	25	18	43
Iganga	Buyanga, Namungalwe	10	12	22
Alebtong	Abia	20	21	41
Otuke	Okwang	7	19	26
Amolator	Arwotcek	14	29	43
Amuru	Amuru	18	15	33
Gulu	Paicho	3	17	20
Arua	Vurra, Rhino camp	37	23	60
Nebbi	Nyaravur	17	21	38
Total		**174**	**194**	**368**

3.3.5 Collection and Conservation of Germplasm

One of the requirements of an active breeding program is sourcing for germplasm from other breeders that possess different traits to improve on the existing germplasm. We collected and conserved a number of germplasm from within Africa and from the USA. We also conserved soybean germplasm developed in Uganda. These germplasm are being used to improve the existing breeding lines developed in Uganda. Some of imported germplasm are summarized below

Table 3.19: Soybean Germplasm Conserved

Source	Number of germplasm
USA	**95**
SeedCo	**7**
IITA	**60**
AVRDC	**38**
Maintenance Germplasm	**29**
Ugandan	**292**
S lines	**25**

3.3.6 Maintenance of Crosses and Progenies

Within the 2017B season, a number of crosses were generated to ensure continuity and sustainability of the breeding cycle. These crosses were generated while looking at different traits. Some of the important traits include yield, rust resistance, resistance to field and storage pests. These crosses are now at different generations. The Tables below show summary of crosses and progenies that were maintained in 2017B.

Table 3.20: F3 generation crosses in 2017B

Nam II GC 13.2 × Soy	Maksoy 5N × Nam II GC 13.2	Nam II GC 13.2 × BSPS 48A-9-2
Soy × Nam II GC 13.2	Nam II × GC 13.2 × 1N	Maksoy 5N × BSPS 48A-27-1
Nam II GC 17.3 × 5N	BSPS 48A-26 × Soy	Nam II GC 12.3 × 5N

Table 3.21: F5 generation crosses in 2017 B

3N × 2N	Wonder × 4N	4N × 3N	1N × 5N	Wonder × Nam II
1N × 4M	1N × UG5	Nam 4M × 3N	5N × 3N	1N × Soy
5N × 4N	2N × Kab 1	1N × 2N	Soy × Nam 4M	Nam II × 4M
Nam II × 2N	Kab 1 × Wonder	UG5 × 2N	Soy × 4N	Nam 4M × 5N
3N × UG5	4N × 2N	Wonder × 1N	Soy × UG5	Wonder × UG5

3.4 Identification and Strengthening of oilseeds HLFO

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 HLFO as such UCA intervention is to strengthen and restructure them to function as HLFO and, while 15 that met the criteria based on membership and functionality are being strengthened on governance. Additionally 45 LLFOs supported to formed clusters by PSPs are to be developed by UCA to register as HLFO and/Area Cooperative Enterprises (ACEs) in the project areas for sustainability. During the reporting period the achievement are as stated below;

Out of the target of 25 HLFO being strengthened and supported to form and register, 18 are fully ready for registration; they have well established governance and leadership structures, business plans developed using the business model canvas and are linked to off takers for oil seed crop marketing. UCA also supported them to develop bulking and marketing policies leaned on attracting premium prices for participating members as well as creating an income for operations of the HLFO.

Out of the 15 targeted to be strengthened in governance and leadership, 8 have fully developed and streamlined the governance and vetted leaders that have been put in place. UCA ensured to follow-up management to carry out audits of the financial accounts of their business. Oilseed crops have been prioritized and extension on oil crops provided by the PsPs and DLG to the LLFOs growing oilseeds and business model canvas developed to promote the enterprise.

Of the target of 45 clusters developed to HLFO, UCA in collaboration with the PsPs carried out sensitizations and trainings to guide the clusters and prepare them for formalized registration. 122 LLFO in 25 clusters were supported to acquire probation registration as rural producer organizations (RPO) by registrar of cooperatives. The condition for meeting registration of the RPOs into HLFOs is at least 3 RPO with permanent registration usually granted by registrar of cooperatives auditing their operations of period of 1-2 years.

During the quarter UCA provided mentorship to 2 PsPs Send a Cow to support enhancement of skill in use of business modelling canvas (BMC) in business planning in farmer's organization and cooperatives. 45 oilseed business plans have developed amongst the developed farmer organizations. (Annex: details of performance indicators).

3.5 Access to production credit by oil seeds farmers

3.5.1 Partnerships with Financial Institutions for production credit and crop insurance

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 Centenary Bank, Barclay Banks and also SACCOs. This bring to a total of 10 commercial financial institutions providing financial services to oilseed producers in the 4 hubs. The PsP have continued to link strong and mature farmer groups to access credit and other financial services.

During the reporting period, additional credit was access from Microfinance Support Center bringing the total credit disbursement portfolio accessed by the oilseeds farmers through direct linkage to a total of Ushs. 3,308,594,000. Loans to oil seeds farmers are utilized for land opening, purchase of quality oil seed inputs, garden maintenance and marketing. The number of loans benefiting oilseed farmers also increased to 3,959 (with females 1,449) and the smallholder farmers have paid back Ushs 1,511,940,523 (Ushs 1.5 billion).

Table 3.22: Disbursements from financial institutions to oil seeds project beneficiaries

Category Disbursements by FI	Disbursements	no. beneficiaries	Loan payments**	M	F	
UBDL	2,447,896,000	2,197	1,020,455,508	1537	660	2197
FINCA	59,550,000	250	46,530,000	146	104	250
OBUL	159,200,000	240	131,100,000	160	80	240
DFCU	209,398,000	249	**124,381,104**	82	167	249
Post Bank	59,800,000	257	49,900,000	155	102	257
Pride MFI	58,340,000	54	42,240,000	33	21	54
MSCL	108,000,000	185	29,373,911	104	81	185
Centinary Bank	23,200,000	110	6,850,000	54	56	110
Barclays Bank	14,700,000	65	14,700,000	27	38	65
Other SACCOs, MFIs	168,510,000	204	46,410,000	87	117	204
						3811
Total	**3,308,594,000**	**3,811**	**1,511,940,523**	2385	1426	

*** Repayments against the loan principle**

The project has continued to monitor utilization of loans among the oilseed groups in in the project area as strengthening the groups to meet the criteria of the financial institutions. In the period, the project and FIs agreed to intensify loan monitoring to improve repayment and proper utilization of the loan funds.

A discussion was held with Microfinance support Centre Ltd regional office in lira hub head office to align strategies for supporting the oil seeds production in all the regional Hubs since all regional MSCL offices are established in the project areas. PMU agreed on joint Hub level training support to PsP on 2 aspects; (i) of preparing farmers to ready them for credit and (ii) effective allocation and utilization of the credit received by the farmer groups. MSCL intended to provide funds for onward lending by PsPs as intermediary institutions however, this requires the PsP acquiring additional Money Lenders license to operate as such. MSCL to date has extended credit worth 108 million at an interest rate of 13% pear annual directly to the 7 Oilseed farmer groups in Lira Hub with a minimum loan amount of UGX 5 million per group and UGX. 500 million to Ngetta Tropical Holdings for importation of AGUSUN Seed from South Africa and 60 MT was imported.

In Gulu the project is in discussions with Talanta Finance Ltd, a Micro finance based in Gulu to introduce some services and products to farmers starting with those in Acholi sub region, involved in sunflower and soy bean production. To address access to affordable crop production insurance against weather hazards, provision of flexible and affordable crop production finance and provision of bulking and warehousing facilities with warehouse receipt credit services and have arranged a warehouse facility in Gulu to hold up to 8000 metric tons of produce.

3.5.2 Implementation of Village Savings and Loan Association (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. PsP have ensured that all the groups are trained on savings and loan association methodologies. Savings mobilized among the during the reporting period is valued at almost Ushs 2.5 billion and loans valued at Ushs 2 billion. Often at end of the cycle (12 months of savings) the farmers carry out audit and share the interest accrued from the loans however Psps have been targeting to support the groups to use the VSLA saving funds to bulk purchase inputs at beginning of the season guided by the seasonal actions plan.

For mature VSLAs, efforts have started to link them to formal financial institutions for safe custody of the funds as well as for engagement with the banks for other financial services. During the period the project conducted a VSLA ToT of the 150 community based facilitators (CBFs) in Lira and Mable to harmonize the VSLAs based on methodology guidelines. The training also targeted to provide financial literacy to the CBFs t equip them with skills to guide the VSLA on harmonization of interest rates where external funds is borrowed from the Banks.

Table 3.23: VSLA Extract from the PSP Reports as at June 2018

PSP	HUB	No. FGs	Saving Value	Loan Value
EPSEDEC /CARD	Eastern	115	248,280,900	197,855,500
WENIPS	Arua	204	352,915,200	287,142,000
UOSPA	Lira	11	30,251,000	10,845,000
CRDI	Eastern	374	116,630,000	64,480,000
AFRST	lira	208	301,850,000	258,200,000
ANCC	lira	250	237,527,800	243,408,800
APSEDEC	Gulu	95	16,388,900	14,499,900
IIRR	Gulu	400	505,807,000	414,612,000
ACORD	arua	89	268,224,700	150,503,900
SEND A COW	Mbale	170	351,317,650	308,276,550
SASAKAWA	mbale	188	138,060,500	59,762,000
GRAND TOTAL			**2,567,253,650**	**2,009,585,650**

3.5.3 Gender and Household mentoring activities

The project held a write shop with the participants from Kalangala District and KOPGT to edit and finalized the Household mentoring Manual for oil palm component (both growers and non-growers) and a popular version tool for mentors was suggested for development and process of developing it has started. KOPGT with the famers at the blocks identified and mentors (30) who will be trained and deployed in the 24 units to carry out the mentoring.

Under the oilseeds Household Mentoring have continued and the project will carry out a study to assess the changes in gender dynamics in the households before and after and bench mark the achievements and impact of the mentoring in the oilseeds value chain development

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 2017 and June 2018 under the PMU is below

4.1 Planning, Budgeting and Reporting

The PMU has continued to support all the implementing partners to generate their annual and quarterly plans in line with the GOU and IFAD recommendations. From September 2017, PMU engaged stakeholders under both oil palm and oil seeds to review the project targets alongside the progress so far, and guided them to ensure that the FY 2018/19 work plan and budget is in line with achieving the pending targets. Thorough discussions were also held to discuss the budget projections vis a vis the budget performance and key actions that will have to be done to ensure that the project achieves the FY 2018/19 targets. The discussions then culminated into the Annual Work Plan and Budget for FY 2018/19 which was submitted to MAAIF. This was reviewed by MAAIF, approved and captured in the Budget Framework Paper which was discussed and approved by Parliament for FY 2018/19.

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 2016/17 and got approvals from IFAD and GOU for the Annual Work Plan and Budget for FY 2017/18.

The project prepared on-demand special reports to Members of Parliament, Cabinet Ministers, Operation Wealth Creation, Office of the Prime Minister 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.

With more engagement of implementing partners and adoption of the planning and reporting formats developed by the project, the efficiency in planning and reporting, in line with the VODP 2 results framework has greatly improved. All the implementation partners appreciate their unique contribution to achievement of the project development objective.

4.2 Communication and Knowledge Management (C&KM)

The PMU continued to engage stakeholders and media to share information on the VODP 2 project, its performance, key lessons learned and challenges encountered. The project also responded to information requests from various stakeholders and provided information to respond to negative press. Among others, the project uploaded and shared the Kalangala Oil Palm impact video on YouTube, social media and during the JASAR meeting; and prepared an article "Harnessing Public Private Producer Partnerships, The Story of Vegetable Oil Production in Uganda" that was published in The Observer Media news print; redesigned the www.kopgt.co.ug website. Other activities carried out include:

i. The project attended and shared project information at the Uganda Agribusiness Alliance conference in Munyonyo on agri-financing. A follow up news article on how the KOPGT financing model is working and helping small holder farmers was filmed and aired on NBS Television. It was uploaded on YouTube and other social media accounts.
ii. Exhibited in the joint MAAIF Stall at the Harvest Money Expo at Namboole Stadium where the project activities under both the oil palm and oil seeds components together with women farmers from Mayuge District exhibited their products that included sunflower oil, Soybean flour and products. There was a lot of interest by both the show goers and media traffic in our stall and the main message was how to improve house hold incomes, water for production, Milk quality, Coffee quality, fisheries and approaches to the 4P model in

Kalangala. News items were carried on Bukedde TV, Urban TV and TV West, Bukedde, Etop FM, Radio West and Arua One. New Vision and Bukedde newspapers had features too.

iii. Hon. Vincent Ssempijja, the Minister of Agriculture, Animal Industry and Fisheries accompanied by the Project Manager visited small holder oilpalm female farmer in Bbeta East Kalangala. The small holder model farmer, Mary of Bbeta East Block Kalangala District was interviewed on her success story. Her story "Before Oil palm came, I used to do nothing profitable, had no good house and growing food was a problem, Iam happy that Our President Gen. Yoweri Museveni brought us the Binazi. I have 8 acres and averagely now weighing 1000 kilograms every month. I have built a good house, I now grow food and am able to help my relatives and employ workers in my plantation, am empowered". The Minister was enable to see how small holder oil palm female farmers are improving their house hold incomes and how the government project is protecting the environment.

iv. Video documentation and Photography of the Environmental Safe guards in the Oil Palm project. Environmental problems in Kalangala District particularly in the Oil palm project continue to be depicted wrongly by Environmental activists. They claim invasion of marginal lands like forests and wetland forests. Further wrongly observed that the recommended buffer zones of 200 meters between the lake and plantations was never observed and that the smallholder farmers continue to eat up the buffer zone right up to the edge of the lake. An investigative video documentary was commissioned to investigate the above environmental issues in the oil palm project area of both nucleus estates and small holder plantations. The focus of the footage is on buffer zones, wetland protection, Spring water wells, Fertilizer application, Cover crop, Afforestation and forest protection. The filing crew interviewed the National Resources Officer, District Environmental Officer, District Staff Surveyor, Environment Health & Safety Officer OPUL, Plantation Supervisor OPUL, District Chairperson KDLG, GM KOPGT, Senior Field Officer KOPGT, NGO Forum, Bugala Farmers Association, Farmers and Community. Footage was picked from Kizira, Kagulube, Mutambala Forest, Bumagi, Bulole and Bukuzindu villages. A 16mins Documentary was produced dubbed "Balancing Development with Environment. The aim of the documentary is to showcase the Oil palm environmental safe guards

v. Stakeholder engagement in Buvuma District between The Parliamentary Committee on Agriculture, District and VODP 2 happened in Buvuma and was documented. The main aim for the committee was to have an update on the Buvuma Oil Palm project implementation process and get informed on the land purchase process and challenges.

The Members of the Parliamentary Committee of Agriculture were able to actuate themselves on the Oil Palm project establishment process in Buvuma especially on Land purchase process. The Project Manager, VODP 2 gave an overview on the Oil Palm project in Kalangala and Buvuma and informed Hon. Members that the delay has been on the long and right land purchase process and the many environmental studies for the good of the project. The Hon. Mps appreciated the process but requested the private investors to take over the land purchased so far to avoid encroachment. Hon. Mps recommended that the issue of delayed release of funds to pay for land would be included in their report to help on expediting the payments for the start of the project as it's the local communities suffering as they sold their land for them to start oil palm farming and now the land is idle and they cannot do agriculture.

vi. Stakeholder engagement in Buvuma District between Bidco Uganda Limited, IFAD, VODP2 and Buvuma District Local Leaders. The major objective of this engagement was get an update from all stakeholders on the Buvuma Oil Palm project start. It was noted by Bidco MD that the project has taken long to start due to the land purchase process. As Bidco they await the handover of the land by Government to enable them start as they had been on the Island for over a year doing land boundary opening, studies and documentation of all land related issues. The Project Manager, VODP 2 gave an update on the land purchase process, all land that was free of encumbrances was in the process of being handed over by Government to Bidco. The land for start of the nursery was available and process of handing over is ongoing. IFAD, Bidco and the local leaders committed themselves to ensure the project starts very soon after the nursery land is handed over to Bidco. VODP 2 must send a technical team to be based in Buvuma to help on mitigating issues that come up.

vii. In the last two years, the Government and IFAD have carried out various impact, process and outcome evaluations in the project area. The studies have enabled the project to build an evidence based reservoir of the impact of the project activities, good practices and

lessons learnt. The studies include Local Economy Wide Impact Evaluation (LEWIE), Household and Local Community Changes between 2002-2016, and Process Evaluation of VODP 2. An Oil Palm Impact sharing event was organized to share the findings from these studies. The event targeted Development Partners, MPs, Private Sector, Civil Society, Academia, Ministries, Departments, Agencies and Media. All presentations were all attended and covered by the media present that included local and International media and Online media. This was proceeded with a press conference addressed by the Permanent Secretary – MAAIF, Hon. MAAIF, IFAD Country Director, Vice Chair Agric Committee of Parliament and Prof. Edward Taylor from University of California. It was recommend that all Impact studies and Environmental studies done should be shared widely to all stakeholders.

viii. Amb. Elizabeth Napeyok, Uganda's' Ambassador to Rome and In charge of IFAD, WFP and FAO Interests to Uganda visited the Oil Palm and Oil Seeds project areas to understand how rural incomes are improving and changing lives. Amb. Napeyok was accompanied by the Project Manager visited small holder Oil Palm farmers in Kagulebe and Bbeta East Blocks Kalangala, buffer zone, Oil Mill, KOPGT, and District Leadership. The small holder farmers of Busanje, Nkaayi and Kagulube units were met and shared their stories., "We are comfortable and able to pay school fees and we are now among the rich people in Kalangala, we have been able to build descent houses and some of us are driving". The team also visited was Katalnina Farmers Group, Odupi Sub County, Rhino Camo Refugee Settlement, Simbili Village, Arua District. The aim was to find out how refugees had integrated in the Oil Seeds component given that they had stayed in the area for over five years. The team recommended that the project should continue to document project successes and share these widely as it's no longer a Kalangala project but a Uganda successful project

ix. Oil seeds Fact Sheets, FAQs, User manuals (Sunflower, Soybean, Simsim, FaaB), Success Stories booklet and Radio airtime were undertaken. For Oil Palm, Environmental video, FAQs and Agronomic flip charts on harvesting were produced. Documenting best practices, lessons learnt and failures, for policy dialogue and sharing with other stakeholders shall continue. Targeted users most adapted information sourcing including reports, brochures, FAQs, fliers, radio and Television, e-newsletter, Website, E-mails,

WhatsApp, Facebook and twitter for efficient internal and external communication shall continue to be used.

x. VODP2 has prepared to participate and exhibit in the National Agriculture Show 2018 that is scheduled to be held in Jinja from 13th to 22nd July, 2018 under the theme "Fostering Agricultural Value Chains, Innovation for Farmer Led Food Security Household Income and Job Creation". The project has prepared to have farmers from Nebbi to exhibit products including Sunflower Oil, Seed Cake and Honey.

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 maintains an updated logical/ results framework and incorporated the use of geographic information systems (GIS) in the project surveys. The project Management Information System has simplified data 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

The Project Management Information System has been rolled out under both the oil palm and oil seeds components. Under the oil palm component, the MIS is fully updated with information on fresh fruit bunch production, prices, value of production, registered farmers and the area planted by the smallholder farmers. The MIS however does not have updated information on FFB losses, loan disbursement, loan repayment and area under harvest which pends the ongoing validation of the farmer loan system.

Under the oil seeds component, the project is entering and analysing seasonal action plans. The project is also procuring the service provider to maintain the MIS which will also be upgraded to include the output and outcome forms which are currently being analysed in MS Excel.

The PMU also continued to support KOPGT as it updates information on the different data entry systems and is available to guide KOPGT in the process of merging them all into one efficient but affordable Management Information System.

4.3.2 Implementation of the GIS Based Enumeration and Monitoring Tool

The project identified the Social Tenure Domain Model (STDM) as a means in which all the project beneficiaries under the oil palm component can be identified, mapped and their oil palm garden, food security and tenure security information captured, all in one system. This system is supporting KOPGT to validate the registered smallholder farmers, planting years of the gardens, tenure information which is critical information to measure performance, make projections and properly document the progress under the oil palm component of the project. The STDM will also enable the project to spatial reports with maps showing the location of the farmers, their categorization (oil palm area size, year of planting, yield and progress).

The STDM is now fully operational with data of the smallholder oil palm farmers in Kalangala validated. Enumeration teams were set up in October and November 2017, supported by the PMU, KOPGT and GLTN to re-visit all the smallholder farmer gardens and validated the collected information. A census methodology was adopted where the team of enumerators with the guidance of the KOPGT Field Officers and Unit leadership mobilized all the farmers in each unit and visited each of the oil palm farmer gardens. Using a GPS machine, each farmer garden was mapped and the area calculated to ascertain the actual garden information, with a questionnaire used to capture the details on the oil palm garden (year of planting, harvesting information), food security and tenure information. A team of data entrants was then engaged, supported with a Technical Support person from GLTN to review each of the collected questionnaires for completeness, develop the social tenure relation (garden and tenure information) and enter the data collected into the STDM.

After the validation exercise, KOPGT has now reconciled the STDM findings with the installed PEARL system to identify gaps and relate the findings from the STDM to what is in the PEARL system. The reconciliation process At completion of the STDM, a total of 1,300 smallholder farmer gardens have been enumerated with complete questionnaires. Of these, data entry and mapping has been completed for 820 smallholder farmer gardens, 448 farmer questionnaires are pending data entry and 32 gardens were not mapped either because they were too big, had no clear boundaries or were not well maintained and therefore finding the demarcations was difficult. From the reconciliation process, another 185 smallholder farmers were not captured and need to be found and enumerated. This notwithstanding, a census completion rate of 88% is satisfactory but the PMU will ensure that even the names identified as having been missed are identified and mapped.

Using the available data, the PMU is working with KOPGT to produce Unit based analysis of the registered farmers, and maps are being produced showing the spread of the farmers. The PMU also recommends that the Field Officers of KOPGT realize that it is their responsibility to maintain updated lists of registered farmers from the Units to the Block level which is critical to ensure updated farmer lists which will enable more accurate assessment of progress, identification of emerging challenges and forecasting yields and production.

4.3.4 Analysis of Environmental Management in Kalangala districts

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.

During the reporting period, preliminary maps were shared by ESA which confirmed that there has been no smallholder oil palm planting or any other development of previously primary forests; but showed that there has been significant use of previously degraded forests. There will however still be some discussion around the definition of primary forest. The team recommended that there needs to be more scientific assessment of the causes of deforestation on Kalangala to be able to design mitigation measures for new programme areas; before deforestation happens. The project will continue to work closely with KOPGT to get some qualitative insights on the areas indicated by ESA. The project hopes that ESA will enable it to acquire higher resolution satellite images and more high quality environmental analysis on the period before the project and the situation now, clearly highlighting the environmentally sensitive areas including forest reserve, wetlands, rivers and the lake buffer. This will supplement the already completed land use analysis carried out by the project, and will enable the project to respond to requests for information on the effects of oil palm on the land use in Kalangala.

4.3.5 Impact evaluation in Kalangala

To supplement the Impact Analysis that was carried out by the Ministry of Agriculture and Uganda Bureau of Statistics, IFAD supported the project with a team of Researchers from University of Califonia, Davis to conduct another indepth impact evaluation of the oil palm investment. The

Researchers collaborated with MAAIF, IFAD, the VODP team and the Kalangala Oil Palm Growers Trust (KOPGT) to document the economic impact of the oil palm project on Kalangala residents using a methodology called the Local Economy Wide Impact Evaluation (LEWIE). Extensive surveys of households and businesses were conducted to construct the LEWIE model for the Kalangala economy. The model was used to simulate the impacts of changes in oil palm acreage, productivity, and prices on the welfare of palm farmers, palm workers, and other Kalangala residents; on non-palm production activities; and on employment. The LEWIE model was designed to uncover the indirect impacts of oil palm production, or spillovers, in Kalangala, as well as the distribution of impacts across households.

The report from the LEWIE is out and among its highlights, the simulations reveal that each additional acre of mature oil palm adds 2.2 million UGX annually to the Kalangala economy (1.9 million if we adjust for price inflation). Of this, 800,000 UGX goes to households that do not participate in oil palm production. An additional acre in oil palm creates 127 person-days of employment in Kalangala, 95.9 of which are in households that do not grow or work in oil palm. All sectors of the economy expand, with the exception of fishing. A 1% (108.7 acre) expansion in oil palm plantations raises total cash income in Kalangala by 242 million UGX and total real income by 210.1 million UGX. A 10% increase in oil palm productivity increases total cash income in Kalangala by nearly 5 billion UGX annually, with nearly half of the income gain going to non-oil-palm-producing households. The PMU, IFAD, MAAIF and KOPGT are reviewing the draft report and will provide comments, before a presentation of the findings later in March 2018.

4.3.6 Routine monitoring and supervision activities

The project continued to carry out support visits to the various project areas under both the oil palm and oil seeds components. Specifically, the section heads were supported to systematically carry out monitoring visits in a way that will guide the implementation partners in the implementation of the Annual Work Plans and Budgets, and also support the implementation partners to improve on their planning and reporting. Focus of the monitoring visits was to assess effectiveness and efficiency of project activities.

In partnership with MAAIF the project also validated 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.

4.4 Human Resources Management

The project continues to operate with a PMU of qualified staff, with all the new staff recruited in FY 2016/17 full acclimatized on their roles and contribution towards achievement of the project development objective. All positions under the PMU that were due for recruitment (M&E Officer and Oil Seeds Coordinator) will be handled together with the NOPP recruitment which is being expedited.

KOPGT recruited a Data Officer, two Accounts Assistants and one fruit inspector in line with the revised organogram. The Data Officer actively participated in the GIS based farmer enumeration exercise and now manages the data base. The Data Officer is expected to be the custodian of the farmer information system at KOPGT. This will be further mainstreamed after a decision is taken on the next steps after harmonization of the Pearl System and option of SAP that is under consideration.

Under Finance and Administration, the former Accounts Assistant was elevated to the position of Accountant after an appraisal by the KOPGT Board in consultation with KOPGT Secretariat Management. KOPGT then recruited two Accounts Assistants with one focusing on Accounts Administration and the other focusing on logistics (FFB, Transport and Stores).

5.0 PROJECT COSTS AND FINANCING AND PROCUREMENT UNDER VODP 2

5.1 Budget Performance

During the FY 2017/2018, the project made an ambitious work plan and budget of UGX 92 billion shillings (inclusive of farmers' contribution) since the project was initially scheduled to end December 2018. However, Government of Uganda requested and was granted a one year extension from IFAD to support oilseeds activities. In the FY 2017/18, only UGX 30.81 billion shillings was spent on project activities, representing a budget out-turn of 33.38%. This performance is inclusive of UGX 1.02 billion shillings spent on collection of ffbs using farmers' contribution.

Table 5.1: 2017/18 FY Budget by category

Budget performance by Category FY 2017/18			
Category	**Budget**	**Actual**	**%age**
GOU			
5 Small holder Oil Palm	11,087,268,329	11,087,268,329	100.00%
9 Salaries	297,227,933	196,948,006	66.26%
Sub total Gou	**11,384,496,262**	**11,284,216,335**	**99.12%**
IFAD			
1 Vehicle, Equipment and materials	26,357,064,400	551,074,020	2.09%
2 Materials	2,440,000,000	586,325,000	24.03%
3 Platoon Landing sites	12,600,000,000	-	0.00%
4 Civil works	4,340,000,000	737,858,327	17.00%
5 Small holder Oil Palm	7,510,275,700	361,240,400	4.81%
7 Consultancy, training and workshops	10,635,468,000	3,709,199,471	34.88%
8 Extension service	10,492,600,000	7,197,661,234	68.60%
9 Salaries	3,327,577,627	3,269,247,741	98.25%
10 Operating cost	2,193,128,240	2,082,621,245	94.96%
Sub IFAD	**79,896,113,967**	**18,495,227,438**	**23.15%**
FARMERS' FUNDS			
Smallholder Oil Palm Development	1,029,712,888	1,029,712,888	100.00%
Sub total Gou	**1,029,712,888**	**1,029,712,888**	**100.00%**
Grand Total	**92,310,323,117**	**30,809,156,661**	**33.38%**

5.2 Budget performance by Component

GOU funds were largely for Buvuma oil palm development (acquisition of land for the nucleus estate) and Project Management. By June 2018, the overall budget performance under GOU was 99.2% with Buvuma oil palm utilizing all the budgeted funds while Project Management utilized 66.3% of the budgeted funds.

IFAD funds supported the three project components, oil palm development (Buvuma and Kalangala), oil seeds component (extension and research) and the project management component. By June 2018, the overall budget performance of IFAD funds was 23.07% broken down as 7% under oil palm development, 52% under the oil seeds component and 81% under the Project Management Component. Over all, the budget performance in the FY 2017/18 was 33.3%. Table 5.2 below shows budget allocations by component.

Table 5.2: Budget performance by component

Budget performance by Component FY 2017/18 (Jul 2017 - Jun 2018)			
Component	**Budget**	**Actual**	**%age**
GOU FUNDS			
Oil palm Development Component			
Buvuma Oilpalm Development	11,009,282,796	11,087,268,329	100.71%
KOPGT support	77,985,533		0.00%
Subtotal Oil palm Development Component	**11,087,268,329**	**11,087,268,329**	100.00%
Oil seeds Component			
Farmer groups extension		-	
Subtotal Oil Seeds Development	**-**	**-**	
PMU Component			
Project Management	297,227,933	196,948,006	66.26%
Subtotal Project Management component	**297,227,933**	**196,948,006**	**66.26%**
Total Gou Funds	**11,384,496,262**	**11,284,216,335**	**99.12%**
IFAD FUNDS			
Oil palm Development Component			
Buvuma Oilpalm Development	23,258,500,000	412,238,000	1.77%
Kalangala Oilpalm Development	24,675,575,700	1,192,964,495	4.83%
KOPGT support	6,886,521,627	2,021,094,747	29.35%
New oil palm area identification	479,000,000	241,727,234	50.46%
Subtotal Oil palm Development Component	**55,299,597,327**	**3,868,024,476**	**6.99%**
Oil seeds Component			
Farmer groups extension	12,860,400,000	9,096,545,674	70.73%
Seed production	3,183,364,400	422,169,876	13.26%
Value chain	2,570,000,000	202,508,000	7.88%
Subtotal Oil Seeds Development	**18,613,764,400**	**9,721,223,550**	**52.23%**
PMU Component			
Project Management	5,982,752,240	4,846,592,412	81.01%
Subtotal Project Management component	**5,982,752,240**	**4,846,592,412**	**81.01%**
Total IFAD Funds	**79,896,113,967**	**18,435,840,438**	**23.07%**
Framers' Funds			
Oil palm Development Component			
Kalangala Oilpalm Development	1,029,712,888	1,029,712,888	2.43%
Total Framers' Funds	**1,029,712,888**	**1,029,712,888**	**100.00%**
Grand Total	**92,310,323,117**	**30,749,769,661**	**33.31%**

5.3 Budget variances

Material variances are due the following reasons;

a. **Vehicles and equipment:** The low budget performance of 2.09% towards this category was because vehicles planned to be purchased as preparation for NOPP were deferred until the start of NOPP. Additionally, the two ferries were not purchased due to the long procurement process and administrative reviews. This category was allocated 29% (26.35billion) of the AWPB. These procurements have been moved to the new project (National Oil Palm Project) and the procurement process is almost complete.

b. **Platoon landing sites**; the low utilization of funds is attributable to: Non construction of the four landing sites, which were planned for Buvuma and Kalangala. These sites have been pushed to the new project, and the procurement process in advance stages.

c. **Civil Works**; The low utilization of funds (17.00%) is attributable to: Non construction of two fertilizer stores in Kalangala, and one fertilizer store and office block in Buvuma, which were supposed to take most of the funds. The project only constructed 78.4km on Bugala out of the planned 100Kms and maintained 36.5kms of farm roads by reshaping and compacting the existing roads. The Project also constructed 20Kms on Bubembe.

d. **Smallholder Oil palm:** The disbursement rate of 4.81% under this category is due to the late delivery of fertilisers for the oil palm farmers. OPUL started delivering fertilisers in September 2018. The only expenditure was for maintenance of oil palm gardens.

e. Consultancies, workshops and training; the budget performance of 34.88% is due to the flowing reasons: UCA did not handle all activities planned, PIALA impact analysis of Kalangala started towards the end of the financial year, Tsetse traps were not procured, Nassari did very few research activities during the year, Bee hives were not procured and mill certification activities were not handle by UNBS.

f. Extension services; the percentage performance is at 68.60%. The underperformance was caused by slow pace of implementation by districts, cancellation of multiplication of hybrid activities.

5.4 Over all Loan Performance

IFAD's loan disbursement rate is at 72.84%, which increases to 82.6 (9%SDR 27.70M) when withdrawal applications in the pipelines and expenditures not yet claimed are included. The loan performance increases to 99.91% (SDR 33.47M) when the 18 months budget to December 2019 is included, as indicated in Table 3.6. The exchange rate used to convert dollars into SDRs is US$ 1.4076/SDR.

5.5 Reallocation of funds among Disbursement Categories

Table 3.6 indicates that the highest projected disbursement is for other civil works at 218.96%; followed by Vehicle and equipment at 165.16%; Consultancies, Workshops and training at 128.70%; Operating costs at 126.35%; Smallholder oil palm development at 117.95%; Salaries and allowances at 109.05%; Extension services at 76.92%; materials at 96.57% and Pontoon landing sites at 0%.

In order to implement the July 18- December 2019 AWPB, a reallocation of funds was necessary as indicated in table 5.3.

Table 5.3 Budget by Category for the period July 2018 to December 2019

	6 Months (Jul 2018- Dec 2018)			1 year (Jan 2019- Dec 2019)			Total (Jul 2018 - Dec 2019)		
Category	**Amount (UGX)**	**Amount (USD)**	**%age**	**Amount (UGX)**	**Amount (USD)**	**%age**	**Amount (UGX)**	**Amount (USD)**	**%age**
Gou									
118393 Small holder Oil Palm	21,545,000,000	5,822,973	39.89%	-	-	0.00%	21,545,000,000	5,822,973	28.24%
Subtotal Gou	**21,545,000,000**	**5,822,973**	**39.89%**	**0**	**0**	**0.00%**	**21,545,000,000**	**5,822,973**	**28.24%**
IFAD									
118389 Vehicle, Equipment and materials	2,112,000,000	570,811	3.91%	3,459,380,000	934,968	15.51%	5,571,380,000	1,505,778	7.30%
118390 Materials	331,720,000	89,654	0.61%	122,000,000	32,973	0.55%	453,720,000	122,627	0.59%
118391 Platoon landing sites	-		0.00%	-		0.00%	-	-	0.00%
118392 civil works	3,352,000,000	905,946	6.21%	5,000,000,000	1,351,351	22.42%	8,352,000,000	2,257,297	10.95%
118393 Small holder Oil Palm	12,439,220,050	3,361,951	23.03%	-	-	0.00%	12,439,220,050	3,361,951	16.30%
118395 Consultancy, training & workshops	6,293,553,802	1,700,960	11.65%	4,520,149,363	1,221,662	20.27%	10,813,703,165	2,922,622	14.17%
118396 Extension service	4,047,200,000	1,093,838	7.49%	6,286,300,000	1,699,000	28.19%	10,333,500,000	2,792,838	13.54%
118397 Salaries	2,153,294,760	570,101	3.99%	1,392,942,000	368,792	6.25%	3,546,236,760	938,893	4.65%
118398 Operating cost	1,730,440,000	467,686	3.20%	1,520,500,000	410,946	6.82%	3,250,940,000	878,632	4.26%
Subtotal IFAD	**32,459,428,611**	**8,760,948**	**60.11%**	**22,301,271,363**	**6,019,692**	**100.00%**	**54,760,699,974**	**14,780,640**	**71.76%**
Grand Total	**54,004,428,611**	**14,583,921**	**100.00%**	**22,301,271,363**	**6,019,692**	**100.00%**	**76,305,699,974**	**20,603,613**	**100.00%**

Table 5.4: Budget by component for the period July 2018 to December 2019

	6 Months (Jul 2018- Dec 2018)			1 year (Jan 2019- Dec 2019)			Total (Jul 2018 - Dec 2019)		
Components	**Amount (UGX)**	**Amount (USD)**	**%age**	**Amount (UGX)**	**Amount (USD)**	**%age**	**Amount (UGX)**	**Amount (USD)**	**%age**
GOU FINANCING									
Oil palm									
Buvuma Oil plam development	21,545,000,000	5,822,972.97	100.00%	-	-	0.00%	21,545,000,000	5,822,973	100.00%
Subtotal Oil palm	**21,545,000,000**	**5,822,973**	**100.00%**	**-**	**-**	**0.00%**	**-**	**-**	**100.00%**
TOTAL GOU FINANCING	**21,545,000,000**	**5,822,973**	**100.00%**	**-**	**-**	**100.00%**	**21,545,000,000**	**5,822,973**	**100.00%**
IFAD FINANCING									
Oil palm									
Buvuma Oil plam development	1,062,640,000	286,811.39	3.27%	-	-	0.00%	1,062,640,000	286,811	1.94%
Kalangala Oilpalm Development	15,549,620,050	4,196,913.48	47.90%	-	-	0.00%	15,549,620,050	4,196,913	28.40%
KOPGT support	4,112,660,560	1,110,025.87	12.67%	-	-	0.00%	4,112,660,560	1,110,026	7.51%
New oil palm area identification	534,000,000	144,129.04	1.65%	-	-	0.00%	534,000,000	144,129	0.98%
Subtotal Oil palm	**21,258,920,610**	**5,737,880**	**65.49%**	**-**	**-**	**0.00%**	**21,258,920,610**	**5,737,880**	**38.82%**
Oil seeds							**- 21,829,000,000**		
Farmer groups extension	4,941,900,000	1,333,841.39	15.22%	12,387,800,000	3,343,788.63	55.55%	17,329,700,000	4,677,630	31.65%
Seed production	1,166,453,551	314,831.14	3.59%	2,236,467,101	603,680.50	10.03%	3,402,920,652	918,512	6.21%
Value chain	1,421,060,000	383,550.59	4.38%	3,409,190,833	920,229.06	15.29%	4,830,250,833	1,303,780	8.82%
Subtotal Oil Oilseeds	**7,529,413,551**	**2,032,223**	**23.20%**	**18,033,457,934**	**4,867,698**	**80.86%**	**25,562,871,485**	**6,899,921**	**46.68%**
PMU							**- 0**		
Project Management	3,671,094,451	990,845.16	11.31%	4,267,813,429	1,151,993.57	19.14%	7,938,907,880	2,142,839	14.50%
Subtotal PMU	**3,671,094,451**	**990,845**	**11.31%**	**4,267,813,429**	**1,151,994**	**19.14%**	**7,938,907,880**	**2,142,839**	**14.50%**
TOTAL IFAD FUNDS	**32,459,428,611**	**8,760,948**	**100.00%**	**22,301,271,363**	**6,019,692**	**100.00%**	**54,760,699,974**	**14,780,640**	**100.00%**
Grand TOTAL	**54,004,428,611**	**14,583,921**		**22,301,271,363**	**6,019,692**		**76,305,699,974**	**20,603,613**	

Table 5.5: Budget by funding source for the period July 2018 to December 2019

	6 Months (Jul 2018- Dec 2018)			1 year (Jan 2019- Dec 2019)			Total (Jul 2018 - Dec 2019)		
FINANCIER	**Amount (UGX)**	**Amount (USD)**	**%age**	**Amount (UGX)**	**Amount (USD)**	**%age**	**Amount (UGX)**	**Amount (USD)**	**%age**
GOU	21,545,000,000	5,822,973	39.89%	-		-	21,545,000,000	5,822,973	28.24%
IFAD	32,459,428,611	8,760,948	60.11%	22,301,271,363	6,019,692	100%	54,760,699,974	14,780,640	71.76%
Grand Total	**54,004,428,611**	**14,583,921**	**100.00%**	**22,301,271,363**	**6,019,692**	**100%**	**76,305,699,974**	**20,603,613**	**100.00%**

Table 5.6: IFAD loan 806 disbursements (SDR as at 30th June 2018)

Table 2C:	Status of funds USD as at 30/06/2018 SDR												
Category		Allocation	Disbursement	%	Was in pipeline	Expenditures Not yet claimed	Subtotal	WPB (6months to Dec 2018)	Subtotal	WPB for Jan 19- Dec 19	Total	% Disb	Balance
118389	Vehicles and equipments	1,270,000	927,815	73.06%	8,589.14	91,336.52	1,027,741	405,520.61	1,433,261	664,228.17	2,097,489	165.16%	- 827,489
118390	Materials	830,000	611,524	73.68%	61,877.86	41,042.46	714,445	63,692.85	778,138	23,424.96	801,563	96.57%	28,437
118391	Pontoon landing sites	810,000	-	0.00%	-	-	-	-	-	-	-	0.00%	810,000
118392	Other Civil works	1,040,000	561,053	53.95%	25,153.58	87,286.58	673,493	643,610.36	1,317,103	960,039.32	2,277,143	218.96%	- 1,237,143
118393	Smallholder oil palm development	9,560,000	8,746,633	91.49%	141,282.77	-	8,887,916	2,388,428.08	11,276,344	-	11,276,344	117.95%	- 1,716,344
118394	Oil seed Guarantee Fund	-	-		-	-	-	-	-	-	-		-
118395	Consultancies, Workshops and Training	3,360,000	1,642,231	48.88%	172,402.81	433,298.50	2,247,932	1,208,411.83	3,456,344	867,904.23	4,324,248	128.70%	- 964,248
118396	Extension services	8,080,000	2,884,030	35.69%	416,936.87	930,201.21	4,231,168	777,094.23	5,008,262	1,207,019.04	6,215,281	76.92%	1,864,719
118397	Salaries and allowances	3,510,000	2,640,153	75.22%	125,824.72	394,721.28	3,160,699	405,016.39	3,565,716	262,000.52	3,827,716	109.05%	- 317,716
118398	Operating costs	2,100,000	1,660,992	79.09%	180,102.40	185,843.23	2,026,937	332,258.09	2,359,195	291,947.96	2,651,143	126.24%	- 551,143
	Unallocated	2,940,000		0.00%	-	0	-	-	-	-	-	0.00%	2,940,000
	Total	**33,500,000**	**19,674,431**	**58.73%**	**1,132,170**	**2,163,730**	**22,970,331**	**6,224,032.44**	**29,194,363**	**4,276,564**	**33,470,928**	**99.91%**	**29,072**
	Initial Deposit		***4,726,810***				**4,726,810**		**4,726,810**				
	TOTAL	**33,500,000**	**24,401,242**	**72.84%**	**1,132,170**		**27,697,142**	**-**	**33,921,174**				

Table 5.7: Planned IFAD Loan re-allocation

Status of funds USD as at 30/06/2018 SDR	Allocation	Re-allocation
Vehicles and equipments	1,270,000	2,097,489
Materials	830,000	801,563
Pontoon landing sites	810,000	-
Other Civil works	1,040,000	2,277,143
Smallholder oil palm development	9,560,000	11,276,344
Oil seed Guarantee Fund	-	-
Consultancies, Workshops and Training	3,360,000	4,324,248
Extension services	8,080,000	6,215,281
Salaries and allowances	3,510,000	3,827,716
Operating costs	2,100,000	2,651,143
Unallocated	2,940,000	29,072
TOTAL	**33,500,000**	**33,500,000**

Table 5.8: Financial performance by financiers

Financial performance by financier as at 30/06/2018

Financier	Appraisal(USD '000)	Disbursements(USD '000)	Percent disbursed
IFAD loan	52,000	35,669	72.84%
IFAD Grant	1,086	1,086	100.00%
Government of Uganda	15,000	19,284	128.56%
Oil Palm Uganda Ltd (OPUL)	70,380		0.00%
Trust	4,440	5,362	120.78%

KOPGT	1,040	1,046	100.53%
Farmers	3,900	4,630	118.71%
SNV co financing	340	340	100.00%
Total	**148,186**	**67,417**	**45.50%**

5.6 Disbursement by different financiers

Disbursement of IFAD Loan as of June 30,2018, is 72.84%. If WAs in the pipeline are included, the disbursement rate increases to 82.68%. Given the current momentum of implementation, disbursement is expected to continue to steadily increase to 99.91% at December 31, 2019, after the extension of the oilseeds component.

The IFAD grant of USD 1 million to SNV (OSSUP) was disbursed 100% to SNV; OPUL was to contribute USD 70.8 million but this stands at 0% as no investment for Buvuma took place.; Disbursement by the Trust is 0% because reflows have not been used to finance oil palm development but instead UGX 15.3billion (USD 4.3million) was transferred to the Ministry of Finance and another UGX 4billion (USD 1.1million) has been accumulated for onward transfer to Ministry of Finance.; KOPGT has so far collected USD 1,046 (100.50%) from its farmers for collection and transportation of ffbs to OPUL. However, no KOPGT revenue has been used so far to handle operational activities, although the institution has built an endowment fund of USD 0.85 million in its sustainability bank account; Farmers have contributed USD 4.63 million in terms of land for planting their oil palm and maintenance of the gardens.; and SNV contribution 100%.

5.7 Designated Accounts (DAS)

The project operates two designated accounts; one for PMU expenditures (USD 5.96 Million) and another for pre-financing cash payments to farmers for Oil Palm development (USD 1.04 million). The summarised designated account reconciliations are shown in Table 5.9 below:

Table 5.9: Summary designated account reconciliations

Farmers' Loan Designated Account 30/09/2018	USD
Initial deposit (A)	**2,000,000.00**
Transferred to PMU Designated account	962,854.58
Equals Present Outstanding Amount	**1,037,145.42**
Special Account bank balance (Currency of this account is USD)	129,017.04
Operational Account bank balance (Currency of this Account is UGX)	110,379.92
Expenditures claimed but not yet credited by IFAD	-
Expenditures not yet claimed for reimbursement to IFAD	197,748.46
Interest earned/loss	-
Subtotal (B)	**437,145.42**
Difference C=(A) - (B)	***600,000.00***
Transferred to PMU account	
VODP Designated Account 30/06/2018	USD
Initial deposit (A)	**5,000,000.00**
Transferred from Loan Designated account	962,854.58
Equals Present Outstanding Amount	**5,962,854.58**
Special Account bank balance (Currency of this account is USD)	1,600,520.83
Operational Accounts bank balance (Currency of this Account is UGX)	134,917.14
Sub accounts bank balance	296,531.17
Expenditures claimed but not yet credited by IFAD	1,394,773.08
Expenditures not yet claimed for reimbursement to IFAD	3,136,112.36
Interest earned/loss	-
Subtotal (B)	**6,562,854.58**
Difference C=(A) - (B)	***(600,000.00)***
KOPGT loan advance funds transferred to PMU account of USD 600,000	

5.8 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 2017/18 financials and activities after the supervision mission.

6.0 PROCUREMENT AND DISPOSAL OF PROJECT ASSETS

Under VODP Phase two (VODP2), the 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 six 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) is not fully constituted following the expiry of term of office for two members out of the required five (05). Arrangements are underway to have the Contracts Committee membership fully constituted. The nomination has been done to the permanent secretary and secretary to the treasury for their appointment which is expected in the due course. However the three members still constitute the quorum and they have continued supporting the functioning of the procurement processes.

To-date, (67) 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 (272). The total number of micro procurements (below UGX 5 million) handled to-date is (568). Total number of procurements handled to-date is 840.

Table 6.1: Summary of procurements processed from July 2012 to June 2018

SUMMARY NUMBER OF PROCUREMENTS PROCESSED															
	2012		2013		2014		2015		2016		2017		2018		
Month	*Micro*	*Macro*	*Micro*	*Macro*	*Micro*	*Macro*	*Micro*	*Macro*	*Micro*	*Macro*	*Micro*	*Macro*	*Micro*	*Macro*	*Totals*
January	0	0	0	4	13	0	1	13	12	6	**11**	**4**	**11**	**3**	**78**
February	0	0	9	3	18	0	5	5	11	5	**6**	**7**	**9**	**4**	**82**
March	0	0	4	0	5	6	7	0	9	3	**18**	**9**	**14**	**7**	**82**
April	0	0	10	9	12	8	6	1	6	2	**14**	**2**	**11**	**6**	**81**
May	0	0	9	6	6	0	6	2	6	4	**5**	**2**	**24**	**9**	**73**
June	0	0	9	5	4	6	12	0	12	0	**19**	**8**	**16**	**6**	**85**
July	27	0	10	5	8	10	15	2	15	2	**6**	**2**	**12**	**4**	**103**
August	0	2	0	0	5	0	15	8	15	12	**18**	**1**	**12**	**2**	**75**
September	0	0	3	6	7	0	3	0	13	0	**11**	**10**	**4**	**2**	**59**
October	1	3	0	4	0	8	7	0	11	17	**13**	**4**			**57**
November	0	2	0	0	-	-	12	0	5	15	**11**	**1**			**26**
December	12	0		5	-	-	9	0	8	18	**8**	**5**			**39**
TOTALS	**40**	**7**	**54**	**47**	**78**	**38**	**98**	**31**	**123**	**84**	**140**	**55**	**113**	**43**	**840**
	Total Micro														**562**
	Total Macro														**272**
	Total Procurements														**840**

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

The monetary value of all procurements handled (Value of all contracts placed including those not yet paid for) since July 2012 to September 2018 (6 Financial Years) is UGX 21,071,411,000. The value of micro procurements (less than UGX 5 million) is UGX 1,062,303,000 and the total value of macro procurements to-date is approximately UGX 20,009,108,000

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

ANNUAL PROCUREMENT FIGURES BY VALUE IN UGX'000														
2012		2013		2014		2015		2016		2017		2018		GRAND TOTAL
Micro	Macro	Micro	Macro	Micro	Macro	Micro	Macro	Micro	Macro	Micro	Macro	Micro	Macro	
66,819	474,580	79,311	2,420	194,245	3,974,023	290,927	1,757,300	285,963	4,290,543	389,500	5,290,500	195,280	3,780,000	21,071,411

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.

6.1 Challenges faced

i) Delays to draw specifications/Terms of Reference/BOQs/statement of work has always posed a big challenge especially consultancies that have had subsequent delays, this because of busy staff schedules in the project implementation.

ii) Due to the lengthy approval of procurement requisitions by the different authorities in the ministry, we have registered some delays in the procurement process, however the last FY has registered an improvement.

iii) Delays in paying suppliers/service providers have created some mistrust by service providers and may lead to increase in costs of future services/supplies due to anticipation.

iv) Currency fluctuations against the budgeted procurement amounts renders budget estimates unrealistic against prevailing market rates.

v) Fixed Contract prices for 2 years like the case for the Pay for Service Providers (PSF) may render contract implementation difficult.

vi) Dissatisfied provider's delay procurement processes through lodging unnecessary complaints for administrative reviews.

vii) Delays in Renewals/appointments of CC members for the project.

viii) Delayed appointments of contracts committee member's affects committee business due to difficult lack of quorums at certain times.

ix) Delays in contract renewals due to insufficient or late submission of Contract Management plans by contract managers to PDU

6.2 POSSIBLE SUGGESTIONS.

i) Continuous engagement by procurement office with users to submit specifications/Terms of Reference/BOQs/statement of work to procurement unit in a timely manner to fast truck procurement processes.

ii) The stakeholders responsible in the approvals have taken keen interest to track all the approvals through open door system, this is positive towards reduction in the administrative time lost.

iii) Contract management has improved delayed payments much as it is still having gaps, this has been through capacity building of all the stakeholders specific to contracts management and performance implementation planning jointly majorly on Pay for service providers (PSPs).

iv) Contracts for duration of more than one year should have a price variation clause to cater for possibility of inflation based on inputs and contracts shall be drafted with this clause.

v) Continuous engagement with suppliers, contractors and service providers to appreciate evaluation criterion for winning bids to reduce on administrative reviews as well maintaining ethics and transparency throughout in the processes while maintaining effective open communication.

vi) Regular IFAD organized procurement training workshops where procurement cadres from different countries could interact, learn, share experiences and improve on procurement best practices and procedures.

vii) The project has adopted proactive approach to initiate the contract renewals of contracts committee members 3 to 4 months to avoid gaps, this is after learning the lengthy processes and as well the busy schedules of PSST, the appointing authority.

viii) The procurement unit has devised a means of empowering the contracts managers to understanding the processes of contracts management by drawing the contract implementation plan and make sure they are timely submitted for contracts renewals where it's due or payment process.

ANNEXES

ANNEX I: ACTIONS AND RECOMMENDATIONS FOR IFAD IMPLEMENTATION SUPPORT MISSION OF 17th TO 26th SEPTEMBER, 2018.

Area	Agreed action	Responsible	Agreed date	Status as at September, 2018
Status of Oil palm Development in Kalangala	Establish and manage Best Management Practices (BMP) plots	KOPGT	31 Aug 2018 KOPGT 31 Aug 2018	Established 24 plots one in each unit and progress is being observed.
Institutional Issues in Kalangala KOPGT and KOPGA	Review KOPGT legal documents and propose necessary amendments	UCA/PMU	31 Oct 2018	Legal documents are being reviewed and work is on-going, 1st draft was presented to the board.
	Update the job descriptions for KOPGT operational staff	KOPGT	30 Sep 2018	The KOPGT job descriptions were updated. Job description updated.
	Develop SOPs for field operations	KOPGT	30 Aug 2018	SOPs developed together with NARO and are will be presented to the Mission.
	Complete posting of interest journal and issue loan statements to farmers	KOPGT	30 Sep 2018	The process is still ongoing..
	Transfer Pearl and stores management under FA unit	KOPGT	31 Jul 2018	Done, the two systems are under the Finance and Administration Section in KOPGT.

Area	Agreed action	Responsible	Agreed date	Status as at September, 2018
	Agree on implementation schedule for SAP modular testing	KOPGT	30 Sep 2018	Phase one of SAP was completed and phase two has commenced.
	Conduct technical and operational review of KOPGT	IFAD	30 Nov 2018	The procurement process is on-going
	Recruit new General Manager	KOPGT	30 Sep 2018	A Care taker Manager is in place
	Adopt Audit Report	KOPGT	31 Jul 2018	This was presented to KOPGT Board for adoption.
	Recruit audit firm for 2016/17 and 2017/18 audits	KOPGT	31 Aug 2018	Not yet recruited.
Oil Palm Development in Buvuma	Issue lease titles to BUL for 2,850 hectares (including 250 ha for nursery)	PMU	31 Dec 2018	On-going
	Order seedlings for 1,250 ha smallholders in Buvuma	PMU	31 Aug 2018	Order issued by the project. The project nw awaits feedback from BUL
	Submit ToRs for mobilization team for IFAD No Objection	PMU	31 Jul 2018	The TORs were submitted to the Permanent Secretary, MAAIF for clearance before submitting them to IFAD for a No Objection.

Area	Agreed action	Responsible	Agreed date	Status as at September, 2018
	Launch recruitment of hub start-up team	PMU	30 Nov 2018	A comprehensive staffing list including the Terms of service and academic requirements was prepared and submitted to the Permanent Secretary, MAAIF for clearance before it is submitted to IFAD for No Objection. .
	Sign MoU with MLHUD for physical land use planning	MAAIF/PMU	31 Oct 2018	The MOU will be signed when the project starts implementing NOPP.
	Launch procurement for services for farmers' institutional development	PMU	30 Sep 2018	TOR from BUL received (developed)
Infrastructure Development in Kalangala and Buvuma under Procurement	Complete road works in Bunyama	PMU/MAAIF	31 Aug 2018	The road works on Bunyama island are progressing well as presented in the progress report.
	Complete road works in Bubembe	PMU/MAAIF	31 Dec 2018	Road works in Bubembe are scheduled to start after completion of the road works on Bunyama island.
	Hire additional equipment through MAAIF framework contract	PMU/MAAIF	31 Jul 2018	The Call of order has been signed and work is expected to commence.

Area	Agreed action	Responsible	Agreed date	Status as at September, 2018
	Complete the remaining 52 Kms of works in Bugala	PMU/MAAIF	31 Dec 2018	The remaining road works on Bugala island will be accomplished through the Call of Order which has now been signed.
	Elaborate a road maintenance plan for Bugala and outlying islands	PMU	30 Aug 2018	On going
	Launch bidding process for construction of landing sites in outlying islands	PMU	31 Jul 2018	SBD & procurement method sent to IFAD for No objection
	Award contracts for design and build of the ferry and landing site at Bugala	PMU	31 Jul 2018	Waiting for IFAD No objection
	Award the contract for supervision of works	PMU	31 Sep 2018	Evaluation completed and ready for contract committee approval and IFAD No Objection
	Complete the works for fertilizer stores in outlying islands	PMU	31 Dec 2018	Contract under implementation
	Award contracts for design and build of ferry and landing sites at Buvuma	PMU	31 July 2018	Contract award awaits IFAD No Objection

Area	Agreed action	Responsible	Agreed date	Status as at September, 2018
Oil Palm Research	Recruit 3 new researchers	NARO	30 Sep 2018	3 Researchers have been recruited, awaiting for No Objection from IFAD.
	Send oil palm researchers for training outside Uganda	NARO	31 Dec 2018	On-going.
	Complete MoU with OPRI Ghana	NARO	30 Oct 2018	On-going.
	Purchase germplasm from research institutes from West Africa	NARO	31 Dec 2018	On-going
	Organize visit for NARO senior management to Kalangala	PMU/KOPGT	31 Jul 2018	On-going
	Organize visits for NARO senior management to West Africa and Asia	NARO	31 Dec 2018	On-going.

Area	Agreed action	Responsible	Agreed date	Status as at September, 2018
Oil Seeds Development	Improve reporting on FGs development by DLGs	DLGs	30 Jun 2018	The District Local Governments have been trained in the use of the output and outcome reporting formats. This will enable harmonization of the DLG reports with the PSP reports.
	Accelerate delivery to achieve agreed targets (HLFOs and LLFOs)	UCA	31 Dec 2018	More staff deployed by UCA in oil palm component to accelerate delivery of targets
	Make regular updates on sunflower seed imports to PSPs and DLGs	PMU	Continuous	Being done for this season B 2018
	Capacity building in financial literacy and internal fund raising (HLFOs)	UCA/PSPs	Continuous	On going
	Coordinate farmers for advance seed orders (FG seasonal action plans)	Hub coord./PSPs	31 Jul 2018	On going

Area	Agreed action	Responsible	Agreed date	Status as at September, 2018
Project Management	Ensure adequate reporting by PSPs and, in particular, DLGs.	Hub coordinators	30 Jun 2018	The PSPs have provided their reports in the agreed formats, including the output and outcome reports which has enabled the project to compile a summary report on the performance by output and outcome indicator.
	Organize KM events on impact of oil palm (Rome and Asia)	IFAD	31 Dec 2018	Await IFAD response
Fiduciary Aspects	Update the Procurement Plan with actual and revised dates and thereby maintain it regularly updated	PMU	30 Jun 2018	On going
	Update the Contract Register to include all MOUs involving payments	PMU	30 Jun 2018	On going
National Oil Palm Project (NOPP) and Investment in Oil seeds	Submit ToRs for PM and FAM of NOPP for IFAD No Objection	MAAIF	15 Jul 2018	
	Submit ToRs for other PMU postions of NOPP for IFAD No Objection	MAAIF	15 Aug 2018	

Area	Agreed action	Responsible	Agreed date	Status as at September, 2018
	Formally communicate to IFAD the NOPP Holding Account	MoFPED	30 Sep 2018	
	Request confirmation from BUL of the target of 5,000 hectares for Buvuma	GoU	30 Aug 2018	
	Respond to GoU request of extension of VODP2 completion date	IFAD	15 Jul 2018	

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

Narrative Summary	*Verifiable Indicators*	*Unit*		*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
Goal:													
1.0 Contribute to sustainable poverty reduction in the project area	**1.1 Households with improvements in assets ownership index at project**	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					

Narrative Summary	*Verifiable Indicators*	*Unit*		*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	completion		Northern					20.22					
			Lira					25.94					
	1.2 20% reduction in the prevalence of child malnutrition, by gender (height/age, weight/age,	Oil Palm Kalangala	Under weight					28.6					Uganda Bureau of Statistics.
			Stunting					66.2					
			wasting					16.3					
		Oil Palm Buvuma	Under weight					34.8					
			Stunting					46.6					
			wasting					11.8					

Narrative Summary	*Verifiable Indicators*	*Unit*		*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	weight/height)	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	2.1 Level of vegetable oil self-sufficiency increased from 30% (2008	%		43	62	57	54	49				60%	UBOS statistics on Ugandan vegetable oil production

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
producers and ensuring the supply of affordable vegetable oil products to Ugandan consumers and neighbouring regional markets	baseline) to over 60% by project completion (2018).											database.
	2.2 Increased per capita vegetable oil consumption from 5.6 Kg/capita	Kg/capita	9.5	12.1	11.6	12.3	8.2	7.9	8.13	*10*	*15*	FAO food balance sheet The figure is the DES: Dietary energy supply. Indicator used

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	in 2008 year to 15 kg by 2018.											by IFAD.
	2.3 Households receiving project services	No of HHs	1,115	1,118	1,353	6,801	46,617	24,220	84,336	90,070[1]	*138,000*	Project M&E
3.0 An integrated oil palm industry to supply national and export markets in compliance with	3.1 Crude palm oil annual production increa	Tons	4,692	10,475	13,552	19,209	18,652	22,662	27,198	24,927	*30,000*	OPUL and KOPGT databases, reports

[1] Oil Seeds beneficiaries are estimated at 88,260 (4413 FGs x 20 members – assuming 5 share households with other group members). Oil Palm beneficiaries are 1,810 households.

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
modern environmental standards and providing equitable returns to smallholder producers.	ses from 0 tonnes in 2009 to 35 000 tonnes by 2018.											BOPGT reports Project M&E database
	3.2 Smallholders earning net incomes of USD 1,500 per ha per year	USD	322	1,119	1,225	1,457	1,036	1,384	1,225	1,426	*1,500*	

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	from year 4 of development.											
	3.3 Operational self-sufficiency of KOPGT in 2018	Yes/ No	No	No	No	No	No	56%	75%	96%	*100%*	
OUTPUTS New oil palm areas identified	4.1 40,000 ha identified for oil	Ha	10,197	11,705	13,937	15,806	15,806	16,314	16,314[2]	16,314	*30,000*	Project progress reports and

[2] Kalangala: 11, 200 Ha; Buvuma: 5,114 Ha

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	palm plantations by 2018											M&E database OPUL and KOPGT databases KOPGT reports BOPGT progress reports
Kalangala Oil Palm Scheme completed and producing	4.2 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[3]	*6,500*	
	4.3 4 700 ha planted by small holders in	Ha	2,258	2,366	3,498	3,863	3,863	4,300	4,424	4,424	*4,700*	

[3] OPUL has now planted all the targeted 6,500 hectares of land. The target was achieved in 2017.

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	Kalangala by 31 Dec 2017											Special studies District Local Government reports
	4.4 1 800 smallholders served by KOPGT	No.	1,115	1,118	1,353	1,610	1,610	1,683	1,801	1,810	*1,800*	
	4.5 KOPGT re-structuring agreement signed by 31 Dec 2017	Yes/ No	No	No	No	No	No	No	No	No	*Yes*	

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	4.6 Roads constructed in Kalangala	Bugala	Kms	210	210	240	250	250	260	358	*400*	
		Bunyama	Kms	0	0	0	0	0	0	0	*0*	*40*
		Bubembe	Kms	0	0	0	0	0	0	0	*0*	*40*
	4.6 Fertilizer store constructed	Bugala	Kms	0	0	0	0	1	1	1	1	*1*
		Bunyama	Kms	0	0	0	0	0	0	0	*0*	*1*
		Bubembe	Kms	0	0	0	0	0	0	0	*0*	*1*
Sustainable Oil Palm Development	**4.7 Two island environmental moni**	Number	1	1	1	1	1	2	2	2	*2*	

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	toring plans for smallholder oil palm completed and being implemented.											
Buvuma Oil Palm Scheme established	**4.8 2 500 ha smallholder land planted by 2018 in**	Ha	0	0	0	0	0	0	0	*0*	*2,500*	

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	Buvuma											
	4.9 1,250 farmers served by BOP GT.	No.	0	0	0	0	0	0	0	*0*	*1,250*	
	4.10 All oil palm activities (plantation, mill & refinery) are in	%	100	90%	90%	90%	90%	90%	90%	90%[4]	*100%*	

[4] Environment Impact Assessment Certificate of 2003 gave 4 conditions: No encroachment of Environmental buffer (25%); ESIAs for other oil palm developments (25%), Salvage harvesting for economically useful species (25%) and avoid soil erosion (25%). All the conditions are being met but there is some encroachment in parts of the environmental buffer. This has thus been scored 15% out of the targeted 25%.

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	compliance with NEMA regulations.											
	4.11 Kms of farm roads constructed/rehabilitated	Kms	0	0	0	0	0	0	0	0	*200*	
5.0 Continued upscaling of Lira to a modern agro industrial hub for oilseeds and the emergence of	5.1 Mill capacity utilization increased from 30%	%	30	-			51%	34%	38.7%	56%	*85%*	Millers study Baseline study,

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
Eastern Uganda, Gulu and West Nile as hubs for oilseed production.	in 2009 to 85% by 2018.											Completion report Farm models Production statistics from MAAIF M&E system
	5.2 Farmers growing sunflower and soybeans with net cash earning per ha per	Eastern Hub	-	-	-		*352,703*	*387,973*[5]	49,961[6]	*36,050*[7]		
		West Nile					*48,978*	*53,875.8*	34,664	*20,375*		
		Northern Hub					*66,290*	*72,919*	31,160	*16,625*		
		Lira Hub					*206,606*	*227,266.6*	41,619	*27,075*		

[5] Estimated from national figures (estimated at 70% of national production)
[6] Actual figures showing project beneficiaries in the 4 regional oil seeds hubs
[7] Estimated based on the project targets of reaching 136,000 beneficiaries from 5,900 farmer groups.

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	season of US$350 increased by 10% each year in each hub											UOSPA/ UNFFE/ OSSUP statistics Mid-term/project completion reports
	5.3 Oilseeds production of sun flower and soya	Sunflower[8]	70,000	161,000	197,000	167,000	183,700	202,070	82,398[9]	*244,505*	*268,955*	
		Soybean[1]	19,000	22,000	16,000	16,000	17,600	26,869.8	130,553	*23,426*	*25,768*	

[8] It is estimated that 70% of the national production is from the project area. The figures reported are 70% of national production.
[9] Area under sunflower and soybean production multiplied by the average yield.

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	bean increased by 10% each year											
	5.4 Number of secondary farmer organisations operational / functional	Number						11	15	*15*[10]	*40*	

[10] Only 15 of the identified 40 HLFOs meet the minimum requirement for being classified as such, based on membership and functionality

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	5.5 Number of farmers using purchased quality controlled seed	Sunflower						5,538	12,088	12,481[11]	*45,132*	
		Soybean						5,312	10,169	21,369*	*77,268*	
		Ground nuts						5,585				
		Sesame						7,694	9580	1,321*		
OUTPUTS **6.0 Production of certified good**	6.1 20 MT each of foundation/ breeder seed of hybrid parental lines of sunflo	Soybean				22	25	65	53	49	*20*	OSSUP reports NaSARRI, NaCRRI/ MAAIF
		Sesame					2	*10*	*10*		*10*	
		Ground nuts					3	*12*	*10*		*10*	
		Sunflower						*5*	9.8	8.4	*20*	

[11] Reports from the Extension Service Providers

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
quality seed and oil	wer, groundnuts and soybean produced annually by NARO											Seed Certi Rep.
Smallholders farming oilseeds as a business and operating in groups to sell increasing volumes of	6.2 90% of oilseed growers buying quality contr	Sunflower						7,490	12,088	12,481 [12]		UBOS reports DAO quarterly report NAADS tech. report Impact assessme
		Soy beans	80,000			93,856 [13]		6,918	10,169	21,369		

[12] Figures reported by the extension service providers only in the project area.
[13] 45,007 ha from farmer learning platforms added to the 80,000 ha from baseline

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
crushing material to millers	olled seed by 2017											nts and surveys
	6.3 10% annual increase in the hectares under oil seeds cultivation in each regional hub	Sunflower						30,691	54,932	129,101		VODP2 progress reports
		Soybean						50,652	76,796	181,492		MAAIF farm survey reports Impact assessments and surveys
	6.4 Average	Sunflower				0.8		1.3	0.7	1.9	*1.7*	

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	yield of 1.7 t/ha for sunflower and 1.1t/ha for soybean	Soybean				0.737		0.9	0.6	1.8	*1.1*	VODP2 progress reports using Info. from millers, UBOS and UNBS reports, and mobile service provider
	6.5 5,900 farmer groups (with 30% participation of women) receiving extension	Farmer groups % women					2,394	2,448	3,183	5,311	*5,900*	

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	services from the project by 2018											
	6.6 1000 Farmer groups bulk selling by 2017							145	607	670	*1,000*	
	6.7 90% of the medium/la	Large scale mills %	0	0	0	0		*20%*	40%	86%[14]	*90%*	

[14] 6 out of 7 large mills certified. Currently process of certification of MMP Nile Agro on going.

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	rge-scale millers attain UNBS quality certification by 2018.	Medium scale mills %										
	6.8 Amount of credit facility disbursed to value chain actors by	Amount (UGX Bn)	0	0	0	0	2.1	2.7	2.8	3.1	*3.5*	

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	participating financial institutions (Billions)											
	6.9 Number of beneficiaries of the credit facility.	Households	0	0	0	0	1,385	1,645	2,983	3,604	*2,874*	
7.0 Project Management helping farmers to	7.1 IFAD loan 55% disbursed	Number	0%	11%	13.5%	19.7%	32.3%[15]	46.51	52.47	67.35*	*100*	VODP2 progress reports.

[15] September 2014

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
provide growing amounts of crushing material for processing in edible oil & earning better incomes	by 30 June 2015 and 100% by 31 June 2019											IFAD loa disbursem nt report Audit reports in line with IAS.
8.0OUTPUTS 8.1 Project Management fully operational	8.1 Full staff of qualified professionals	%	2	2	12	13	13	10	8	13*	*13*	Audit reports PMU financial reports
8.2 Oilseed subsector platform	8.1 Percentage of action	%	100	100	100	100	100	100	100	100[16]	*100*	VODP2 project progress

[16] Recommendations from OSSUP platform meetings were incorporated in the project AWPBs.

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
(OSSUP) providing forum for stakeholders	s that OSSUP platform meetings agreed upon that have been implemented											and M&E reports
	8.2 Timely preparation and execution of AWPB		Y	Y	Y	Y	Y	Y	Y	Y	*Y*	

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	(budget performance by financial year).											
	8.3 Timely submission of mandatory reports		Y	Y	Y	Y	Y	Y	Y	Y	*Y*	
	8.4 Timely submission of withdrawal		Y	Y	Y	Y	Y	Y	Y	Y	*Y*	

Narrative Summary	*Verifiable Indicators*	*Unit*	*2010*	*2011*	*2012*	*2013*	*MTR 2014*	2015	2016	2017*	*EOP 2018 (Projected)*	*Means of Verification*
	requests											

BOLD: RIMS INDICATORS

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

HUB					Beneficiaries		District
Lira Hub	**Bank**	**Amount**	**Repaid**	**Groups**	**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	Kaberamaido
repeat (3 cycles)	OBUL loans	15,950,000		Kakure B	18	1	Kaberamaido
new 2017	DFCU loans	8,500,000	8,500,000	Pwodi Eboot	10	9	Kaberamaido
new 2017	DFCU loans	5,000,000	5,000,000	Canlinyero	6	4	Kaberamaido
new 2017	DFCU loans	9,800,000		Ogasia Obiamora	5	7	Kaberamaido
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

New 2017		1,000,000		1			Sironko
New 2017		11,500,000		2			Tororo
New 2017		8,200,000		1			Manafwa
New 2017	OBUL	21,500,000		Taabu Cooperative	19	24	Tororo
New 2017	Bugadde SACCO	14,150,000		Bukenda Akanaabala	6	7	Namutumba
New 2017	Success SACCO	860,000		Lukindu Livestock Farmers group	10	8	Mayuge
New 2017	EPSEDEC-CARD	30,000,000		30 FGS			
Northern Uganda							
repeat (2 cycles)	Post Bank loans	10,000,000	10,000,000	Ocam Ringo	11	5	Lamwo
repeat (2 cycles)	Post Bank loans	9,000,000	9,000,000	Lakure Peko pee	12	13	Lamwo
repeat (2 cycles)	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
New 2017	DFCU loans	20,000,000		Lit ki Lanyero	3	10	Amuru
New 2017	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		